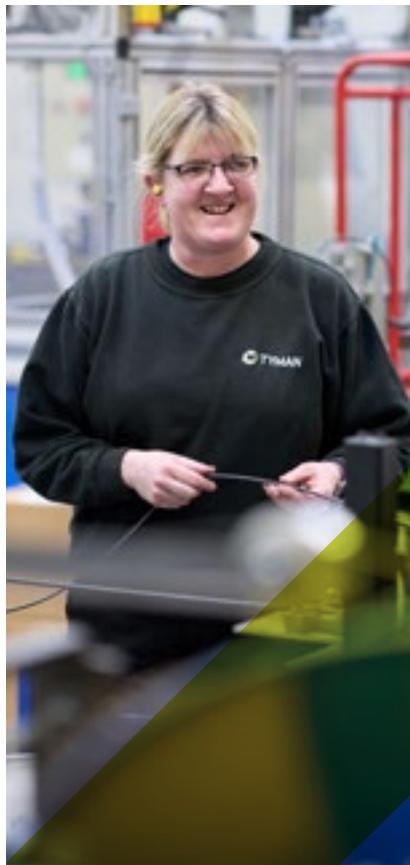




Tyman plc

Annual Report and Accounts for
the year ended 31 December 2023



Positioning for
sustainable
growth



Tyman is a leading international supplier of highly-engineered door and window components and access solutions to the construction industry.

The Group performed robustly in a volatile and challenging environment in 2023, which is testament to the agility and resilience of its business model and the dedication and expertise of its people.

The Board remains confident in the significant value-creating potential available to the Group as it continues to successfully implement its strategic initiatives, positioning itself to take advantage of the structural growth drivers once the housing market backdrop improves.



Acquisition of Lawrence added an exciting product category to our market-leading portfolio in North America.

[See page 27](#)



Share gains achieved in all major markets.

[See pages 33 to 39](#)



Ambitious carbon reduction targets validated by the SBTi.

[See page 73](#)

Strategic report

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Read about
our attractive
markets
on pages
14 to 17

A robust performance in a challenging market

The agility of our management teams in flexing cost, together with the reversal of the pricing lag in North America, enabled Tyman to deliver full-year adjusted operating profit in line with expectations.

The Group achieved excellent operating cash conversion of 143%, reflecting strong working capital management, and this enabled a reduction in net debt despite acquiring Lawrence for £44 million.

Performance in line with expectations

- Revenue decline reflected significant reduction in volumes partially offset by the carryover benefit of pricing actions and share gains
- Adjusted operating profit decline primarily reflected negative operating leverage from significant reduction in volumes, partially offset by an initial contribution from Lawrence
- North America adjusted operating margin increase of 130bps to 15.5%, benefitting from the reversal of the pricing lag and the contribution from Lawrence; division represents >70% of Group adjusted operating profit
- Excellent adjusted operating cash conversion of 143%, reflecting a £34 million reduction in inventory and enabling a net debt reduction despite acquiring Lawrence for £44 million
- Good progress with our strategic initiatives to gain share and structurally improve margin
- Best ever safety performance, with LTIFR of 1.0 and TRIR reducing by 26% to 4.2
- Near-term carbon reduction targets validated by the Science Based Targets initiative ("SBTi")
- Full-year dividend per share maintained at 13.7 pence, reflecting confidence in the Group's future growth prospects

Financials

Revenue

£657.6m

2022: £715.5m

Adjusted basic EPS

30.1p

2022: 34.7p

Adjusted operating profit

£84.4m

2022: £94.6m

Basic EPS

19.6p

2022: 24.6p

Dividend per share

13.7p

2022: 13.7p

Profit before taxation

£50.0m

2022: £61.4m

Leverage

1.1x

2022: 1.0x

Adjusted net debt

£110.3m

2022: £115.9m



Safety and sustainability

Safety performance

1.0

Lost Time Incident Frequency Rate



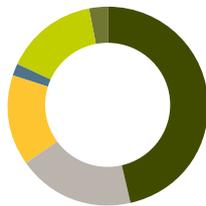
- Lost Time Incident Frequency Rate ("LTIFR")
- Total Recordable Incident Rate ("TRIR")

→ Read more on pages 46 and 47

Sustainable solutions revenues¹

23%

of Group revenues



Split by type of benefit provided

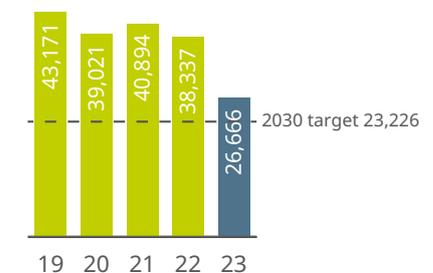
- Energy saving
- Crime reduction
- Fire protection
- Severe weather protection
- Safety & health protection
- Inclusive living

¹ Revenues from products that positively impact one or more UN Sustainable Development Goals ("SDGs") in use.

→ Read more on pages 53 to 55

Greenhouse gas emissions (TCO₂e)

-30.4%



→ Read more on pages 81 and 82



The Group achieved its best ever safety performance and had its near-term carbon reduction targets validated by the SBTi."

Jason Ashton

Interim Chief Executive Officer at 31 December 2023

Chair's statement



Significant growth potential



The determination, resilience, expertise and agility of our people gives the Board confidence in the Group's long-term future."

Nicky Hartery Non-executive Chair

Board focus areas in 2023

- Development of the Board's skills matrix to monitor Board composition and aid succession planning
- Conducted a rigorous and extensive process to appoint a new Chief Executive Officer
- Conducted an organisational capability review through the Nominations Committee
- Oversight of the Group's strategic acquisition of Lawrence Industries
- Progress on the Group's sustainability roadmap

People and culture

The Board's priority is always to ensure the health and safety of our employees, their families and our communities. It is extremely pleasing to report that the Group's safety performance has continued to improve, reflecting the ongoing drive across the business to deeply embed a safety excellence culture. The 2023 LTIFR is now almost at the Group's target and, consequently, the focus now moves to the broader measure of TRIR. The ambition remains to move Tyman as close as possible to world-class levels of safety performance.

Obtaining employee feedback is also important to the Board; this occurs on a regular basis through site visits as well as in skip-level meetings held by the Workforce Engagement Non-executive Director, Pamela Bingham. Following the all-employee engagement survey conducted in 2022, pulse surveys were used in 2023 to assess progress against the action plans developed from the survey results, with the next full employee engagement survey planned for 2024.

The market environment in 2023 remained volatile and challenging. Given this, and on behalf of the Board, I would like to say how incredibly proud I am of how well our people have responded. Their determination, resilience, expertise and agility is hugely appreciated by the Board and gives us confidence in the long-term future of the Group.

Performance overview

The Group delivered a solid trading performance in 2023 given the challenging market conditions. Group revenue decreased by 8% to £657.6 million, with the benefits of the carryover of prior year pricing actions and share gains more than offset by volume weakness. The agility of the management teams in adapting and controlling cost, together with the reversal of the pricing lag that had negatively impacted prior years' performance, limited the decline in adjusted operating profit to 11%. Of note, the Group delivered excellent operating cash conversion of 143%. Further details of our financial performance are set out on pages 40 to 45.



Strategy

Whilst the near-term trading environment has been challenging, the housing sector fundamentals are strong and will continue to provide growth opportunities. The Board is confident that the Group strategy remains the right one to position us to take advantage of such growth opportunities and supports long-term value creation with sustainability at its core. Good progress was made with strategic initiatives to gain market share and enhance the Group's operational platform in 2023, despite the market volatility, and the Group completed the acquisition of Lawrence Industries ("Lawrence") in the middle of the year. Lawrence provides an excellent fit with our existing extensive product portfolio and enhances our customer value proposition and growth prospects in the attractive North American market. Further information about our strategy is on pages 20 to 29.

Sustainability

With sustainability central to Tyman's strategy, Board engagement on the topic remained significant in 2023 (see page 60 for an update on the Board's discussions in relation to sustainability and climate change). The Board was delighted that Tyman's near-term science-based carbon reduction targets ("SBTs") were validated by the Science Based Targets initiative during the first half of the year, marking an important step in the Group's sustainability roadmap as it continues to implement its 2030 roadmap. Further details of the Group's transition plan to deliver its near-term (2030) science-based targets, including opportunities to collaborate with customers on their net zero and sustainability journeys, can be found on pages 72 to 77.

CEO succession and Board changes

On 6 April 2023, Jo Hallas stepped down as Chief Executive Officer ("CEO") and Director of Tyman, by mutual agreement with the Board. Jason Ashton, previously the Group's Chief Financial Officer ("CFO"), acted as Interim CEO from that date, whilst a process to recruit Jo's successor was undertaken, and on 21 April 2023, Juliette Lowes, who was previously Group Financial Controller, assumed the Interim CFO role. Following a rigorous and extensive process that included both internal and external candidates, Rutger Helbing was appointed CEO with effect from 2 January 2024, with Jason and Juliette both returning to their previous roles at the same time.

Rutger was the Chief Executive of Devro plc between January 2018 and April 2023, and the Board believes that his broad international manufacturing expertise, strategic and commercial acumen, and success in growing Devro plc and delivering significant value for its shareholders will be of great benefit to Tyman at this stage in the Group's journey.

On behalf of the Board, I would like to thank Jason and Juliette for their significant contribution leading the business for most of 2023, during which time the Group acquired Lawrence and delivered a solid trading performance and strong cash conversion, whilst navigating challenging market conditions.

After more than six years' service as a Non-executive Director, Helen Clatworthy retired from the Board with effect from 21 July 2023. The Board would like to thank Helen for her significant contribution to the Group; her leadership,

experience and judgement have been invaluable through a period of considerable change. Dr Margaret Amos joined the Board as a Non-executive Director with effect from 19 June 2023. She is a member of each of the Remuneration and Nominations Committees and, from 21 July 2023, she assumed the role of Chair of the Audit and Risk Committee from Helen Clatworthy.

A description of the process followed in the search and appointment of both the Chair of the Audit and Risk Committee and the Chief Executive Officer, including information on key search criteria, is set out within the Nominations Committee report on pages 122 and 123.

Governance

The Board is committed to good corporate governance and recognises the important role it plays in supporting our long-term success and sustainability. The Group's Statement of governance on pages 111 to 120 provides an overview of Tyman's governance framework, as well as the work of the Board and its Committees.

During 2023, the Board considered various operational topics, such as the acquisition of Lawrence, the exit from the Chinese commercial market, and managing through a market downturn. The Board also spent time on topics related to the Group's long-term strategy, such as progressing the sustainability roadmap, upgrading the Group's IT systems to support greater efficiency, and oversight of the Group's footprint optimisation projects.

Dividends

The Board is proposing a total dividend for the 2023 financial year of 13.7 pence per share, the same level as 2022 despite the reduction in profit, reflecting confidence in the Group's prospects. Dividend cover of 2.2x remains within the target range of 2.0–2.5x. The dividend will be paid on 29 May 2024 to shareholders on the register at the close of business on 26 April 2024.

Summary

The Group has performed robustly in a volatile and challenging environment in 2023, which is testament to the agility and resilience of its business model and the dedication and expertise of its people. The Board remains confident in the significant value-creation potential available to the Group as it continues to successfully implement its strategic initiatives, positioning itself to take advantage of the structural growth drivers once the housing market backdrop improves.

Nicky Hartery

Non-executive Chair

6 March 2024

Why invest in Tyman

A compelling way to benefit from an attractive market backdrop

Our business model and strategy, with sustainability at the core, create high barriers to entry, and our strong operating margins and cash generation enable us to invest for growth, whilst maintaining a strong balance sheet and providing a healthy return to shareholders.

1

Favourable market backdrop

- Long-term demographics, social change and shift to greater working from home provides a healthy underpin to market growth
- Housing market fundamentals are supportive over the medium term:
 - Structural housing deficits
 - Ageing housing stock
- Augmented by favourable window and door market trends in the near term:
 - Sustainability/energy efficiency
 - Compliance and building regulations/codes
 - Larger windows, slimmer profiles, contemporary look
 - Smart applications
 - Affordability

→ Read more on pages 14 to 15

2

Leading position in an attractive North American market

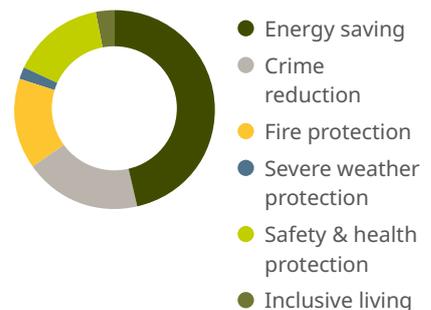
- US housing market offers very attractive growth prospects despite near-term headwinds:
 - More than 17 million new homes needed in 2020s
 - 24 million homes will reach “prime remodelling” age by 2027
 - 30% increase in new household formation in the 2020s vs. 2010s
- Tyman is well placed to respond to this attractive market:
 - Leading brands with 40–45% share of served markets
 - National coverage, enabling improved customer service via optimised distribution network and manufacturing redundancy

→ Read more on pages 16 to 17

3

Sustainability: an increasingly important growth driver

- Sustainability increasingly important in new product development, capital investment and M&A
- Energy efficiency, safety and security, and inclusive living all offer Tyman growth opportunities
- Revenues from products that positively impact one or more UN SDGs in use represent 23% of Group revenues (see below for split by type of benefit provided)



→ Read more on pages 53 to 55

4

Proven customer value proposition creates high barriers to entry

- Deep, integrated customer relationship; strategic partner for customers
- Broadest portfolio of hardware and sealing solutions in the window and door market
- Well invested businesses with scale and resilience
- Leader in customer-centric and market-driven innovation

→ Read more on pages 12 to 13

5

Healthy operating margins with expansion opportunities

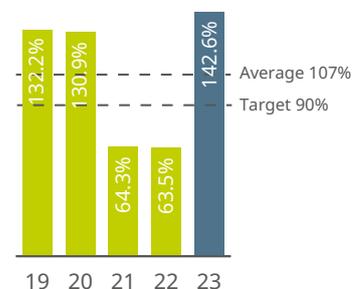
- Our products comprise just 5–15% of the installed cost of a window or door but deliver significant value to the end user
- Operating margins set to recover following period of supply chain disruption and inflation
- Each division has delivered double-digit margins on average since 2018 and each has a clear path to margin expansion

→ Read more on pages 33 to 39

6

Strong cash generation and balance sheet

- Adjusted operating cash conversion averages over 100% since 2018 compared to target of 90% (see chart below)
- Free cash flow as a percent of sales averages 9% since 2018
- Target net debt:EBITDA range of 1.0–1.5x



→ Read more on pages 42 to 43

Our products

Our product portfolio covers all aspects of the hardware and sealing solutions required for doors and windows, and a full suite of solutions for roof, wall and floor access in residential and commercial buildings.

Our products and solutions represent a small proportion of the cost of a window or door but have a disproportionate impact on the comfort, sustainability, security, safety and aesthetics of residential and commercial buildings.

Window and door hardware

All aspects of the hardware required to open, close and lock a window or door (including patio and bi-fold doors), such as locks, cylinders, hinges, handles and, in the case of sash/sliding windows, balances to ensure the smooth operation of the window. Includes decorative hardware and accessories (letterplates, handles, door knockers, letters and numbers). Primarily serving the residential market, but also supplying the commercial market.

Smartware and automation

Smart entry and monitoring solutions for the residential market, such as electronic access products, sensors, alarms, indoor/outdoor cameras and associated services.



Key



Window and door hardware



Seals and extrusions



Smartware and automation



Access solutions

Seals and extrusions

High-quality window and door seals and other extrusions for both residential and commercial applications. This includes compression seals for casement applications and pile for sliding applications.

Access solutions

Range of solutions that provide access to the roof, floor/pavement or wall (riser doors), primarily for commercial building applications. The roof access portfolio encompasses roof hatches, ladders and railings, as well as smoke and heat exhaust vents. The wall access portfolio includes a range of riser doors and panels that provide access to mechanical and electrical services, whilst floor access hatches enable access to underfloor services or below/between building floors.



Case study

BILCO roof hatches enabling modernisation of waterworks infrastructure across America

Investment in environmental public works has been one of the fastest growing parts of the US construction market in recent years, benefitting from the Infrastructure Investment and Jobs Act that was enacted in November 2021, part of which is aimed at modernising water works infrastructure across the country to ensure safe, lead-free water for the whole population. According to Dodge Construction Network, there has been double-digit growth in spending on environmental public works in both 2022 and 2023.



Pictured: The BILCO roof hatches provide natural daylight, allowing the facility to lower its energy usage costs.



Pictured: The wide opening of the BILCO roof hatches made it easy for the facility to install large pumps and the hatches provide convenient access for future pump replacement.

Tyman's BILCO business is well positioned to participate in this growth through the provision of its market-leading roof hatches on environmental public works projects, and in 2023, BILCO grew its sales of roof hatches by 8%.

One such example is a project in Odessa, Washington. Known as the Odessa Groundwater Replacement Project, it is itself part of the larger Columbia Basin Project, which serves approximately 680,000 acres of predominantly farming land.

The Odessa aquifer has been in precipitous decline since 1980, falling more than 200 feet as farmers, municipalities and homeowners drilled deeper wells to reach the diminishing water supply. The Odessa Groundwater Replacement Project, at cost of around US\$400 million, aims to significantly reduce such groundwater depletion, thereby having a profound economic and environmental impact on the local communities.

As part of the project, a new 12,800 sq. ft. pumping station has been built, housing powerful pumps that can deliver more than 63,000 gallons per minute. Teams access the pumps through aluminium roof hatches manufactured by BILCO. The custom-made hatches meet unique size requirements and are fabricated with polycarbonate dome covers for natural daylight and engineered lift assistance for easy, one-hand operation. They are also modified for hand winch operation, allowing them to be easily opened and closed from inside the building.

Our brands

Our brands are all highly regarded leaders in their respective market segments. Together, they represent almost 1,000 years of innovation, quality and service for our customers.

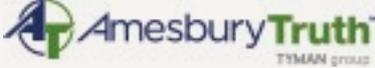


Commercial access solutions for the roof (Bilco), wall (Profab) and floor (Howe Green).

Established Bilco (1926), Howe Green (1983), Profab (2001)

access-360.co.uk

AS C UK I



Window and door hardware and seals.

Established Truth (1914), Amesbury (1978)

amesburytruth.com

H SE R NA I



Smoke vents, roof access hatches and pavement doors.

Established 1926

bilco.com

AS R C NA I



Security hardware including electronic security systems and services.

Established 1838

erahomesecurity.com

H R UK



Hardware for aluminium windows and doors.

Established 1965

giesse.it

H R C NA UK I



Decorative door hardware.

Established 1890

jatechandles.com

H R C I



Hardware for composite windows.

Established 2005

lawrenceindustriesinc.com

H R NA



Decorative door hardware.

Established 1975

reguitti.it

H R C I



Window and door seals and extrusions.

Established 1885

schlegel.com

SE R C UK I



Door hardware for architectural ironmongers.

Established 2011

zoohardware.co.uk

H R C UK

Product category

- H Window and door hardware
- SE Seals and extrusions
- AS Access solutions

Key user

- R Residential
- C Commercial

Division

- NA North America
- UK UK and Ireland
- I International

Our business model

We utilise our valuable resources and competitive advantages to undertake key activities that generate long-term, sustainable value for all our stakeholders.

We utilise carefully selected resources



Experienced and committed workforce
Our highly skilled, dedicated workforce provides the expert touch for our customers.



Strategic supplier partnerships
We supplement our internal capabilities with select specialisms through external collaborations, allowing us to deliver the best in innovation, quality and service to our customers.



Strong cash generation
Our high value-add products attract strong margins which, coupled with disciplined management of capital, drives significant cash generation. The resulting balance sheet strength allows us to invest to drive further organic and acquisitive growth.

... and our competitive advantages ...



Leading brands, broad product offering
Our broad portfolio of complementary brands has market-leading #1 or #2 positions predicated on the innovation, quality and service they deliver for our customers.



Innovation
The Group holds 530 active patents with another 144 pending, reflecting the extent of innovation embedded in our broad range of products. Approximately 20% of revenue is patent protected.



Deep integrated, long-term customer relationships
We work closely with our customers to understand their requirements and become a long-term strategic partner for them, bringing high levels of repeat business and a customer intimacy that allows us to continually improve the value we bring to them.



Scale
Our scale enables us to sustain and further develop our portfolio of products and technologies that support our customers' needs, whilst giving us the presence and agility to respond quickly to the specifics of local customers and markets.



... to undertake key activities

The Group undertakes three key activities with a clear focus on addressing our customers' needs, and aligned to our sustainability strategy:

1 Design

Our domain expertise, deep customer relationships and leading-edge testing facilities and accreditations allow us to understand end-user needs to create innovative, value-adding solutions.

We collaborate with customers on the development of new window and door designs, leveraging our deep product and application expertise to create bespoke hardware and sealing solutions that create true value for end users. Our leading-edge testing facilities and accreditations allow our customers to assure their end users of the quality and durability of their installed windows, doors and access solutions.

There is an increasing emphasis on designing solutions for our customers that positively impact the UN Sustainable Development Goals.

→ Read more about our [Sustainable solutions](#) strategy on page 27

2 Make

We manufacture in our own facilities where this aligns with our core capabilities, leveraging our economies of scale in the procurement of raw materials and outsourced manufactured components.

We are committed to minimising our own impact on the environment through embedding sustainable practices in our operations.

→ Read more about our [Sustainable operations](#) strategy on page 23

3 Deliver

We are continually looking to develop and optimise our routes to market to effectively meet the evolving needs of our industry around the world and take into account our impact on the environment. This ranges from supplying just-in-time direct to the production lines of large window and door manufacturers through to short lead-time supply to specialist distributors and project sites. We back this up with extensive technical and application support.

Together, this generates significant value for all our stakeholders



Investors

We aim to deliver increased shareholder value through a mix of capital appreciation and dividend distributions, made possible through earnings growth and financial strength as we deliver on our strategy.



Customers

Our highly engineered components allow window and door manufacturers to differentiate in their marketplace with value-enhancing windows, doors and other forms of access solutions. In addition, Tyman delivers industry-leading services to customers, ranging from design support and application engineering to integrated supply of components into window fabrication processes. Our products are designed to ensure ease of installation for contractors, and our short lead times and technical support allow our distributors to serve their customers in the best way.



End users

Relative to their cost point, our products and solutions have a disproportionate impact on the comfort, sustainability, security, safety and aesthetics of residential and commercial buildings.



Employees

We invest in our people through employee training, career path development and continual improvement of working practices and conditions.

→ Read more in the [Sustainability performance](#) section on pages 50 to 52



Society

Our products and solutions help make society more sustainable, by making buildings more energy efficient, protecting buildings against climate hazards, reducing community crime rates, enhancing the safety and fire protection of buildings and meeting the needs of vulnerable groups. As a Group, we are also committed to minimising our impact on our environment through more deeply embedding sustainable practices in all our operations.

→ Read more in the [Sustainability performance](#) section on pages 53 to 55



Suppliers

Our strategic suppliers benefit from long-term, fair partnerships with development of their business practices and capabilities.

Our markets

Favourable market fundamentals

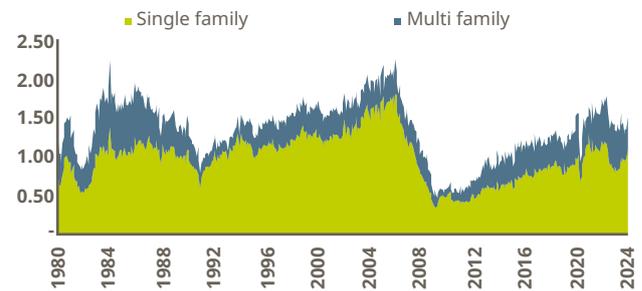
- 1 Demographics, such as a significant increase in household formation projected in the US in the 2020s, and social changes, such as greater working from home, provide a healthy underpin to market growth over the **long term**.



- 2 Housing market fundamentals are supportive over the **medium term**:

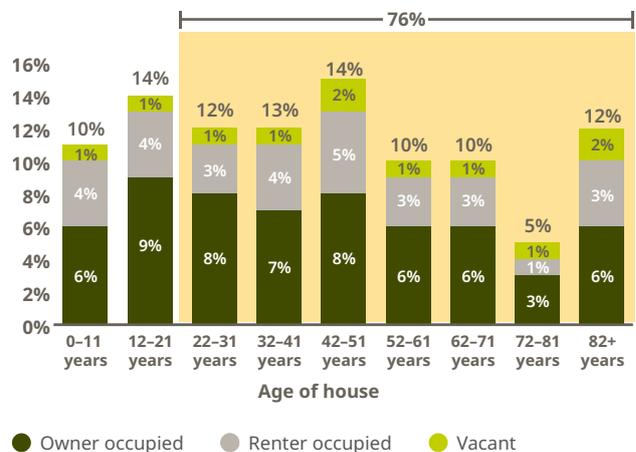
- Structural housing deficits exist in many of Tyman's major markets, providing support to the new build market. For example, in the US, housing starts have averaged 1.25 million annually over the last 20 years, well below the 1.5 million level needed to sustain population growth.
- The housing stock in major markets is ageing, supporting growth in the RMI market. For example, 76% of the US housing stock is over 22 years old, meaning it is ripe for remodelling work.

US single family and total housing starts, 1980–2023



Source: US Census Bureau, Evercore ISI Research

Percentage of US housing units by year built



Source: US Census Bureau, John Burns Research and Consulting LLC

3 Near-term window and door market trends and our response

Description of market trend	Tyman's response
<p>Sustainability/energy efficiency: Increased sustainability awareness amongst consumers and a desire to reduce the impact of climate change in the home is expected to drive a major window and door replacement cycle, as buildings are estimated to account for nearly 40% of global carbon emissions.</p> <p>As countries pursue net zero goals, reducing emissions generated during the construction of a building and/or its operation will become more important, as will saving energy in existing buildings. This may accelerate when governments introduce tax incentives for building energy efficiency measures, such as those incorporated into the Inflation Reduction Act in the US.</p>	<ul style="list-style-type: none"> Invest in sustainability capabilities Embed sustainability into new product development and innovation process Increased collaboration with customers on sustainability Develop and offer innovative products and services that improve the energy efficiency of buildings and help customers reach their net zero goals <p>→ Read more in Sustainability performance on pages 53 to 55 for more detail</p>
<p>Compliance: Compliance with regulations is increasingly important, in areas such as fire, hurricane or flood resistance, as natural hazards put pressure on the insurance industry.</p> <p>Building regulation code changes provide another way for us to differentiate ourselves from smaller competitors as we can help customers keep up with the regulatory pressures.</p>	<ul style="list-style-type: none"> Invest in capabilities to ensure the Group remains well positioned to help customers stay up to date with upcoming building regulations and code changes Ensure the new product development incorporates due consideration of the regulatory landscape
<p>Larger windows, slimmer profiles: Greater working from home means people are spending more time in their homes, leading to an increasing desire of homeowners to have larger windows with improved lines of sight and slimmer frame profiles to give a more contemporary look.</p>	<ul style="list-style-type: none"> This trend requires the hardware used in these windows to be slimmer, whilst also stronger, as they need to operate heavier windows given the larger panes of glass. This requires highly engineered products and plays to Tyman's strengths <p>→ See page 35 for an example of a new product in the US that supports this trend</p>
<p>Smart applications: Consistent with the growth in smart applications across many aspects of our lives, a steady increase in demand for smart home applications is anticipated in the coming years, particularly amongst younger generations.</p>	<ul style="list-style-type: none"> Greater focus on smart applications in the new product development pipeline, such as smart locks <p>→ See page 33 of the Tyman 2022 Annual Report and Accounts for a case study on TouchKey, a smart door security solution for the UK market</p>
<p>Affordability: The significant increase in the cost of living in most major economies has made housing relatively less affordable than it was. Housebuilders are therefore looking to build more affordable homes and homeowners who are less able to move home due to affordability issues are staying put and focussing their home improvement spending on smaller-ticket replacement work rather than bigger-ticket discretionary projects.</p>	<ul style="list-style-type: none"> Acquisition of Lawrence Industries in the US to add composite-based hung hardware to the product portfolio and enable greater penetration of the affordable homes market Ensure new product pipeline incorporates launching products that help customers and end users with their affordability challenges <p>→ See case studies on page 27 and page 35 for examples and more detail</p>

Our markets

Deep dive on US residential housing market

US housing market offers very attractive growth prospects despite near-term headwinds

1 17.1 million new homes are needed in the 2020s

This represents a long-term tailwind driving new construction and building products demand

12.7m

households formed

2.3m

teardowns

1.7m

undersupplied homes

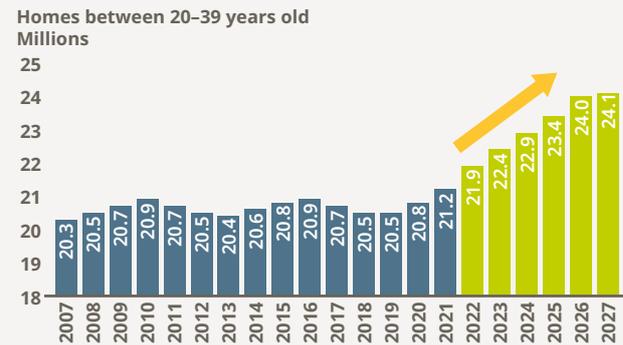
500k

new second homes

Source: John Burns Research and Consulting LLC

2 24 million single family homes will reach “prime remodelling” age (in 20–39 years old age bracket) by 2027, requiring windows and doors to be replaced

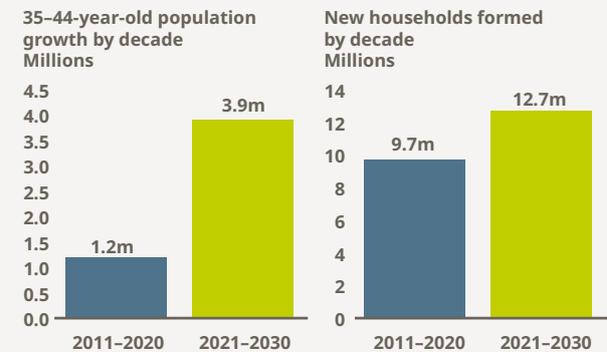
Single family homes in “Prime Remodel” years



Source: US Census Bureau; John Burns Research and Consulting, LLC

3 30% increase in new household formation in the 2020s vs. 2010s, driven by population growth amongst 35–44-year-olds

Demographics is a powerful long-term tailwind for housing



Source: US Census Bureau, Analysis John Burns Research and Consulting, LLC

Tyman is well placed to respond to this attractive market

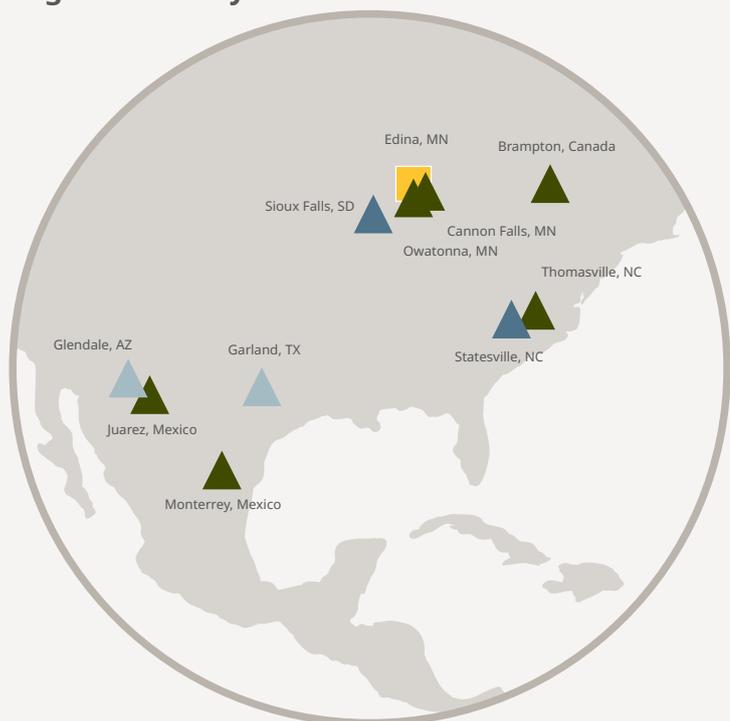
Leading brands with 40–45% share of served markets and broadest product offering in the market



National coverage, enabling improved customer service via optimised distribution network and manufacturing redundancy

Key

- ▲ Manufacturing site (6)
- ▲ Distribution (2)
- ▲ Manufacturing and distribution (2)
- Corporate office (1)

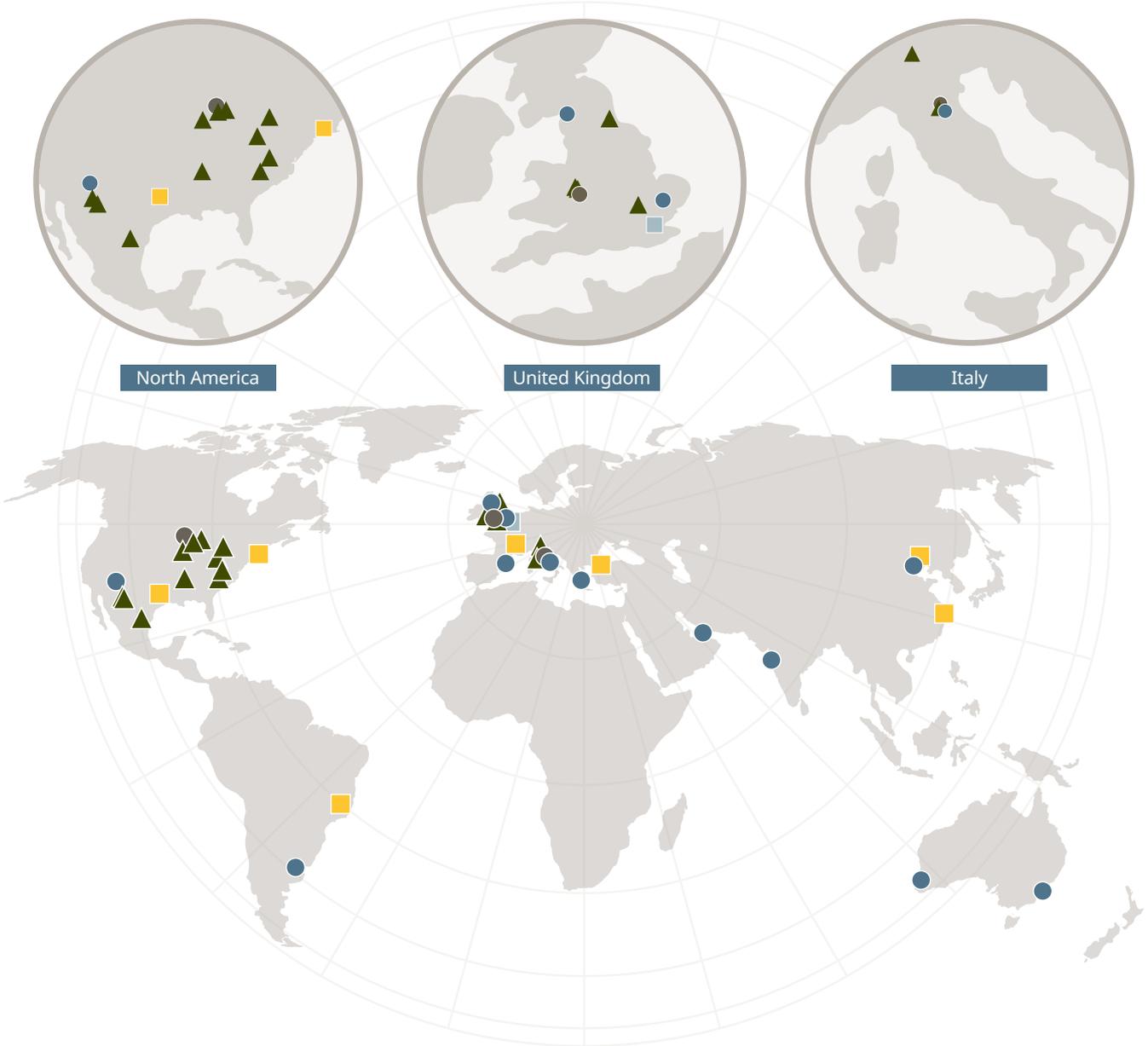


Scan QR code to read the US Capital Markets Event presentation on the US residential housing market and listen to the webcast.

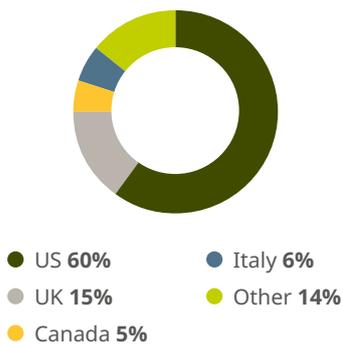
Our geographical reach

Key

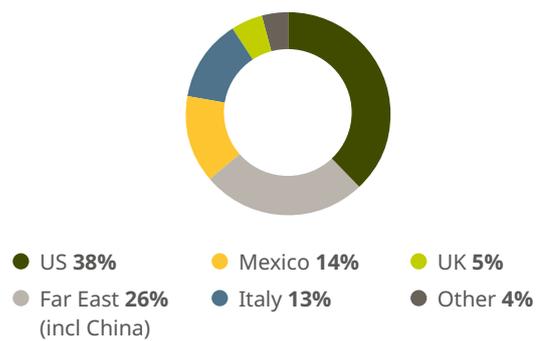
- ▲ Manufacturing site
- Warehouse site
- Office
- Divisional HQ
- Group HQ



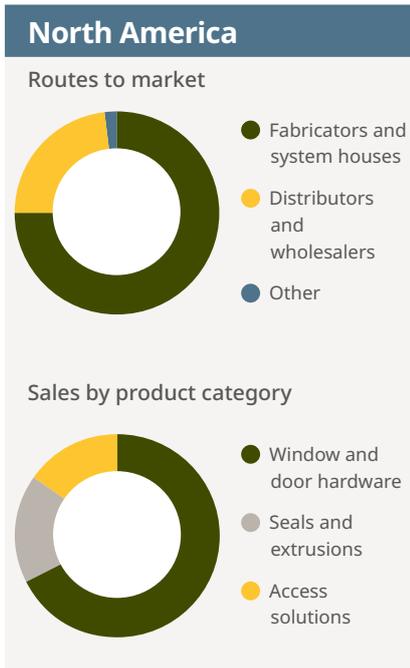
Where our products are sold



Where our products are manufactured



Our divisions



Residential **85%** Commercial **15%**

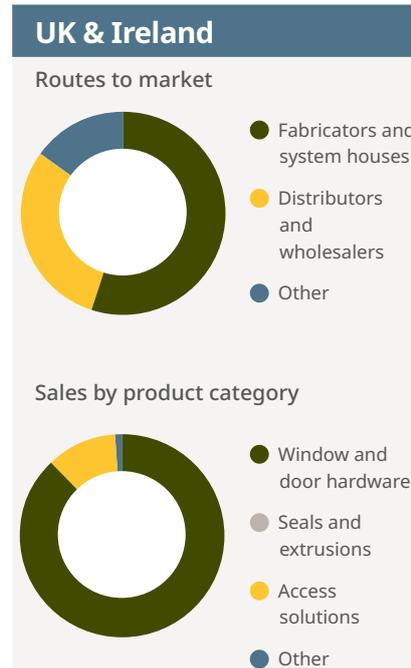
Manufacturing sites **11** Distribution sites **1**

Employees **2,597**

Revenue **£432.3m**
(2022: £471.9m)

Adjusted operating profit **£67.1m**
(2022: £66.9m)

→ Read more about our [North America division](#) on pages 33 to 35



Residential **80%** Commercial **20%**

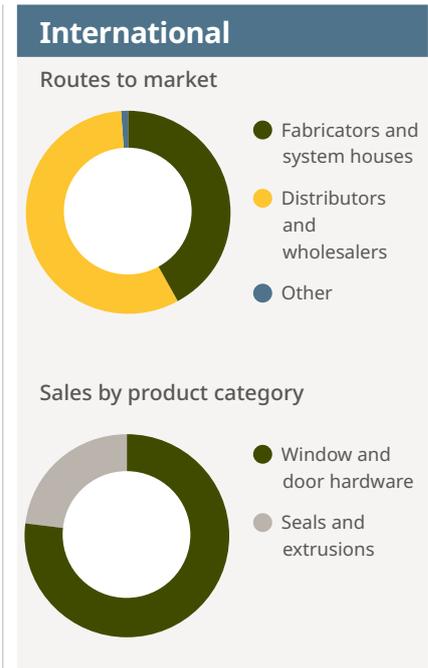
Manufacturing sites **2** Distribution sites **2**

Employees **378**

Revenue **£97.3m**
(2022: £103.3m)

Adjusted operating profit **£12.0m**
(2022: £14.5m)

→ Read more about our [UK & Ireland division](#) on pages 36 to 37



Residential **77%** Commercial **23%**

Manufacturing sites **4** Distribution sites **9**

Employees **644**

Revenue **£128.0m**
(2022: £140.3m)

Adjusted operating profit **£13.5m**
(2022: £21.3m)

→ Read more about our [International division](#) on pages 38 to 39

Our strategy

Our purpose

Our purpose is at the core of everything we do, unifying us in a common cause and growth strategy. It is the essence of us at our best and inspires Tyman people to make a positive contribution every day.

Our purpose is to transform the security, comfort and sustainability of living and working spaces through our expert touch.



The expert touch that transforms.

Millions are kept safe and comfortable at home and at work around the world because of our expertise. We know that to be experts, we must have deep understanding of our customers and their needs, an uncompromising commitment to both safety and quality, and a restless ambition to innovate. We never forget that experts are people: growing and energising our talent is at the heart of what makes us different.

With our expertise, we have the power to transform what we touch. We commit to transform living and working spaces, to transform people and careers, to transform the value of our businesses, and to transform our impact on communities and society.

Our values

Our values frame how we work with each other and with our partners, and will shape the culture of Tyman. They are the foundation of our success, and essential to achieving our purpose. Our Code of Business Ethics embodies these values, laying out the expected standards of behaviour that all our employees must adhere to.

The Tyman Touch



Do the right thing

Integrity is the cornerstone of our business

- We demand transparency, and we always do what it takes to build or repair trust
- We value, respect and look out for each other, and we are strongest when we are most diverse
- We speak up and take care to listen, because every voice matters

Never stop growing

There is no limit to what we can achieve

- We take every opportunity to learn and develop, professionally and personally
- Every day we make the continuous improvements that people deserve from us
- We believe in the power of creativity to break through with new thinking, new ideas, new solutions

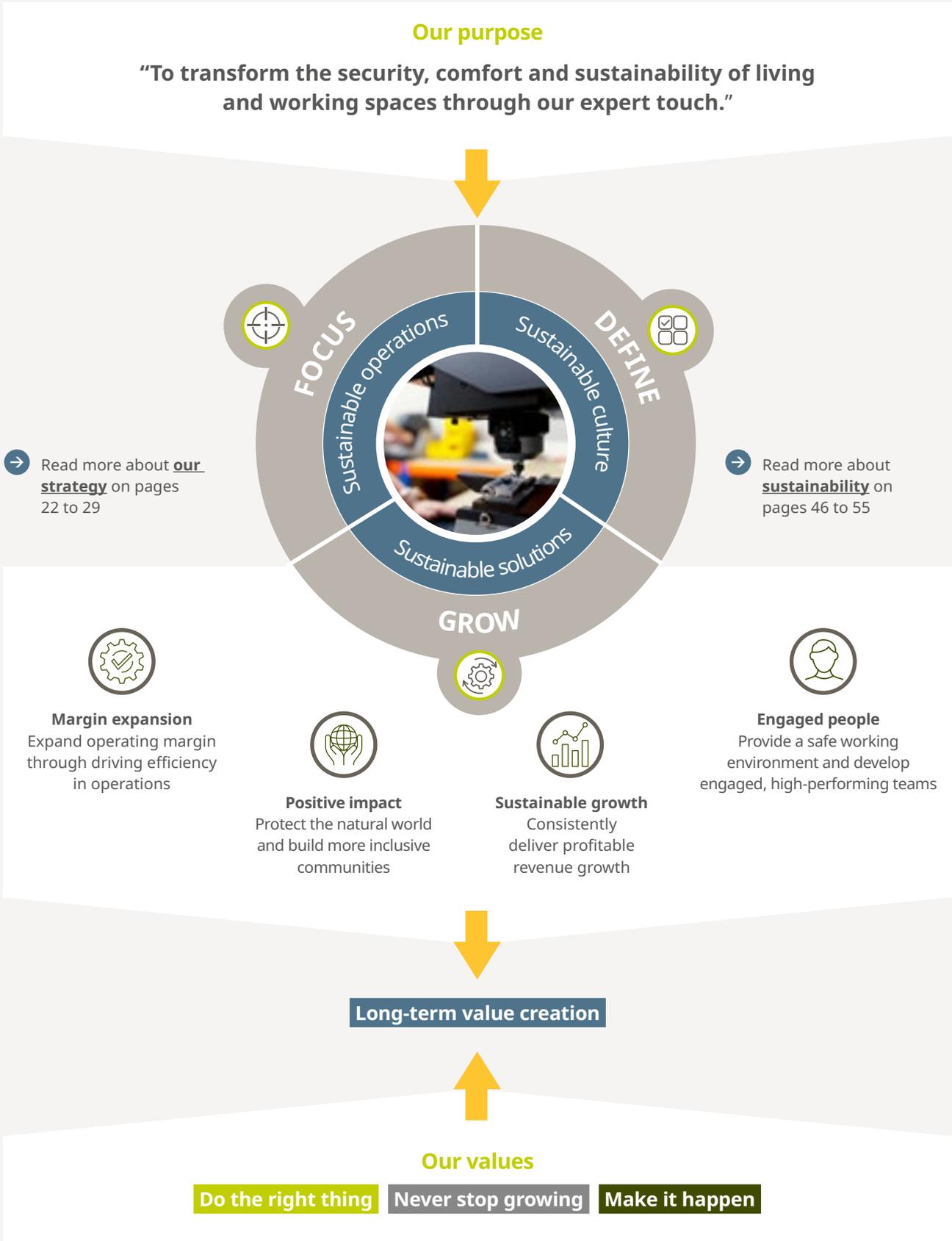
Make it happen

We are action people

- We behave like owners, always ready to hold ourselves and others to account
- Inclusive teamwork creates our best results
- We take pride in bringing positive energy to our work, and our performance is fed by our passion

A strategy for long-term value creation

Guided by our purpose, underpinned by our values and with sustainability at its core.





Focus

The Focus strategic pillar reflects actions to streamline and strengthen what we have.

The Group's M&A heritage means there is a continued need to integrate and harmonise the structures, products, processes and systems from prior acquisitions to create a strong platform for the future. This will drive margin expansion, enhance the sustainability of our operations, and lay the foundations for sustainable, profitable growth.



Rationalise

Streamline footprint: Deliver maximum operational efficiency and economies of scale as well as having the right routes to market in each location to best serve the customer.

Harmonise product portfolio: Reduce portfolio complexity and duplication, whilst also improving range positioning to give a stronger product offer that is both more efficient to produce and better meets customer needs.

Optimise

Tune systems and processes: Efficiently support business operations and enable high-quality, agile decision support to capitalise on opportunities and better support customers; e.g. by deploying a new ERP template across North America.

Continuous Improvement ("CI"): Make CI a way of life, by embedding lean practices, six sigma process controls and value analysis/value engineering activities.

Objectives:

- Expansion of adjusted operating margin and ROCE
- Adjusted operating cash conversion >90% through the cycle
- Further progress in reducing TRIR and greenhouse gas emissions

KPIs:

- Adjusted operating margin expansion
- ROCE
- Adjusted operating cash conversion
- TRIR
- Greenhouse gas emissions

2023 performance:

- 40bps decrease in adjusted operating margin
- 160bps decrease in ROCE
- 143% adjusted operating cash conversion
- See next page for TRIR and greenhouse gas emissions progress

➔ Read more about our [2023 performance](#) on pages 40 to 45

Underpinned by . . .

Sustainable operations

Safety: Transform health and safety performance through “safety is our first language” programme.

Environment: Reduce environmental impact by decreasing energy and water usage and waste to landfill.

Priority UN SDGs addressed:



Plans

- Reinforce “Safety is our first language” programme
- Reduce water at very high water stress sites
- Decarbonise own operations
- Engage suppliers to source lower carbon materials
- Embed climate actions to mitigate physical and transition risk
- Reduce waste generation through prevention, reduction, recycling and reuse

Targets

Safety:

- LTIFR < 1.0 by 2022
- TRIR < 3.0 by 2026

Greenhouse gas emissions:

- 46.2% absolute reduction in Scope 1 and 2 emissions by 2030 (vs. 2019 baseline)
- 27.5% absolute reduction in Scope 3 emissions from purchased raw materials by 2030 (vs. 2019 baseline)
- 50% reduction in Scope 1 and 2 emissions per £m revenue by 2026 (vs. 2019 baseline)

Water use:

- Capped at 233,000m³ per annum for five water stressed sites from 2022

Waste:

- Zero waste to landfill by 2026

Progress in 2023

- LTIFR 1.0 (2022: 1.4)
- TRIR 4.2 (2022: 5.7)
- 38% absolute reduction in Scope 1 and 2 emissions compared to 2019 baseline (2022: 11%)
- 45% absolute increase in Scope 3 emissions from purchased raw materials compared to 2019 baseline (2022: 61%) – see pages 76 to 82 for explanation
- 42% reduction in Scope 1 and 2 emissions per £m revenue compared to 2019 baseline (2022: 24%)
- 217,913m³ water usage at five water stressed sites (2022: 224,378m³)
- 17% total waste to landfill (2022: 29%)

→ Read more in our [Sustainability performance](#) section on pages 46 to 49

Case study

Collaborating with a customer to reduce energy and waste

In September, Tyman hosted a collaborative energy and waste reduction Kaizen event with a top five US customer. This was an opportunity for both companies to work together as each business looks to progress towards its carbon reduction targets. Tyman's Scope 1 and 2 emissions from its operational energy footprint represents the customer's Scope 3 emissions in its supply chain.

The three-day event took place at Tyman's 240,000 sq. ft. facility in Statesville, North Carolina, USA, which includes office, warehouse and production space for the extrusion of window and door seals. This facility is one of the Group's most intensive consumers of electricity. The event established the facility's baseline usage in electricity, water and waste to landfill, and the teams shared continuous improvement and Kaizen toolkits and best practices to identify reduction opportunities. Together, they also researched opportunities to maximise local, state and federal incentives for clean technology deployment.

By the end of the event the teams had identified almost 90 opportunities to reduce electricity, water and waste, with a combined estimated annual saving of US\$0.4 million: significantly ahead of the expectation going into the event. Electrical reduction opportunities included optimising compressed air use, improved production scheduling and deployment of more efficient motors and drives. They also identified 13 safety improvement opportunities.



Pictured: Attendees at the energy and waste Kaizen event in Statesville.



Define

The Define strategic pillar centres on building cultural cohesion across the Group to facilitate ongoing synergy extraction, through establishing “One Tyman”, developing the “Tyman Excellence System”, and building a sustainable culture.



Establish ‘One Tyman’

Build a cohesive, high-performing culture through a common purpose, values and Code of Business Ethics to facilitate synergy extraction.

Develop the ‘Tyman Excellence System’

Establish a clearly defined business system and enhance groupwide capabilities through a set of processes, playbooks and other toolkits for development and propagation of best practice.

Progress in 2023:

- Procurement: cross-divisional participation in major Tyman supplier conference in China (see case study opposite)
- Innovation: cross-divisional workshop held to nurture a growth mindset and discuss how to embed innovation ideation across the business through the development of sustainable solutions
- Leadership competencies: began rollout of groupwide leadership competencies model
- Crisis Response Management: developed a crisis response protocol and series of playbooks to be used across the Group in response to potential crises

Underpinned by . . .

Sustainable culture

Ensure our culture enables our diverse talent to contribute to their best and our business to create long-term value for the business, local communities and wider society.

Plans

- Reinforce Code of Business Ethics
- Continue to strengthen Integrity Champions network
- Develop diversity and inclusion programmes
- Continue to enhance employee engagement
- Engage with local communities to support employee development and charitable causes

Progress in 2023

- Deployment of ethics leadership training course
- Deployment of employee engagement pulse surveys
- Began rollout of Group intranet
- Continued engagement with local communities

→ Read more in our [Sustainability performance](#) section on pages 50 to 52

Pictured: Attendees at the 2023 TSA Supplier Conference, Ningbo, China.

Case study

Working together to re-engage with Chinese suppliers

In June, Tyman held the 2023 Tyman Sourcing Asia (“TSA”) Supplier conference in Ningbo, on China’s east coast where the TSA office is located. Ningbo is one of the biggest Chinese ports and a city where many window and door hardware factories are located.

After several challenging COVID-19 years, with China being heavily locked down and with almost no international flights available, the event was welcomed by our suppliers, giving them an opportunity to be able to finally meet with all three of Tyman’s divisional Presidents.

The main theme for the conference was: “Re-engaging and building resilient supply chains together”. The event brought together 19 major suppliers, representing around 80% of our spend in Asia.

The Presidents shared Tyman’s strategy with suppliers and gave updates on market conditions in their respective divisions, and there were also presentations on safety leadership behaviours and sustainability expectations including lower carbon materials.

There were several panel discussions where our suppliers shared their experiences on various topics, including: controlling cost of quality, working on VA/VE (value analysis and value engineering) and lead time reductions.

The day finished with a Q&A session, with some excellent questions around US–China tensions and the potential impact of those on our cooperation with Chinese suppliers; our plans to build a more resilient supply base; our commitment to Chinese suppliers; and our approach to the use of various materials for our products to meet sustainability targets.





Grow

The Grow strategic pillar aims to deliver sustainable organic share gain, through executing well in serving our customers, developing and launching new products, expanding our existing channels to market, and developing sustainable solutions. We also seek to supplement our organic activities with M&A to further strengthen the portfolio.



Excellent customer service

Deliver a superior customer experience, fostering long-term partnerships through excellent delivery performance, ease of doing business, technical support and other value-adding services such as co-development and accredited test services.

New product development

Develop a culture and discipline of innovation that proactively addresses changing market dynamics, customer requirements, aesthetic trends, and latest technologies, to create true differentiated value.

Market expansion

Deliver share gain through optimising routes to market, selling existing products through new channels, and expanding into adjacent markets.

Targeted M&A

Tyman continues to be the natural consolidator in a fragmented market and seeks to supplement organic growth with targeted M&A to strengthen the portfolio.

Objectives:

- Expansion of ROCE and adjusted basic EPS
- Look for further opportunities for targeted M&A

KPIs:

- LFL revenue growth
- ROCE
- Adjusted basic EPS

2023 performance:

- 8% decline in LFL revenue
- 160bps decrease in ROCE
- 13% decrease in adjusted basic EPS
- Acquisition of Lawrence (see case study opposite)

➔ Read more about our [2023 performance](#) on pages 40 to 45

Underpinned by . . .

Sustainable solutions

Offer innovative products and services that promote circularity, help our customers reach net zero and create safer, more inclusive communities.

Priority UN SDGs addressed:



Plans

- Customer engagement on sustainable solutions
- Embed sustainability expertise into NPD process
- Grow pipeline of positive impact products and solutions
- Optimise material content and increase level of recycled content in NPD and legacy products
- Eliminate hazardous substances in supply chain
- Develop sustainable packaging solutions

Targets

- YoY increase in percent of revenue from positive impact products and solutions
- 100% sustainable packaging by 2026

Progress in 2023

- 23% of revenue from positive impact products in use (2022: 22%)
- Enhanced engagement and collaboration with customers on sustainable solutions (see pages 74 to 75)

→ Read more in our [Sustainability performance](#) section on pages 53 to 55

Pictured: Lawrence's 75,000 sq. ft. facility in Thomasville, North Carolina.



Case study

Acquisition of Lawrence Industries

. . . already leading to new business wins

In July 2023, Tyman completed the acquisition of Lawrence Industries ("Lawrence"). Lawrence designs, manufactures and sells high-performance composite hardware for sliding and hung windows to North American window fabricators. Prior to the acquisition, Tyman's hung sash lock offer was predominantly zinc-based, with a limited composite offering. Composite hardware is an attractive, high-performance, low-cost option to zinc-based hardware and is a beneficiary of the growing demand for affordable homes in North America, a trend noted in Our Markets section on page 15.

The strategic rationale for the acquisition was clear – extending Tyman's existing product portfolio into a rapidly expanding segment and providing a platform for Lawrence to accelerate its growth journey as part of a larger group.

Lawrence's rapid design and tooling capabilities provide customer solutions for hung and sliding window products in record time. Investments in capacity and equipment have provided Lawrence with the capability to reliably manufacture products within a two-week window and provide superior on-time delivery performance with minimal inventory carrying costs for customers.

Tyman is increasing market share by leveraging the scale of Tyman and Lawrence's strong capabilities. Two examples of such wins are:

- A large national zinc sash lock customer moved to a composite lock offering. This helped to improve margins and reduce inventory carrying costs and the risk of generating excess and obsolete products. This also resulted in another sash lock conversion from a competitor, and in total has led to approximately US\$0.2 million of annualised incremental sales.
- A mid-sized customer was looking to near-shore and Tyman's long-standing relationship with this customer opened the door for Lawrence to quote on latches, accessories and vent stops. Additional sash lock business was awarded to Tyman, in total amounting to around US\$0.4 million of annualised incremental business with this customer.

Key performance indicators

The Group continually monitors progress in delivery of its strategic goals using five financial and two non-financial key performance indicators (“KPIs”).

- ➔ Certain KPIs use Alternative Performance Measures (“APMs”). For **definitions and reconciliations**, see pages 234 to 241
- ➔ For further information, see the **Financial review** on pages 40 to 45, **Sustainability performance** on pages 46 to 55, and the **Climate-related disclosures** on pages 58 to 82

Link to strategy



Margin expansion



Sustainable growth

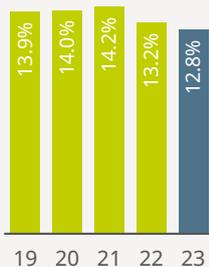


Engaged people



Positive impact

2. Adjusted operating margin expansion



12.8%

Link to strategy



Purpose

This KPI is used to evaluate the profitability and financial health of the Group.

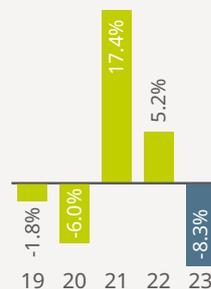
Target

To maintain and improve operating margins through continuous improvement activities as well as management of overheads and administrative costs.

2023 performance

Adjusted operating margin decreased by 40bps to 12.8% as a result of the lower sales and production volumes and consequential effect on cost absorption. This was partially offset by the benefits of the reversal of the pricing lag in North America and cost management actions.

1. Like-for-like (“LFL”) revenue growth



-8.3%

Link to strategy



Purpose

This KPI is used to evaluate the ability of the Group to grow its business organically and excludes the impact of currency translation and acquisitions and divestments.

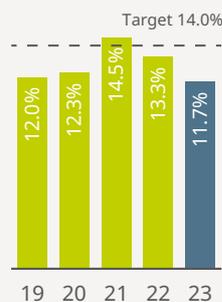
Target

To grow revenue organically year on year.

2023 performance

LFL revenue decreased by 8.3% against a strong comparator, as the weaker market conditions seen in late 2022 continued into 2023, driven by the impact of high inflation, rapid rises in interest rates and consequent fall in consumer confidence, which reduced residential RMI and housebuilding activity. These weaker market conditions were partially offset by a carry-forward benefit of pricing actions.

3. Return on capital employed



11.7%

Link to strategy



Purpose

This KPI is used to evaluate how efficiently the Group's capital is being employed to improve profitability.

Target

To maintain and steadily improve ROCE, with a medium-term target of 14.0%.

2023 performance

ROCE decreased by 160bps to 11.7%, largely due to the lower adjusted operating profit and higher carrying value of intangible assets due to the Lawrence acquisition, partially offset by lower average working capital.

4. Adjusted basic EPS



30.1p

Link to strategy



Purpose

This KPI is used to assess the profitability of the business and the profit generated for equity holders.

Target

To improve adjusted EPS performance year on year.

2023 performance

Adjusted basic earnings per share decreased by 13.3% to 30.1 pence as a result of the decrease in adjusted operating profit, an increase in the Group's interest charge due to the Lawrence acquisition and an increase in global interest rates, as well as an increase in the effective tax rate.

5. Adjusted operating cash conversion



142.6%

Link to strategy



Purpose

This KPI is used to evaluate the cash flow generated by operations in order to pay down debt, return cash to shareholders and make further investment in the business.

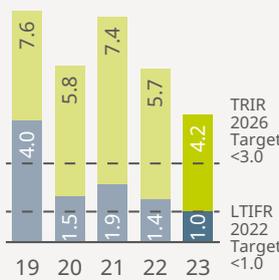
Target

To maximise conversion of the Group's Adjusted operating profit into cash over any twelve-month period, whilst continuing to make the necessary capital investments to support the growth of the business.

2023 performance

Operating cash conversion increased significantly to 142.6%, as a result of a significant reduction in inventory following high levels carried into the year as a result of the post-COVID-19 supply chain disruption.

6. Total recordable incident rate



-26.3%

Link to strategy



- LTIFR
- TRIR

Purpose

The Group uses two metrics to track its safety performance. These are the Lost Time Incident Frequency Rate ("LTIFR") and the Total Recordable Incident Rate ("TRIR"), which measures the number of recordable incidents requiring medical intervention beyond first aid, both expressed per million hours worked (excluding COVID-19 cases).

Target

To reduce the TRIR rate each year, achieving <3.0 by 2026.

2023 performance

The LTIFR of 1.0 was the Group's best outcome to date, albeit just shy of the ambition of <1.0 by 2022. Going forward, the TRIR will become of the Group's core safety metric in the pursuit of world-class levels of safety performance, and this metric is now reflected in the Group's LTIP. The TRIR of 4.2 in 2023 represented a 26.3% decrease on 2022 and the best ever outcome on this measure. Performance reflects the priority given to making safety our first language, ongoing employee engagement, deployment of global safety standards and sharing of best practices across the Group.

7. Greenhouse gas emissions (TCO₂e)



-30.4%

Link to strategy



Purpose

This KPI tracks the progress made in minimising the impact of the Group's operations on the environment, in line with the Sustainable operations pillar in Tyman's sustainability roadmap.

Target

To reduce absolute Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 base year. Target validated by SBTi aligned to a 1.5°C trajectory.

2023 performance

Greenhouse gas emissions decreased by 30.4% to 26,666 TCO₂e (market-based method) versus 2022, and decreased by 38.2% versus the 2019 baseline. This reduction reflects the continued greening of the electrical grid, the impact of energy efficient measures at plant level, decommissioning of carbon-intensive facilities, changes in supplier specific/market-based emissions factors and reduced production output.

Chief Executive Officer's review



Positioning for growth



The Group performed robustly in a tough environment in 2023, with good margin progression in North America. We were also delighted to welcome Lawrence to the Group."

Jason Ashton

Interim Chief Executive Officer at 31 December 2023

Highlights

- Revenue decline reflected significant reduction in volumes partially offset by the carryover benefit of pricing actions and share gains
- Adjusted operating profit decline primarily reflected negative operating leverage from significant reduction in volumes, partially offset by an initial contribution from Lawrence
- North America adjusted operating margin increase of 130bps to 15.5%, benefitting from the reversal of the pricing lag and the contribution from Lawrence; division represents >70% of Group adjusted operating profit
- Excellent adjusted operating cash conversion of 143%, reflecting a £34 million reduction in inventory and enabling a net debt reduction despite acquiring Lawrence for £44 million
- Good progress with our strategic initiatives to gain share and structurally improve margin
- Best ever safety performance, with LTIFR of 1.0 and TRIR reducing by 26% to 4.2
- Near-term carbon reduction targets validated by the Science Based Targets initiative ("SBTi")
- Full-year dividend per share maintained at 13.7 pence, reflecting confidence in the Group's future growth prospects

Performance in 2023

Tyman delivered a robust overall performance in 2023 against a strong comparative period and despite a continuation of the challenging markets experienced since the second half of 2022. Revenue declined by 8% to £657.6 million (2022: £715.5 million), reflecting a like-for-like ("LFL") decline of 8%, a 1% decline from foreign exchange movements and 1% growth from the acquisition of Lawrence Industries ("Lawrence") in July 2023. The LFL decline reflected the impact of a significant reduction in volumes due to underlying demand softness and customer destocking, which more than offset the benefit from the carryover of pricing actions and share gains.

Residential housebuilding and RMI activity across the Group's major markets were impacted by the combination of elevated consumer inflation and interest rates. In addition, volumes were impacted by customer destocking, notably in our seals businesses, and the withdrawal of various government fiscal stimulus programmes, which had boosted market activity in the International division in 2022. Whilst market demand remained soft throughout the year, the comparators eased in the second half, particularly in the North America and International divisions, resulting in a marked reduction in the LFL revenue decline in the second half of the year as compared to the first half.

The Group's profitability in 2023 reflected the positive impact of prior year pricing actions. The strength of the Group's brands enabled pricing power to be maintained, and it was pleasing to see the reversal of the pricing lag that negatively impacted operating margins in North America during 2021 and 2022. Commodity cost inflation in general eased during the year, but labour markets have remained competitive, especially in the US, resulting in wage inflation remaining above long-term averages.

The Group responded to the soft demand backdrop with adjustments to production shifts, targeted headcount reductions, reductions in temporary labour, allowing natural labour attrition and tight control of discretionary costs. In addition, measures were taken during the year to reduce the fixed element of the cost base, including ceasing manufacturing operations in Brazil and taking the decision to exit the Chinese commercial market at the end of 2023. These cost actions will benefit future profitability but were not able to fully offset the significant under-absorption of fixed costs in the year, with production volumes declining by more than sales volumes in order to reduce inventory levels. As a result, adjusted operating profit declined by 11% on a reported basis (reflecting a LFL decline of 13%, a 1% impact from foreign exchange movements and a 3% contribution from Lawrence) and the adjusted operating margin declined by 40bps to 12.8%. Both adjusted operating profit and the adjusted operating margin improved markedly in the second half of the year as compared to the first half. Notably, the full-year adjusted operating margin in North America increased by 75bps compared to 2022 on a LFL basis.

Reflecting the progress on inventory, which decreased by £34.1 million, adjusted operating cash conversion improved significantly to 143% (2022: 64%). The average adjusted operating cash conversion rate over the last five years now stands at 107%.

Health and safety

The health and safety of our people is the Group's top priority and is embedded in our culture through our "Safety is our First Language" programme. Pleasingly, the Group achieved a lost time incident frequency rate ("LTIFR") of 1.0 in 2023, a 29% improvement on 2022 and a 79% improvement versus the 2018 baseline LTIFR of 4.8. To ensure that the significant progress made in recent years is maintained and improved upon, a safety leadership refresher course has been deployed across the business.

Having now almost achieved its ambitious goal of a LTIFR of less than 1.0, the Group is shifting its focus to the total recordable incident rate ("TRIR"), a more rounded measure of safety performance that captures all incidents requiring medical intervention beyond first aid. The Group's TRIR of 4.2 in 2023 represented a 26% improvement on 2022 and the Group's best performance on this measure to date. A target has been set to achieve a world-class TRIR of less than 3.0 by 2026.

Strategic progress

The Group has continued to progress its Focus, Define, Grow strategy, all of which is underpinned by sustainability.

Within the Focus strategic pillar, the project to consolidate two manufacturing sites into one in Owatonna in the US began in 2023 and is progressing to plan. The multi-year programme to roll-out a new ERP system across North America continued in the year with a further two sites successfully going live in March. This programme will enable enhanced customer service levels, greater efficiencies, and improved decision making. The European seals manufacturing optimisation programme was progressed, with the transfer of production

lines from Germany to the Newton Aycliffe facility in the UK, and there was further optimisation of our international footprint to reduce the fixed cost base. The consolidation of the UK commercial access solutions business into a single site in Wolverhampton in the UK also completed during the year.

In the first half of 2023 the Science Based Targets initiative validated the Group's targets to reduce absolute Scope 1 and Scope 2 GHG emissions by 46.2% by 2030 from a 2019 base year and to reduce absolute Scope 3 GHG emissions from purchased goods and services by 27.5% within the same timeframe. 100% renewable electricity tariffs are now in place for all manufacturing plants in Europe and plans are well progressed to extend them to the Group's Mexican plants. Tyman hosted an energy and waste Kaizen event with a major US customer in the second half of the year, in the process successfully identifying almost 90 opportunities to reduce electricity, water and waste, with a combined estimated annual saving of US\$0.4 million.

Within the Define strategic pillar, leaders from across the Group met with Tyman's major Chinese suppliers in June. After several challenging COVID-19 years, this event was welcomed by suppliers to be able to meet with the divisional Presidents and allowed all three divisions to re-engage with suppliers on many topics, including quality, cost, lead times and sustainability. The Group also continued the development of groupwide leadership competencies, and pulse surveys were used to assess progress against the action plans developed from the 2022 employee engagement survey results, with the next full employee engagement survey planned for 2024.



Chief Executive Officer's review

Activities to Grow market share continued to yield positive results. In North America, further net customer wins were achieved, aided by the distribution centre that was opened in late 2022 in Phoenix, Arizona that is enabling greater penetration of the western US market. In International markets, further progress was made in growing partnerships with system houses, with revenue from this channel now comprising 22% of divisional revenue (2022: 21%). New product launches have performed well in the UK and there have been notable share gains in this market, particularly in the distribution channel. Enabling customers to innovate through more sustainable solutions is a key area of differentiation for the Group. During 2023, the percentage of Group revenue derived from products and solutions that positively impact one or more of the UN Sustainable Development Goals ("SDGs") in use increased to 23% (2022: 22%), and several of the Group's products achieved Environmental Product Declaration ("EPD") certification.

In July 2023, Tyman acquired Lawrence for an initial consideration of US\$57 million. Lawrence adds an exciting new product category, high-performance composite hung window hardware, to Tyman's portfolio of window and door hardware for the US residential housing market, which has attractive long-term growth prospects. The integration of Lawrence is progressing well and delivering commercial synergies as expected. The Group retains a good pipeline of targets that meet our commercial and strategic objectives and will continue to pursue a disciplined M&A strategy, whilst remaining cognisant of its target leverage range.

Outlook

The structural growth drivers for the Group remain attractive, although leading indicators for our major markets are currently signalling a challenging market outlook for 2024. However, given our self-help measures and a full-year contribution from Lawrence, the Board expects the Group to make progress in 2024.

Jason Ashton

Interim Chief Executive Officer at 31 December 2023

6 March 2024



Introducing Tyman's new CEO

On 27 November 2023, Rutger Helbing was announced as Tyman's new CEO with effect from 2 January 2024.

Rutger Helbing was the Chief Executive of Devro plc between January 2018 and April 2023, having originally joined as Group Finance Director in 2016. He spent his earlier career in commercial divisional finance roles in blue chip global manufacturing businesses including Unilever, ICI and AkzoNobel. A Dutch national, Rutger has lived and worked in the UK for almost 20 years.

Effective from 2 January 2024, Jason Ashton, who was the Interim CEO since 6 April 2023, returned to his role as Tyman's Chief Financial Officer and Juliette Lowes, who was the Interim Chief Financial Officer since 21 April 2023, returned to her role as Tyman's Group Financial Controller.

Rutger Helbing commented:



Since I joined Tyman on 2 January 2024, I have had the opportunity to visit 14 of our manufacturing sites so far, encompassing all three divisions. These visits have enabled me to better understand our market-leading brands and differentiated products, and to meet many of our passionate and dedicated employees."



Operational review

Tyman North America

£m except where stated	2023	2022	Change	LFL
Revenue	432.3	471.9	-8%	-9%
Adjusted operating profit	67.1	66.9	-	-5%
<i>Adjusted operating margin</i>	15.5%	14.2%	+130bps	+75bps

Markets

Activity in the US residential housing market has been constrained by elevated interest rates and inflation since the second half of 2022. According to the US Census Bureau, US housing starts declined by 9% in 2023, whilst single family starts, to which the division has proportionally higher exposure, declined by 6%. The single family new build market improved as the year progressed, as pent-up demand was captured by national homebuilders offering incentives that enabled homeowners to cope with historically high mortgage rates.

In contrast, the RMI market softened as the year progressed. According to LIRA (Leading Indicator of Replacement Activity), the rate of growth in the annual spend on repair and remodelling in the US, which incorporates cost inflation, slowed from 16% in the fourth quarter of 2022 to 2% in the fourth quarter of 2023.

The US commercial market remained resilient in 2023, driven by education and commercial building investment, whilst government legislation is providing some stimulus to the public infrastructure market. In Canada, which was also impacted by elevated inflation and interest rates, housing starts declined by 7%.

Business performance and developments

Reported revenues declined by 8%, reflecting a LFL decrease of 9% offset by a 1% contribution from Lawrence, with negligible impact from foreign exchange movements. LFL revenues were impacted by a decline in volumes resulting from the challenging market backdrop and customer destocking, notably in the seals business, which more than offset the benefits from prior year pricing actions and net customer wins. The rate of volume decline moderated during the fourth quarter, mainly reflecting an easier comparator.

The division made good progress with its strategic initiatives aimed at driving share gains, reducing cost and complexity, and improving operational resilience. Central to this is the implementation of a new ERP system to enable more streamlined ordering and logistics processes for customers and to provide a more consistent customer experience, drive further back-office efficiencies, and improve the business's decision support capabilities. This multi-year programme is progressing well, with two key sites successfully going live in March and another two sites going live in early 2024.

The distribution site in Phoenix, which was added in late 2022 to service the western US market, is performing well, whilst the consolidation of two manufacturing sites into one in Owatonna is progressing to schedule with product line transfers and process flow improvements underway and capital investment in a new paint line on order.

In addition to cost savings, there will be significant safety, sustainability and service benefits on completion of this project in 2025, as well as helping to alleviate the tight labour situation.

During 2023, the business achieved incremental net customer wins despite exiting some low profitability business as a result of taking a disciplined approach to pricing. These losses were more than offset by wins gained from new products, such as the entry-price point sliding patio door solution, and benefits of the new distribution centre in Phoenix. After several years when customers have been focused on managing COVID-19, disrupted supply chains and significant cost inflation, new product development is now a priority again for customers as they look to position for future growth. The division is responding to this by accelerating its new product pipeline with increased engineering resources. Products such as a magnetic casement window handle solution, an "around the corner" seal, and a low-priced flood tight floor access door are examples of new products coming to the market in early 2024.

A major development in 2023 was the acquisition of Lawrence. Lawrence designs, manufactures and sells high-performance composite hardware for sliding and hung windows to North American PVC window fabricators, and is a beneficiary of the growing demand for affordable homes in North America. Lawrence has performed to plan since acquisition, with the combination of AmesburyTruth and Lawrence already proving to represent a strong value proposition for customers.

Input cost inflation in general eased during 2023, although certain commodity prices remained high and labour inflation continued at historically high levels. The labour availability and retention challenges experienced in 2022 improved across most of the network, and the resultant workforce stabilisation is enabling a focus on continuous improvement projects to improve efficiency, enhance supply chain resiliency and reduce inventory.

As expected, the natural lag in the recovery of input cost inflation via pricing actions that impacted the division's adjusted operating margin in 2021 and 2022 reversed in 2023. This enabled the division to largely offset the negative effect on fixed cost absorption from the significant decline in volumes, with production volumes being down even more than sales volumes to enable a reduction in inventory of c.US\$30 million. This limited the decline in LFL adjusted operating profit to 5%. Adjusted operating profit was flat on a reported basis, reflecting a 5% contribution from Lawrence, with negligible effect of foreign exchange. As a result, the division delivered a LFL adjusted operating margin increase of 75bps to 15.5%.

Operational review

Outlook

The underlying fundamentals of the US housing market remain strong, with years of supply lagging demand creating a significant housing deficit. Economists are forecasting that the easing in inflation that began in 2023 will lead to interest rate reductions in the first half of 2024, which could alleviate the recent constraints on market demand and stimulate activity later in the year.

The NAHB currently forecasts a 5.5% increase in single family housing starts, whilst LIRA projects that the spend on repair and remodelling will decline by mid to high single digits.

Against this backdrop, the division will maintain its focus on gaining market share, notably in the western US, by further exploiting the commercial opportunities from the Lawrence acquisition and continuing to develop its new product pipeline. Work to streamline the supply chain and return operational efficiencies across the network to normalised levels will remain a focus, along with progressing the consolidation of two sites into one in Owatonna and continuing the ERP implementation. Together with a full-year contribution from Lawrence, these actions will support further improvement in 2024.



Case study

Addressing market trends with innovative products

After several years when customers were focused on managing COVID-19, disrupted supply chains and significant cost inflation, new product development is now prominent again in customers' minds as they look to position for growth.

In North America, Tyman is looking to take advantage of this renewed appetite for innovative products. In 2023, Tyman recruited and focused more resource on innovation capabilities and launched new products with unique selling points that address some of the market trends identified in Our Markets section on page 15. Two examples of products that were introduced to the market in late 2023 are shown below.

Magnetic casement window handle solution

A trend that has been growing in importance is the desire of homeowners to have larger windows with improved lines of sight and slimmer frame profiles, giving a more contemporary look. AmesburyTruth's latest casement window handle solution, Attraction™, addresses this with its sleek design that is well suited to slimmer profiles. Attraction™ is engineered to ensure ease of use, the longer handle reduces the operating force required by 20% compared to traditional solutions, enabling larger, heavier windows to be easily operated. Concealed magnets ensure the handle returns to its proper placement, giving a smoother, uninterrupted design. The Attraction™ handle pairs perfectly with existing AmesburyTruth products and was introduced to the market at the Glass Build America trade show in October, with formal launch in early 2024.



Scan the QR code to see more information on Attraction™.

Lower priced flood tight floor access door

As the world has been getting warmer there have been more examples of extreme flooding, and despite global efforts the threat from flooding is expected to grow in the near term. As a result, there are increasing demands being placed on municipal and commercial organisations to comply with increasing regulations and pressure from the insurance industry relating to natural hazards such as flooding. Current flood tight floor access doors on the market are expensive and do not adequately address increasing affordability concerns. In response, our BILCO business developed a new, lower-priced flood tight floor access door for municipal and commercial applications that require flood control. The door is designed to withstand a 25-foot head of water from the top and a five-foot head of pressure from beneath. Introduced to the market at the WEFTEC trade show in October, the product will be formally introduced to the market in 2024.



Pictured: BILCO's flood tight floor access door.



Pictured: AmesburyTruth's Attraction™ casement handle and Maxim LP lock.

Operational review

Tyman UK & Ireland

£m except where stated	2023	2022	Change	LFL
Revenue	97.3	103.3	-6%	-6%
Adjusted operating profit	12.0	14.5	-17%	-17%
<i>Adjusted operating margin</i>	12.3%	14.0%	-170bps	-170bps

Markets

Activity in the UK residential RMI market, to which the division is predominantly exposed, remained subdued in 2023, impacted by the pressure on household incomes from elevated levels of inflation and interest rates. This negative impact was amplified by customer destocking following the higher-than-normal inventory levels that had been built during the post-pandemic market rebound and associated supply chain challenges. The most recent CPA forecast projected spending in the private RMI market to have declined by 11% in 2023.

Whilst the UK construction PMI ("CPMI") has posted readings slightly above the neutral 50 level for much of the year, the housing component of the CPMI was below 50 throughout and took a notable step down in the autumn of 2023 to the mid 40's and has since been stuck around this level, with the weakness in housing spreading to the previously growing segments of infrastructure and commercial. As a result, the CPA forecasts the infrastructure segment to have been broadly flat in 2023 and commercial end markets to have experienced a slight decline, both of which represent a softening compared to projections at the start of the year.

Business performance and developments

Revenue decreased by 6% in 2023 on a LFL and reported basis as a result of a decline in hardware volumes, reflecting the above-mentioned challenges in the residential RMI market. This decline accelerated slightly in the second half of the year, mirroring the stepdown in the CPMI. In addition, there was a fall in revenue in the commercial access solutions business, which was impacted by the continued effect of delays with new automation equipment as well as a slowdown in the commercial market in the second half of the year.

Despite the challenging market conditions, the hardware business continued with its strategic initiatives and achieved meaningful share gains in 2023 across all major routes to market and notably with major distributors, where the strength of the brands and the close customer collaboration are differentiators. The work that has been taking place in recent years to improve the new product development processes and pipeline is delivering benefits, with revenues from new products in categories such as friction stays, door closers, hinges and letterplates running ahead of the prior year, despite the tough market backdrop.

Raw material prices eased during the year and air freight costs were lower, although the benefit of this was partially offset by ongoing wage inflation. Given this, the hardware business remained agile with regards to pricing, and responded to competitive pressures with targeted price adjustments.

As part of the Group's sustainability roadmap, the hardware business has continued its development of sustainable packaging solutions and the elimination of hazardous substances, such as chromium VI, from products. Given the division sources much of its products from Asia, the achievement of these goals relies on key Chinese suppliers and formed a major topic of discussion at a Tyman supplier conference in Ningbo to ensure the engagement, alignment and support of suppliers in producing and delivering sustainable solutions for customers.

Access 360, the division's commercial access solutions business, completed the final steps in the consolidation of the three heritage Access 360 sites (Profab, Howe Green and the Bilco warehouse) into a single highly automated facility in Wolverhampton during the first half of the year. The business experienced delays with the new equipment for the facility, which significantly impacted its operational and financial performance. As these issues were overcome, the business' operating efficiency and financial performance improved progressively during the second half despite the above-mentioned softening of its end markets.

LFL and reported adjusted operating profit decreased by 17%. This was primarily attributable to the above-mentioned challenges that affected Access 360's performance, as the hardware business was able to partially offset the negative operating leverage impact from lower hardware volumes with tight cost control.

Outlook

The UK residential RMI market is expected to remain challenging during 2024, with the CPA currently forecasting a further 4% decline, leading to a competitive market landscape. Against this backdrop, the hardware business will continue to focus on new product development, share gains and enhancing its supply chain resilience to ensure customer service levels are maintained, whilst continuing to tightly manage discretionary costs.

The operational challenges experienced by Access 360 in the first half of 2023 have been overcome and the commercial pipeline is improving and, absent any further softening of end markets, we anticipate that the business will show progress in 2024.

Case study

New product development driving share gains

Following the supply chain and inflation challenges of recent years, new product development is now prominent again in customers' minds as they look to position for growth. In UK & Ireland, the work that has been taking place over the past two years to improve the division's new product development processes is delivering benefits and enabling share gains. Below are two examples of recent product launches.

New flush hinge with innovative design to significantly reduce installation time

In late 2023, Tyman launched a new range of innovative flush hinges for UK residential and commercial interior doors that can be fitted up to three times faster than traditional hinges.

The new hinge uses a concept commonly used with cupboard or cabinet doors, otherwise known as an interleaf hinge, to offer a unique flush design for full size internal door sets. The hinge folds into itself at a thickness of 3mm, meaning that the hinge can be fitted to the face of the door and frame, rather than fitting into morticed pockets in the door and frame that are required to fit traditional mortice butt hinges. The design thus removes the need for morticing, whilst also eliminating the need for intumescent material if the hinge is being fitted to a fire-rated door.

This can deliver significant time and cost savings for joiners, housebuilders and developers, when applied to multiple doors per property. A short video showing an independent experienced door installer demonstrating the benefits of this flush hinge compared to traditional butt hinges can be viewed at <https://www.youtube.com/watch?v=5UGaSZv4rAY>.

The hinge is available in nine finishes to suite with existing Tyman hardware, the cardboard packaging used is 100% recyclable, and where plastic is used it contains a minimum of 30% recycled content.

Discreet smart technology for built-in window protection

Following "voice of the customer" discussions and recognising the growing trend for smart devices in the home, Tyman developed a smart sensor device in 2023 designed to fit discreetly into UPVC casement windows. The device senses when the window is under attack from a burglar through vibration movement prior to any tampering or forced opening, and provides alerts should the window be opened.

The wireless WindowSense integrated window sensor, developed by Tyman's leading UK brand ERA, is accredited with the trusted BSI Internet of Things Kitemark, which ensures consumer peace of mind through encrypted security. The sensor sits within the profile of the window and both the hardware and software are easy to install and use.

Coral Windows & Conservatories have already chosen the solution to feature in their own range of smart windows, with Operations Manager Brendan Cowey noting: "As consumers are becoming increasingly familiar with smart home devices to support them in managing their daily lives, our vision was to extend this convenience across our windows and doors. As an experienced partner with their own UK software platform, engineering capabilities and accreditations, as well as their position as an existing Coral Windows supplier, ERA were the obvious choice to help us to blend smart technology into our range.

"The new SmartFrame sensor alerts the consumer to any form of tamper, vibration and change in window status within our bespoke Coral Smart Home app. This discreet security solution for windows will allow our products to leave the factory as smart capable from the point of installation."



Pictured:

Tyman's wireless WindowSense integrated window sensor, accredited with the trusted BSI Internet of Things Kitemark.



SmartFrame is only the start of our journey with ERA, who we hope to continue to work in partnership with as we expand our range."

Brendan Cowey

Operations Manager, Coral Windows & Conservatories

Operational review

Tyman International

£m except where stated	2023	2022	Change	LFL
Revenue	128.0	140.3	-9%	-6%
Adjusted operating profit	13.5	21.3	-37%	-31%
<i>Adjusted operating margin</i>	10.5%	15.2%	-470bps	-380bps

Markets

The decline in demand levels that began in the second half of 2022 across most of the division's key markets continued throughout 2023. Elevated interest rates and inflation had a negative effect on consumer confidence across Europe, which accounts for approximately 65% of divisional revenue, and this in turn reduced activity levels in the private RMI and housebuilding markets across the region. The Eurozone Construction PMI remained stuck in the mid 40's throughout 2023, indicative of a construction sector in contraction. The data for the division's largest market, Italy, was better than the Eurozone average, running in the high 40's for much of the year and rising above 50 in the final few months of 2023. During 2022, market demand had benefitted from various government fiscal stimulus programmes across Europe, notably in Italy, France and Spain, and the gradual reduction in funding for these programmes in 2023 negatively impacted market activity levels.

Elsewhere, there continued to be favourable market conditions in the Gulf Cooperation Council ("GCC") cluster of markets, but most other export markets remained weak.

Business performance and developments

Revenue declined by 9% in the period on a reported basis and by 6% on a LFL basis against a strong comparative. The drivers of this were the challenging market conditions experienced throughout the year, which were amplified by significant customer destocking in the seals business, and more than offset the benefit from the carryover of prior year pricing actions. There was a marked improvement in the LFL revenue decline in the second half of the year, mainly reflecting weaker comparators.

The business performed creditably given the tough market environment, notably continuing to gain traction with system houses in Europe and the GCC. This channel now represents 22% of the division's revenue (compared to 21% in 2022) and is expected to continue to grow faster than the market, as system houses are reacting quicker to building regulation changes and driving innovation and sustainability in the industry. Tyman is well placed to grow with this group of customers by working closely with them to create innovative solutions, with multiple systems deploying newly developed Giesse hardware and Schlegel seal products delivered to the market in 2023 and due for launch in 2024. Further dedicated sales resource has been added specifically to accelerate this initiative and organisation changes are underway to ensure excellent service and new product development capabilities are provided to this channel.

Sustainability continues to be a key differentiator for Tyman across Europe, and during 2023 two major product ranges, the CHIC concealed hinges for tilt and turn casement windows and Fulcra door hinges, achieved Environmental Product Declaration ("EPD") certification, creating additional revenue opportunities as EPD certification becomes a prerequisite for an increasing number of tenders in the market.

Work to optimise the division's seals manufacturing business continued following the closure of the German seals manufacturing plant at the end of 2022, with the transfer of its production to the Newton Aycliffe facility in the UK now completed. This consolidation will deliver structural improvements to profitability and enhanced customer service levels. The business also took further action to reduce the fixed cost base, including closing its manufacturing operation in Brazil in July 2023, and exiting completely from the loss-making Chinese market at the end of the year. In the division's largest hardware manufacturing facility in Italy there has been significant investment during 2023 in process automation and robotics to enhance safety, capacity and efficiency.

Prior year pricing actions largely offset raw material and wage inflation but the significant decline in sales and production and the consequential negative effect on fixed cost absorption resulted in a LFL adjusted operating profit decline of 31%, with the adjusted operating margin decreasing to 10.5%. On a reported basis, adjusted operating profit decreased by 37%, reflecting the impact of foreign exchange.

Outlook

Recent construction PMI data suggests that the market is likely to remain challenging in the first half of 2024. GlobalData currently forecasts that the European residential RMI market will decline by almost 5% in 2024, whilst Euroconstruct forecasts a 4% contraction.

Offsetting the anticipated market weakness, the division's revenue performance in 2024 is expected to benefit from ongoing share gains, an absence of customer destocking, as well as continued growth from the GCC cluster, which is expected to maintain its recent growth trend.

The priorities remain to capture share growth opportunities through ongoing innovation and system house expansion activities, whilst continuing to tightly manage the cost base. The division will also continue to take measures to reduce the fixed element of its cost base to reduce its operating leverage and will benefit in 2024 from both the absence of losses in China and the operational improvements at its Newton Aycliffe seals facility.

Case study

Expansion in GCC via system house collaboration



Pictured: Artist impression of homes in Damac Lagoons development, Dubai.

Tyman has been successfully targeting market expansion and share gains with major system houses across Europe and the GCC for several years. It takes time to build trusted partnerships with this segment of the market, but once a supplier is designed and specified into a system house's customised solution it provides a stable recurring source of revenue.

These benefits continue to manifest themselves with share growth to this channel. Sales to this channel now comprise 22% of the International division's sales (2022: 21%).

Building a collaborative, sustainable relationship with leading GCC system house, Alumil ME

The GCC has been Tyman's fastest growing region over recent years, and currently represents around 13% of the International division's sales.

A key system house customer for Tyman in the GCC is Alumil. Over the past four years, a strong relationship has been cultivated through consistent efforts to collaborate during the design and specification phase of Alumil's window and door solutions.

Tyman's proactive approach involved early engagement, collaborating with them during the initial stages of new system development and conducting technical verifications of their existing systems.

A key element in fostering and sustaining this relationship with customers like Alumil is a deep understanding of building codes, standards, certifications, and end-market environments. Tyman's domain expertise, coupled with a committed and dedicated local support team, has played a crucial role in establishing Tyman as a trusted adviser to Alumil.

This collaborative approach with Alumil has produced commercial benefits, exemplified by two development projects in the UAE initiated in 2023. Tyman is partnering with Alumil on the Baniyas North residential development in Abu Dhabi, comprising approximately 3,400 residential houses, and the Damac Lagoons development in Dubai, covering 45 million sq. ft.

In both projects, Tyman is providing Giesse solutions to enhance the balcony doors and windows of luxury villas and townhouses, addressing the challenges posed by high temperatures and proximity to bodies of water.



Pictured: Artist impression of homes in Baniyas North development, Abu Dhabi.

Financial review



Excellent cash conversion



Inventory reduction initiatives delivered cash conversion of 143% and leverage of 1.1x, at the low end of our target range.”

Juliette Lowes

Interim Chief Financial Officer at 31 December 2023

Income statement

Revenue and profit

Reported revenue for the year decreased by 8.1% to £657.6 million (2022: £715.5 million), against a strong comparator, largely reflecting a decline in volumes of c.£108 million, driven by the weaker global macroeconomic conditions, which began to take effect in the second half of 2022, and unfavourable foreign exchange movements of £6.4 million. The volume shortfall was partially offset by the benefit of the carryover of prior year price increases of £32.6 million and surcharges of £16.8 million to recover the significant input cost inflation experienced across 2021 and 2022, for which there was a lag in recovery. There was also a £7.1 million contribution from Lawrence, which was acquired in July 2023. On a LFL basis, which excludes the revenue generated from Lawrence and the adverse impact of foreign exchange, revenue decreased 8.3% compared to 2022.

Operating profit decreased by 14.9% to £60.2 million (2022: £70.7 million). The impact of the drop through of lower sales volumes was c.£35 million. Production volumes were down more than sales volumes in order to reduce inventory levels, and although significant cost reductions were achieved in response to lower demand, the net effect on fixed cost absorption was significant, and this, combined with the knock-on effect of machinery delays on the Access 360 site consolidation, impacted profitability by c.£10.2 million. The carryover of pricing actions and tariffs of £49.4 million more than offset in-year material, wages and salary, and other input cost inflation of £14.5 million, with the significant lag experienced over the last two years now reversed. Operating profit was also impacted by adverse transactional foreign exchange movements of £1.4 million and adjusting items, which included restructuring costs, M&A activity, CEO transition costs, and the impact of the significant devaluation of the Argentinean Peso in December 2023 on retranslating Euro-denominated payables. The acquisition of Lawrence benefitted operating profit by £3.1 million. Adjusted operating

profit, which excludes the adjusting items and amortisation of acquired intangibles, decreased by 10.8% to £84.4 million (2022: £94.6 million).

Operating margin decreased by 70 bps to 9.2% (2022: 9.9%) and adjusted operating margin decreased by 40 bps to 12.8% (2022: 13.2%), largely as a result of the lower sales and production volumes, and the challenges with the Access 360 site consolidation. On a LFL basis, excluding the adverse impact of foreign exchange and benefit from Lawrence, adjusted operating margin decreased by 64 bps.

Reported profit before taxation decreased by 18.6% to £50.0 million (2022: £61.4 million), primarily as a result of the lower operating profit and an increase in net finance costs, driven by increases in global interest rates and debt drawn down to fund the Lawrence acquisition. Adjusted profit before tax decreased by 12.6% to £75.0 million (2022: £85.8 million), as a result of the lower adjusted operating profit and higher interest charge.

Materials and input costs

	2023		
Materials ¹	£m	Average ²	Spot ³
Aluminium	17.9	-25%	-31%
Polypropylene	39.3	-26%	-11%
Stainless steel	59.4	-14%	-40%
Zinc	29.4	-11%	-18%
Far East components ⁴	17.2	-6%	+3%

¹ 2023 materials cost of sales for raw materials, components and hardware for overall category.

² Average 2023 tracker price compared with average 2022 tracker price.

³ Spot tracker price as at 31 December 2023 compared with spot tracker price at 31 December 2022.

⁴ Pricing on a representative basket of components sourced from the Far East by Tyman UK & Ireland.

Both spot and average prices across all major categories moderated in 2023, except for the spot rate on Far East components, following significant inflation over the previous two years. However, as higher priced inventory carried into the year was still being sold through, the Group only began to realise the benefit of input cost reductions towards the end of the year. Previously implemented price increases and surcharges are now recovering the gap experienced over the last two years as a result of the timing lag driven by the magnitude and frequency of cost increases, as well as customer pricing mechanisms.

Selling, general and administrative expenses

Selling, general and administrative expenses increased to £157.1 million (2022: £151.2 million), predominantly due to salary and other cost inflation, the acquisition of Lawrence and adjusting items of £10.6 million (2022: £6.3 million), partially offset by lower amortisation of acquired intangibles, the effect of cost control measures implemented in response to weaker demand and foreign exchange movements. Adjusted selling, general and administrative costs, which excludes the impact of adjusting items, and amortisation of acquired intangibles, increased to £132.9 million (2022: £127.3 million).

Adjusting items

Certain items that are considered to be significant in nature and/or quantum have been excluded from adjusted measures, such that the effect of these items on the Group's results can be understood and to enable an analysis of trends in the Group's underlying trading performance.

	2023 £m	2022 £m
Restructuring costs	(6.7)	(6.3)
CEO transition costs	(1.3)	-
M&A costs	(1.4)	-
Argentina devaluation charge	(1.2)	-
Total adjusting items	(10.6)	(6.3)

The restructuring costs of £6.7 million comprise costs related to the Access 360 site consolidation, costs related to a targeted reduction in workforce in North America, and costs associated with the streamlining of the International division operations, including the final costs relating to the closure of the Hamburg facility, cessation of manufacturing in Brazil and closure of the Chinese business.

The CEO transition costs of £1.3 million include exit costs relating to the former CEO, as well as recruitment costs for the new CEO.

M&A costs of £1.4 million comprise costs associated with the Lawrence acquisition, including due diligence, legal fees, and other acquisition-related costs, as well as a charge associated with the estimated earn-out, which under accounting standards is treated as post-combination remuneration rather than consideration due to it being conditional on the continuing employment of a key employee.

The Argentina devaluation charge of £1.2 million relates to the impact of the significant devaluation of the Argentinian peso in December 2023, following the change in government, on retranslating Euro-denominated payables.



Financial review

Finance costs

Net finance costs increased to £10.2 million (2022: £9.3 million).

Interest payable on bank loans, private placement notes and overdrafts increased to £10.8 million (2022: £6.9 million), predominantly reflecting a significantly higher weighted average interest rate, a draw-down of the revolving credit facility to fund the Lawrence acquisition consideration of £43.8 million, and a favourable impact of foreign exchange. The weighted average interest rate increased to 5.1% (2022: 3.4%), driven by the effect of a significant increase in global base interest rates on floating rate RCF debt, which more than offset the improved coupon rates on the USPP debt issued in April 2022. Finance costs were also impacted by a loss on revaluation of derivative financial instruments of £0.3 million (2022: £0.1 million gain), driven by the movement in foreign exchange rates.

Interest on lease liabilities of £2.6 million decreased slightly (2022: £3.0 million), reflecting a lower average lease liability, partially offset by the impact of higher interest rates on new leases. Finance costs also included amortisation of capitalised borrowing costs of £0.5 million (2022: £0.6 million) and pension interest costs of £0.2 million (2022: £nil).

Interest income from short-term bank deposits amounted to £3.4 million (2022: £0.9 million), reflecting an increase in base interest rates.

Forward exchange contracts

At 31 December 2023, the Group's portfolio of forward exchange contracts at fair value amounted to a net liability of £0.5 million (2022: net liability of £0.2 million). The notional value of the portfolio was £34.8 million (2022: £19.8 million), comprising US dollar and Euro forward exchange contracts with notional values of US\$43.9 million and €0.4 million respectively (2022: US\$23.3 million; €0.7 million). These contracts have a range of maturities up to 15 January 2025. During the year, a loss of £0.3 million (2022: gain of £0.1 million) was recognised directly in the income statement.

Interest rate swaps

In 2022, the Group entered into a cross-currency interest rate swap, swapping US\$10 million of the USPP debt for £3.7 million and €5.0 million to fund the Group's UK and International operations. At 31 December 2023, the fair value of these swaps amounted to a net liability of £0.3 million (2022: net asset of £0.2 million), with a fair value loss through OCI of £0.5 million (2022: gain of £0.2 million) recognised.

Taxation

The Group reported an income tax charge of £11.8 million (2022: £13.6 million), comprising a current tax charge of £14.5 million (2022: £17.6 million) and a deferred tax credit of £2.7 million (2022: credit of £4.0 million). The effective tax rate was 23.6% (2022: 22.0%), with the increase reflecting that 2022 benefitted from the release of transfer pricing provisions no longer required.

The adjusted tax charge was £16.4 million (2022: £18.5 million) representing an adjusted effective tax rate of 21.9% (2022: 21.6%).

During the period, the Group paid corporation tax of £15.5 million (2022: £21.5 million). This reflects a cash tax rate on adjusted profit before tax of 20.7% (2022: 25.1%). The decrease reflects the timing of payments on account, with a refund of previously overpaid tax being received in 2023.

Earnings per share

Basic earnings per share decreased by 20.4% to 19.6 pence (2022: 24.6 pence), and adjusted earnings per share decreased by 13.3% to 30.1 pence (2022: 34.7 pence), reflecting the decrease in profit after tax. There is no material difference between these calculations and the fully diluted earnings per share calculations.

Cash generation, funding and liquidity

Cash and cash conversion

Net cash generated from operating activities increased by 79.5% to £108.8 million (2022: £60.6 million), reflecting a working capital inflow of £29.8 million compared to a working capital outflow of £31.4 million in 2022, primarily as a result of actions taken to reduce inventory in the period, following a significant build in 2022. This was partially offset by lower profit before tax and cash outflows on provisions relating to restructuring activities. Adjusted operating cash flow, which excludes cash flows from adjusting items, increased to £120.4 million (2022: £60.1 million), reflecting the higher net cash from operating activities and lower capital expenditure.

Free cash flow of £85.0 million in the period was higher than 2022 (2022: £27.1 million), as a result of the higher adjusted operating cash flow and lower income tax payments, offset by higher pension contributions and adjusting item cash costs.

Debt facilities

Bank and US private placement facilities available to the Group as at 31 December 2023 were as follows:

Facility	Maturity	Committed
2022 Facility (multi-currency)	Dec 2027	£210.0m ¹
5.37% USPP	Nov 2024	US\$45.0m
3.51% USPP	April 2029	US\$40.0m
3.62% USPP	April 2032	US\$35.0m

¹ The Group also has potential access to an uncommitted £100.0 million accordion facility.

The option to extend the multi-currency revolving credit facility by one year was exercised during the year, giving a maturity date of December 2027. There were no other changes to the revolving credit facility and US private placement notes during the period, details of which are outlined in the Annual Report and Accounts for the year ended 31 December 2022. There were no defaults in the period under the terms of loan agreements.

Both the USPP notes and the RCF incorporate sustainability performance targets that align with Tyman's sustainability roadmap (see note 18). These incentive mechanisms result in a modest reduction or increase in the interest rate depending on performance against these targets.

Liquidity

At 31 December 2023, the Group had gross debt of £231.4 million (2022: £250.1 million) and net debt of £167.7 million (2022: £175.5 million). Adjusted net debt, which excludes lease liabilities and capitalised borrowing costs, was £110.3 million (2022: £115.9 million), with the decrease reflecting operating cash generation, including the lower working capital, as well as a benefit from foreign exchange movements. This reduction was achieved despite completing the acquisition of Lawrence for cash consideration of £43.8 million.

The Group had cash balances of £63.7 million (2022: £74.6 million), bank overdrafts of £25.4 million (2022: £16.4 million) and committed but undrawn facilities of £144.8 million (2022: £125.8 million). This provides immediately available liquidity of £183.1 million (2022: £184.0 million). The Group also has potential access to the uncommitted £100.0 million accordion facility, which has remained unchanged from the previous year.

Covenant performance

At 31 December 2023	Test	Performance ¹	Headroom ²
Leverage	< 3.0x	1.1x	£65.4m (65%)
Interest cover	> 4.0x	13.2x	£68.0m (70%)

¹ Calculated covenant performance consistent with the Group's banking covenant test (banking covenants exclude the effect of IFRS 16). See APMs on page 239 for interest cover and page 240 for leverage.

² The approximate amount by which covenant adjusted EBITDA would need to decline before the relevant covenant is breached.

At 31 December 2023, the Group retained significant headroom on its banking covenants. Leverage at the year end was 1.1x (2022: 1.0x), reflecting the funding of the Lawrence acquisition, partially offset by the strong free cash flow. Interest cover at 31 December 2023 was 13.2x (2022: 18.2x).



Financial review

Balance sheet – assets and liabilities

Trade working capital

£m	2022	Movement	Acquisitions	FX	2023
Inventories	153.1	(28.7)	0.5	(5.9)	119.0
Receivables	67.5	2.7	1.0	(3.0)	68.2
Payables	(55.8)	(2.7)	(0.1)	1.9	(56.7)
Working capital	164.8	(28.7)	1.4	(7.0)	130.5

Trade working capital at the year end was £130.5 million (2022: £164.8 million). The trade working capital reduction at average exchange rates was £28.7 million (2022: £25.3 million build). The acquisition of Lawrence contributed an additional £1.4 million to trade working capital.

The decrease in inventory at average exchange rates was £28.7 million (2022: £4.8 million increase). This was driven by initiatives implemented to bring inventory down to more normalised levels, following a build driven by supply chain disruption through 2022. Trade receivables increased due to an increase in sales levels towards the end of the year, and trade payables increased as a result of the timing of inventory purchases.

Trade working capital decreased by £7.0 million (2022: £10.2 million) due to foreign exchange movements.

Capital expenditure

Gross capital expenditure decreased to £15.6 million (2022: £24.1 million) or 1.1x depreciation (excluding RoU asset depreciation) (2022: 1.7x). The reduction reflected timing of investments, with 2022 including spend associated with footprint projects, and some catch up of expenditure deferred from prior years. Net capital expenditure was £15.5 million (2022: £24.0 million).

Goodwill and intangible assets

At 31 December 2023, the carrying value of goodwill and intangible assets was £465.5 million (2022: £457.0 million). The acquisition of Lawrence increased goodwill and intangible assets by £39.7 million, which was partially offset by the impact of foreign exchange of £18.4 million, a write-off of £1.0 million relating to the closure of the China business, and amortisation of intangible assets through the income statement of £16.3 million (2022: £19.6 million).

Provisions

Provisions at 31 December 2023 decreased to £5.5 million (2022: £7.9 million), reflecting the utilisation of the provision made in the prior year for the closure of the Hamburg facility, partially offset by a provision made for costs of the closure of the China business, expected to be utilised in the first half of 2024.

Defined benefit pension scheme

The Group's net defined benefit pension liability decreased to £2.6 million (2022: £4.3 million), reflecting the termination of the two US defined benefit pension schemes. The process to terminate the schemes commenced in 2021 and completed in 2023, with the final funding payments amounting to £2.4 million being made. Termination of these schemes reduces

income statement volatility, administration costs, and future cash outflows. The remaining £2.6 million liability relates to the statutory pension obligation in Italy, which is unfunded.

Balance sheet – equity

Shares in issue

At 31 December 2023, the total number of shares in issue was 196.8 million (2022: 196.8 million), of which 0.4 million shares were held in treasury (2022: 0.5 million).

Employee Benefit Trust purchases

At 31 December 2023, the Employee Benefit Trust ("EBT") held 1.4 million shares (2022: 2.1 million). During the period, the EBT purchased 0.2 million shares in Tyman plc at a total cost of £0.5 million (2022: 2.0 million shares at a total cost of £6.6 million).

Dividends

A final dividend of 9.5 pence per share (2022: 9.5 pence), equivalent to £18.5 million based on the shares in issue as at 31 December 2023, will be proposed at the Annual General Meeting (2022: £18.4 million). The total dividend declared for the 2023 financial year is therefore 13.7 pence per share (2022: 13.7 pence). This equates to a Dividend Cover of 2.2x, within the Group's target range of 2.0x to 2.5x adjusted EPS.

The ex-dividend date will be 25 April 2024 and the final dividend will be paid on 29 May 2024 to shareholders on the register at 26 April 2024.

Only dividends paid in the year have been charged against equity in the 2023 financial statements. Dividend payments of £26.6 million were paid to shareholders during 2023 (2022: £25.4 million).

Other financial matters

Return on capital employed

ROCE decreased by 160 bps to 11.7% (2022: 13.3%) primarily as a result of the lower adjusted operating profit, partly offset by lower average working capital.

Return on acquisition investment

Lawrence was acquired in July 2023 for consideration of £43.8 million. As the acquisition was only completed in the second half of the year, ROAI will be reported in 2024. Lawrence has performed encouragingly in the period since acquisition, has good prospects and is on track to exceed the minimum return threshold of 14% within two years of acquisition.

Currency

Currency in the consolidated income statement

The principal foreign currencies that impact the Group's results are the US dollar and the Euro. In 2023, Sterling was slightly stronger against the US dollar and weaker against the Euro when compared with the average exchange rates in 2022.

Translational exposure

Currency	US\$	Euro	Other ³	Total
% movement in average rate	0.6%	(2.0%)	-	-
£m Revenue impact ¹	(2.4)	1.5	(11.2)	(12.1)
£m Profit impact ¹	(0.3)	0.2	(4.2)	(4.3)
1c decrease impact²	£401k	£60k	-	-

¹ Calculated based on 2023 revenue and adjusted operating profit at 2022 exchange rates.

² Defined as the approximate favourable translation impact of a 1c decrease in the Sterling exchange rate of the respective currency on the Group's 2023 adjusted operating profit.

³ Other currencies include the Argentinian Peso, which was significantly impacted by devaluation in 2023.

The net effect of currency translation caused revenue and adjusted operating profit from ongoing operations to decrease by £12.1 million and £4.3 million respectively compared with 2022.

Transactional exposure

Divisions that purchase or sell products in currencies other than their functional currency will potentially incur transactional exposures. For purchases by the UK & Ireland division from the Far East, these exposures are principally Sterling against the US dollar or Chinese renminbi.

The Group's policy is to recover adverse transactional currency movements through price increases or surcharges.

Divisions typically buy currency forward to cover expected future purchases for up to six months. The objective is to achieve an element of certainty in the cost of landed goods and to allow sufficient time for any necessary price changes to be implemented.

The loss on foreign exchange derivatives in 2023 is £0.5 million (2022: £0.2 million gain). The Group's other transactional exposures generally benefit from the existence of natural hedges and are immaterial.

2024 technical guidance

The working capital cycle is expected to normalise, with minimal net cash outflow across the year following a seasonal build at the half year of c.£20-25 million.

Capital expenditure is expected to be c.£25 million, reflecting ongoing investment in new product development, operational excellence, and systems upgrades.

Adjusted operating cash conversion is expected to return closer to the target average of 90%, reflecting more normalised working capital movements.

Leverage is expected to be below the target range of 1.0x to 1.5x covenant adjusted EBITDA absent any M&A activity.

Net interest charge is expected to be c.£8-10 million, reflecting lower average net debt.

The adjusted effective tax rate is expected to be c.24.0-26.0%.

Juliette Lowes

Interim Chief Financial Officer at 31 December 2023

6 March 2024

Sustainability performance

Safety excellence

Introduction

Safety is a focus at every level of the Group from the Board and Executive Committee (“ExCo”) to divisional leadership, site management and functional teams. Local management is responsible for health and safety performance with oversight provided by dedicated divisional Health, Safety and Sustainability (“HSS”) leads. To view Tyman’s governance arrangements for health and safety visit www.tymanplc.com/application/files/2716/4873/2558/Tyman_health_and_safety_management_system.pdf and to view Tyman’s updated health and safety policy visit www.tymanplc.com/application/files/5716/2160/6164/Group_Health_and_Safety_Policy.pdf.

All of the Group’s businesses have management systems in place to identify, control and act on all health and safety risks in the workplace, alongside training, audits and local management reviews. Where appropriate for their particular markets, Tyman’s businesses also seek external certification

to international health and safety standards. All injuries resulting in first aid or more are investigated. Lessons learned from Hi-Po near misses and other incidents are shared across the Group and, where appropriate, safety alerts are issued and corrective actions tracked to closure.

The Group tracks its safety performance through leading and lagging indicators, which are underpinned by groupwide safety standards focused on key areas of risk. All manufacturing plants and distribution centres complete a gap analysis against each standard. Corrective action plans then address areas for improvement. Since their deployment, nearly 3,000 corrective actions have been implemented (2022: 2,010). Two new standards were developed in 2023 and going forward, focus will shift to ongoing reviews of these standards to ensure they remain effective and audit compliance at facility level.

Standard	Date deployed	# corrective actions closed since deployment
Lock Out Tag Out (“LOTO”)	May 2020	357
Electrical safety	October 2020	371
Machinery safety	January 2021	356
Fall prevention/working at height	May 2021	306
Manual handling and ergonomics	October 2021	225
Fork-lift truck operations	January 2022	379
Confined space entry	August 2022	274
Contractor management	December 2022	315
Chemicals management	May 2023	369
Preventive maintenance (draft)	-	-
Total		2,952

Safety performance

The Group’s headline safety metrics are the Total Recordable Incident Rate (“TRIR”) for incidents requiring medical intervention beyond first aid and the Lost Time Incident Frequency Rate (“LTIFR”) for incidents involving time off work, both expressed per million hours worked. With the impact of COVID-19 and subsequent operational disruption in responding to unprecedented demand in 2021/22 now in the past, Tyman recorded its best ever safety performance in 2023.

In 2019, the Group set out its safety excellence ambition to achieve world-class levels of performance, targeting a LTIFR of <1.0 by 2022 and a world-class TRIR of <3.0 by 2026. The Group’s LTIFR of 1.0 during the year, is a 28% improvement on 2022 and just short of the ambitious goal set four years ago. Tyman’s TRIR (a broader measure of safety performance) reduced by 26% ending the year at 4.2 (2022: 5.7). Tyman’s safety performance also continues to compare favourably against industry benchmarks (equivalent LTIFR between 4.5 and 6 and a TRIR of 16.5–18¹). Going forward, the Group’s core safety metric will be the TRIR, encompassing both lost

time and injuries requiring medical intervention beyond first aid. The TRIR also features in the Group’s LTIP (pages 148 and 156).

To ensure that the significant progress made in recent years is maintained and improved upon, the Group developed a safety leadership playbook during the year as a refresher for the hundreds of leaders across the Group that have completed Tyman’s safety leadership programme, first launched in 2020. The playbook has been designed to re-connect leaders at all levels with key concepts from the course, introduce some new behavioural models/engagement techniques and challenge them to make a new “bold commitment” to take their safety leadership to the next level. Deployment has already commenced in North America and will be extended globally in 2024.

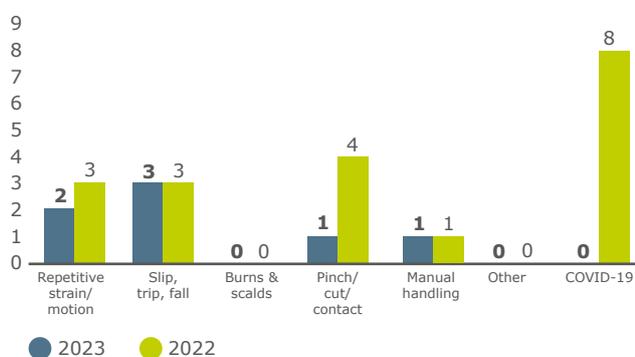
¹ Source: US Bureau of Labor Statistics 2022 for other plastics manufacturing (NAICS 32619), window and door manufacturing (332321), hardware manufacturing (3325) and turned product and screw, nut and bolt manufacturing (33272).

Safety performance overview – all employees (permanent and temporary)¹

Metric ²	Targets	2023	2022	2021	2020	2019
Lost Time Incident Frequency Rate (LTIFR) ² including COVID-19 ³		1.0	2.5	4.4	3.1	4.0
Lost Time Incident Frequency Rate (LTIFR) excluding COVID-19	<1.0	1.0	1.4	1.9	1.5	4.0
Total Recordable Incident Rate (TRIR) ⁴ including COVID-19		4.2	6.7	9.9	7.5	7.6
Total Recordable Incident Rate (TRIR) excluding COVID-19	<3.0 by 2026	4.2 ⁷	5.7	7.4	5.8	7.6
Number of serious incidents ⁵	zero	-	-	-	1	4
Number of Hi-Potential Near Miss Incidents ⁶		23	24	18	24	21

- Covers all permanent and agency staff working under the Group's direct supervision worldwide. Injuries to visitors or contractors reported separately in the sustainability data table online.
- Lost Time Incident Frequency Rate per 1 million hours worked (incidents resulting in one or more days away from work, excluding the day of the incident).
- The Group uses the US OSHA definitions for its classification of work-related injuries and illnesses. Lost time incident reporting includes workplace transmission cases of COVID-19 for the period 2020–2022, where “close contact” has been identified (<2 metres for 15 minutes or more in any 24-hour period). Incident frequency rates are expressed with, and without, COVID-19 cases to enable a LFL comparison with pre-pandemic years.
- Total Recordable Incident Rate for all work-related injuries or illnesses to employees/agency staff that causes fatality, unconsciousness, lost workdays, restricted work activity, job transfer or medical care beyond first aid, per 1 million hours worked.
- Serious incidents are those deemed life threatening or life changing due to their severity.
- Hi-Po near miss incidents are those that did not cause serious injury but could have done under different circumstances.
- Subject to Limited Assurance by Bureau Veritas (pages 244 to 245).

Lost Time Incidents by cause 2023 vs 2022



Zero contractor-related lost time or other recordable injuries were reported during the year (2022: 1). Likewise, with the ending of the COVID-19 pandemic, no work-related instances of this illness were reported in 2023.

A review of Hi-Po near-miss incidents revealed that over half of the 24 incidents investigated in 2022 related to forklift truck operations. A cross-divisional working group was established to review these incidents and improvements were made to the Group's Powered Industrial Trucks standard in terms of risk assessments for non-routine lifting/loading operations, driver observation audits and a telemetry specification for new forklifts with a range of proximity and other safety-related sensors for improved vehicle and pedestrian safety.

The Group is encouraged to see all its leading indicators continuing to trend positively during the year, with record numbers of safety leadership tours (4,161), safety

improvement opportunities (16,760) and positive safety observations (4,015) being reported.

However, the Group received two safety-related citations from the regulatory authorities in North America (2022: zero). Both related to inadequate guarding at the Group's plants in Sioux Falls and Statesville, resulting in penalties of US\$3,073 and US\$5,122 respectively (£6,581 in total). Corrective actions were promptly completed in both cases. See the Group's full suite of health and safety metrics in the Tyman sustainability data table at www.tymanplc.com/sustainability.

The Group shared its approach to behavioural safety with its suppliers in China (page 25) and has included safety expectations in a new Tyman Supplier Code of Conduct (page 75).

Occupational health and wellbeing

Health surveillance programmes are in place across the Group for routine exposures such as noise and airborne dust/fumes from painting and welding. Zero occupational health exposures resulted in lost time during the year (2022: one), although three cases of Carpal Tunnel Syndrome were diagnosed at one of the Group's plants in Wolverhampton. An extensive ergonomic review of repetitive assembly activities was undertaken, and a mitigation programme was implemented at the facility including modifications to working practices, training and use of mechanical aids/new manufacturing processes to further reduce manual handling and repetitive tasks.

Sustainability performance

Environment

Environmental management systems

All the Group's businesses are required to maintain policies and programmes for managing the environment, including compliance with local regulations. These policies and management systems cover areas such as the use of materials, and ongoing energy, water and waste reduction programmes. These measures help improve production efficiencies, deliver compliance with legal obligations, reduce costs and minimise the Group's environmental impacts.

Where considered appropriate for their particular markets, Tyman's businesses also seek external certification to international environmental standards. Operations in the UK and Italy have environmental management systems in place that are externally certified to the ISO 14001 international standard, representing 27% of the Group's revenue (2022: 24%). The Group believes its approach to a more sustainable future is best served through the ambitions and targets set out in its sustainability roadmap (see page 23) rather than extending ISO 14001 certification to other locations.

Visit www.tymanplc.com/sustainability/sustainable-operations to access the Group's environmental policy and visit www.tymanplc.com/sustainability to access Tyman's sustainability data online.

Energy and greenhouse gas emissions

The Group reports on its energy consumption and greenhouse gas emissions within the climate-related disclosures section (pages 81 to 82).

Water stewardship

Following the successful commissioning of a new closed-loop recovery system at the Group's most water-intensive plant in Owatonna, which led to a reduction of 45% in water consumption in 2021, the Group examined its water use in the context of those sites operating in areas of very high water stress in 2022 as part of its CFD work programme. The WRI Aqueduct model and Moody's 427 climate risk tool were used to identify five sites as operating in such areas. A cap of 233,000 m³, has been set for these water-stressed sites, while more detailed assessments are undertaken to determine the scope to drive down consumption still further. The Group's water consumption decreased by 4% to 241,970 m³ during the year (2022: 253,168 m³), driven by reduced production and fewer working hours.

Water sources ¹	2026 target	2023	2022	2021	2020	2019
Municipal authorities (m ³)		225,640	235,242	264,659	450,956	499,093
Ground water (m ³) ²		16,329	17,926	23,904	17,426	19,965
Total water usage (m ³)		241,969	253,168	288,563	468,382	519,058
Total water usage in water stressed areas (m ³) (five sites) ³	233,000 ⁴	217,913	224,378	260,595	-	-
Water use m ³ per £m revenue		368	354	454	818	846

¹ All the Group's water use is captured here. There is no abstraction from rivers, lakes or other water sources. Restatements in 2019–2022 due to improvements in data quality.

² Two manufacturing plants (Mexico and Brazil). Brazil facility was closed part way through 2023. 2023 also includes two months of imported water supplied by tanker in Juarez following temporary cessation of municipal supply to replace distribution pipework.

³ Plants located in areas of very high water stress, as indicated by physical climate risk assessment (see page 68).

⁴ Capped at 10% of 2021 consumption.



Pictured: Daily safety briefing in Sydney.



Pictured: Noise assessment in Agnosine, Italy.

Waste management

The Group generated 10,181 tonnes of waste in 2023, of which 17% was landfilled (2022: 22% restated) and 83% was recycled/recovered (2022: 78% restated). There has been an increased focus on recycling and diverting previously landfilled waste to incineration. Hazardous waste represents a relatively small proportion of the total (3%), comprising materials such as oil contaminated rags, cutting fluids, chemicals and fluorescent light tubes.

Waste arisings ¹	2026 target	2023	2022	2021	2020	2019
Tonnes non-hazardous waste to landfill		1,591	1,765	2,118	2,091	2,301
Tonnes hazardous waste to landfill		160	128	367	413	432
Tonnes non-hazardous diverted from landfill (open-loop ² recycling, incineration, composting etc.)		5,437	4,397	4,677	4,331	4,743
Tonnes non-hazardous waste diverted from landfill (closed-loop ³ recycling)		2,842	1,920	-	-	-
Tonnes hazardous diverted from landfill (recycling, incineration)		151	328	248	155	149
Tonnes total waste arising		10,181	8,538	7,410	6,990	7,626
% total waste to landfill	Zero	17	22	34	36	36
Intensity ratio: total waste (non-hazardous and hazardous) Tonne per £m revenue		15.5	11.9	11.7	12.2	12.4

¹ Restatements in 2020-2022 due to improvements in data quality.

² The process of recycling material into other products.

³ The process of recycling material back into the same product or product category.

As part of the deployment of the Sphera data capture system (see page 77) enhancements were made to the Group's waste metrics (Scope 3 category 5), increasing the granularity of data collected for specific waste streams and calculating associated Scope 3 emissions. Through better reporting, the waste streams captured have increased. In previous years, zinc scrap from the Group's operations in Monterrey were omitted from reporting as this material was reprocessed by the plant's zinc supplier and returned to the plant for use in production in a closed loop system. For completeness, this material is now disclosed in a restatement of the Group's data table with a closed-loop recycling row added. Zinc accounted for 96% (2,716 tonnes) of the 2,842 tonnes closed-loop recycled waste reported in 2023.

The Group was fined 25,900 Mexican Pesos (£1,175) by the Mexican environmental regulator, PROFEPA, for two minor hazardous waste violations during the year at its Bilco facility in Juarez (2022: one violation). The 2023 violations related to the failure to maintain a log of internal movements of hazardous waste within the plant and failing to register the bio-hazard waste stream from the site's medical room with the regulator. Both non-compliances were promptly rectified.

Biodiversity

Tackling species extinction and destruction of the natural world is starting to gain momentum with initiatives such as the Taskforce for Nature-related Financial Disclosures ("TNFD"). Many of the actions being taken by the Group to tackle climate change by reducing emissions and eliminating plastic packaging will also benefit nature. During 2024, the Group will commence a review of its biodiversity impacts, dependencies, risks and opportunities, starting with its own direct operations.

Sustainability performance

Dependency	Tyman response
The extraction of fossil fuels, minerals and metal ores such as bauxite for aluminium, impact the natural world.	By taking a circular approach to the design and manufacture of its products and specifying higher levels of recycled content, these impacts can be reduced (pages 55 and 67).
Water is important at the Group's manufacturing facilities where die-casting and painting processes take place.	By reducing the Group's consumption of water, especially in areas suffering high levels of water stress, these impacts can be reduced (page 48).
GHG emissions negatively impact the natural world, with climate warming known to cause species extinctions.	By taking action to reduce GHG emissions, the Group can reduce these impacts (pages 81 to 82).
Packaging is responsible for habitat destruction and pollution on land, rivers and the oceans. Similarly, discharges of hazardous substances in the supply chain can impact the natural world.	Procuring paper-based packaging from responsible sources (e.g. FSC certified) and eliminating single-use plastics and hazardous substances reduces these impacts (page 54).
Natural capital improvement and nature-based solutions can also be part of the solution to some sustainability challenges.	Carbon removal projects such as forestry can play an important role in tackling hard-to-reduce GHG emissions (page 77).

Ethics and compliance

The Group believes that high standards of business ethics are integral to the maintenance of its licence to operate, the development of its culture and the achievement of its future growth. Accordingly, Tyman seeks to maintain a reputation for integrity in all of its business dealings and its relationships with authorities and its workforce. The Group's Code of Business Ethics ("CoBE"), was published in 2021 and fully deployed across the Group by early 2022. Since then, it has become an integral part of the induction of new joiners across the organisation and is regularly employed internally as well as with external stakeholders.

View the Group's Code of Business Ethics at www.tymanplc.com/sustainability/sustainable-culture/ethics.

In 2023, Tyman continued to support its leaders and Integrity Champions to foster a culture of integrity. Following on from the success of the "Leading with Integrity ("LWI")" programme in 2022, where leaders attended workshops designed to help them take practical steps to cultivate environments conducive to ethical decision making, the Group has designed topic-specific workshops to help them better identify and deal with ethical dilemmas. Beginning in late 2023, Tyman started to run webinars on "Conflicts of Interest" to its leaders.

During 2023, the Group further strengthened Tyman's Integrity Champions network through quarterly conference calls and events. Tyman's Integrity Champions help to localise Business Ethics and Compliance programme materials and initiatives, create local points of contact for employees, champion business ethics and deliver training.

Speak Up

The freedom to raise concerns is a core component of a high-performing, sustainable and ethical business culture, where employees are confident that they will be supported to "Do The Right Thing". Leaders and Integrity Champions have been trained, via the LWI workshops, to foster psychologically safe environments that encourage speaking up, and the CoBE sets out how employees can then raise any concerns.

In 2023, 47 Speak Up reports (35 reports related to the same incident) were received by the General Counsel & Company Secretary and investigated (2022: 11), with the findings of each investigation and any corrective action taken reported to the Board. In the period, 15 of the reports were determined to be breaches of the CoBE on "Working Together", and 14 were serious enough to result in the dismissal of employees.

The Group does not know of it being subject to any regulatory investigation during 2023 and confirms that its only regulatory fines are the ones described in pages 47 and 49.

People

Training and development

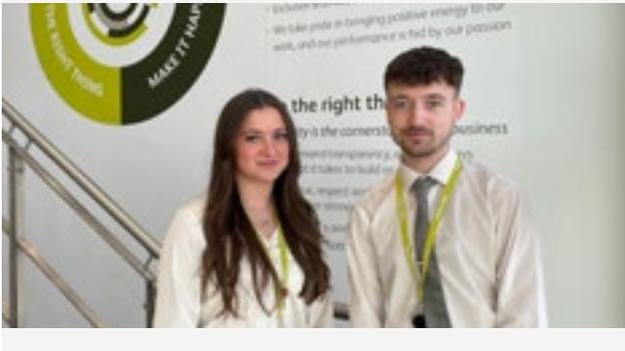
Training and development programmes during the year prioritised the Group's investment in the development of its leaders through a structured training plan (C3: Change-Culture-Competency). The Group continued to implement its LWI programme, launched the Tyman leadership competency model and framework, and continued the deployment of safety leadership training for new hires, as well as providing ongoing technical/functional training.

72,921 hours of training were delivered in 2023, of which 39,672 were safety related (2022: 72,521 of which 41,163 hours were safety related), giving an average of 20.0 hours of training per employee (2022: 19.5).

The Group employs seven apprentices in Brazil, Canada and the UK in a variety of roles in operational, commercial and support functions. For example, in the UK, four apprentices joined the division covering roles in health and safety, sustainability, IT and customer services. In order to nurture their development, each apprentice is given the opportunity to undertake training and spend time with colleagues in other areas of the business, and each individual receives the living wage as part of their employment.

Health, safety and sustainability apprentices

Two apprentices joined the Group in September and October respectively to begin their careers at Tyman UK and Ireland's office in Wolverhampton. Hatty-Mai McMahon is studying for her Safety, Health and Environment National General Certificate qualification, whilst supporting the delivery of Tyman's safety excellence programme. Ryan Hammond is studying for his Corporate Responsibility and Sustainability Level 4 qualification, whilst working on Life Cycle Assessment studies that underpin Environmental Product Declarations, as well as capturing sustainability performance data in the Group's new Sphera software reporting platform (see page 77).



Remuneration

The Group strongly believes in fairly rewarding its employees. In the UK, Tyman is an accredited Living Wage Employer by the Living Wage Foundation. In the US, the Group pays above a living wage as defined by the MIT Living Wage Calculator.

In 2023, The Chair of the Remuneration Committee met with diverse groups of Tyman employees in the UK, the US, Mexico and Italy to discuss the structure of executive remuneration. As explained on page 134, such meetings resulted in the restructuring of the remuneration framework for Tyman North America's leaders.

Diversity, equity and inclusion

To support its growth, the Group draws on the skills, experiences and insights of a diverse workforce. Tyman's employment policies and practices require that an individual's skills, experience and talent are the sole determinants in recruitment and career development rather than age, beliefs, disability, ethnic origin, gender, marital status, religion and

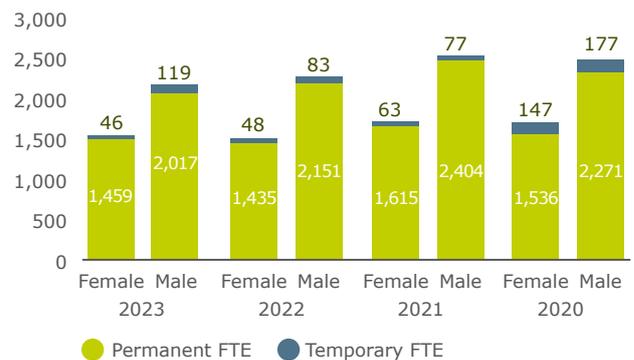
sexual orientation. The Group is committed to supporting employment opportunities that are consistent with its principles on diversity and inclusion, in line with local laws and accepted employment practices.

In 2023, Tyman's Board renewed its commitment to the Group's diversity and inclusion by reaffirming Tyman's Diversity and Inclusion Policy, which can be found at www.tymanplc.com/application/files/1616/2150/9060/Group_Diversity_Inclusion_Policy.pdf. Furthermore, the Board also committed to satisfying in 2024 the voluntary diversity targets recommended by the Hampton-Alexander Review and Parker Review and has codified such commitment through the Tyman Board Diversity and Inclusion Policy, which can be found here www.tymanplc.com/application/files/8617/0791/5240/Tymans_Board_Diversity_Policy.pdf.

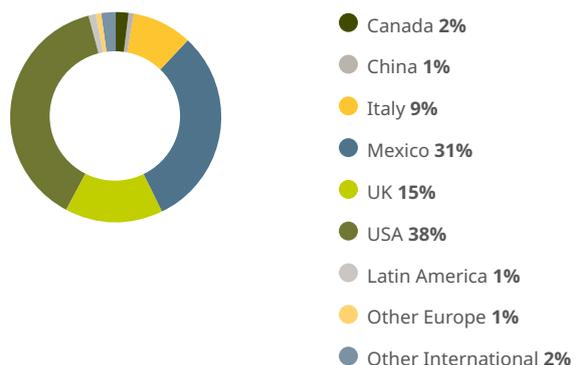
As of 31 December 2023, the Group employed 3,641 people (2022: 3,717), of which 1,505 workers were female, representing 41% of the total headcount (2022: 40%). Of the Group's headcount, 38% is based in the US, 31% in Mexico, with a further 15% in the UK and 9% in Italy. The Board had female representation of 43% (2022: 43%) and at senior management level (direct reports to the ExCo excluding administrative roles) this was 23% (2022: 19%). Temporary personnel accounted for 4.5% of the Group's total employees in 2023 (165), of which 98% are based in Australia, Canada, Italy, the UK and US.

The Group's workforce reduced by 2% during the year in response to softening market conditions and planned facility closures in Brazil and China.

Permanent and temporary headcount by gender (2020–2023)



2023 Headcount: 3,641



Sustainability performance

Employee engagement

Two virtual conferences were held during the year for the Group's leadership teams. The first in February was attended by over 130 leaders to update them on Tyman's strategic initiatives and the second in July, attended by 90 leaders, provided an update on the Group's half-year business performance.

All locations carry out communications programmes to engage their employees around important topics. Communication methods include video conferencing, webinars, video messages, town hall meetings, team briefings, physical and electronic noticeboards, training sessions, intranets, newsletters, Works Council meetings, employee engagement focus groups, leadership tours/ Gemba walks, skip-level meetings, supervisor networks and employee recognition events.

The Chief Executive Officer receives regular reports on employee matters, holds skip-level meetings with employees around the Group, and reports on employee matters to the Board. Pamela Bingham, in her role as Non-executive Director and Board member responsible for employee engagement, also meets employees across the business to understand local challenges and promote a direct link to the Board. Five in-person meetings with cross-functional representatives from sites in Italy, the UK and the US were held during the year to coincide with site visits by the Board (2022: four). Written and verbal reports were provided by Pamela to the Board following each such meeting. In 2023, the Remuneration Committee Chair, Paul Withers, also led skip-level meetings with employees across the Group to explain Tyman's remuneration philosophy and how executive pay supports the Group's strategy and ambitions. For more details, see page 134.

Of our employees, 25% belong to a recognised trade union (2022: 26%). In addition to trade union representation, a number of Works Councils exist, where required by legislation, together with other employee consultation groups, including safety committees. The Group continues to have positive and constructive relationships with its trade unions that collectively represent its employees. Comprehensive consultation processes were undertaken during the year with employees affected by closure plans for the Group's manufacturing facility in Brazil and warehousing and office in China. For those who were made redundant, financial severance payments and outplacement support were provided to help them find new employment opportunities.

Employee engagement survey

In late 2023 the North American and International divisions, together with head office, undertook a global all-employee pulse survey. This survey followed the global all-employee engagement survey undertaken in early 2022. A pleasing 84% of eligible employees responded to the pulse survey and the results reflected a net improvement in the employee net promoter score across the participants.

Tyman UK & Ireland undertook a separate all-employee pulse survey in 2023 and received a 74% response rate, which was in line with global benchmarks for manufacturing companies.

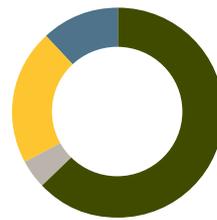
Further pulse surveys will be used to assess progress against these plans, with the next employee engagement survey planned for 2024.

Our communities

The Group has three core themes for its community programmes, namely: (i) transforming careers through STEM programmes for disadvantaged/under-represented communities; (ii) transforming living and workspaces for disadvantaged groups; and (iii) positively impacting the natural world through conservation and climate projects. Each division and head office has developed programmes to focus on these priorities to leverage partnerships with community groups/non-profit organisations and customers to reduce inequalities in our society. These engagements provide an opportunity for the Group's employees to bring its purpose and Code of Business Ethics to life, benefitting both the business (through employee retention, attraction and development) and the communities it operates in. The single largest contribution was a €25,000 donation to the municipality of Medicina following extensive flooding in the Emilia Romagna region of Italy, together with a further 60 hours of employee volunteering in Company time to respond to the clean-up programme (pages 56 to 57).

During 2023, 73 local fund-raising and community engagement activities were undertaken across the Group (2022: 50). The Group's fund-raising and Company donation activities delivered £67,534 of community investment in 2023 (2022: £46,463). Employee volunteering efforts increased during the year, with 722 hours leveraged in Company time (2022: 594).

Community investment 2023: £67,534



- Company cash donation to charity: **£42,542**
- Employee cash donation to charity: **£2,886**
- Value of staff time volunteered in Company hours: **£14,126**
- In-kind contributions to local communities: **£7,981**

Sustainable products in use

Buildings are significant contributors to global carbon dioxide emissions, both during the construction phase and in operation, and are estimated to account for nearly 40% of global emissions. Therefore, as countries around the world pursue net zero goals by 2050 or sooner, reducing emissions generated during the construction of a building and/or its operation will become more important. As many of the buildings likely to be in use in 2050 have already been built, saving energy in existing buildings is a major area of focus and a growth opportunity for the Group. This could be via energy saving products (see table below for examples) or more generally via components supplied for replacement windows and doors being part of the solution to a “fabric-first” approach to building insulation.

The Group started measuring revenues from products that positively impact one or more of the UN SDGs in use in 2020 (£118 million). Sustainable product revenues increased to 23% of total revenues in 2023 (2022: 22%), amounting to £153 million (2022: £156 million) driven by fire safety, energy saving and safety and health products.

Category (SDG)	Examples	Demand drivers	% Group revenues ³			
			2023	2022	2021	2020
 Energy saving	<ul style="list-style-type: none"> Window and door seals Thermally broken roof hatches Tilt ‘n’ turn micro-ventilation products reduce energy losses in winter/heat gain in summer 	<ul style="list-style-type: none"> Building codes (e.g. UK Building Regulations and Future Homes Standard¹) Sustainability standards (e.g. LEED and BREEAM) Government green stimulus packages (e.g. US Inflation Reduction Act² and EU Green Deal) 	11.0%	10.7%	11.5%	10.5%
 Crime reduction	<ul style="list-style-type: none"> High security locks and smart alarm systems proven to reduce break-ins (e.g. community/social housing) 	<ul style="list-style-type: none"> Reducing community crime 	4.4%	4.5%	5.2%	4.8%
  Safety & health products	<ul style="list-style-type: none"> Fall prevention (window restrictors, railing system and ladder access protection) Health protection (door handles anti-bacterial coatings) 	<ul style="list-style-type: none"> Health and safety regulations Building codes Care homes/hospital requirements 	3.4%	2.8%	2.8%	2.6%
 Fire safety products	<ul style="list-style-type: none"> Riser doors and smoke vents (fire-rated/certified) Intumescent seals 	<ul style="list-style-type: none"> Health and safety Building codes/fire safety regulations Changing climate (increasing fire risk) 	3.4%	2.7%	2.0%	2.0%
 Inclusive living	<ul style="list-style-type: none"> Products designed to meet the needs of disadvantaged/vulnerable groups such as the elderly and those with disabilities 	<ul style="list-style-type: none"> Ageing population Care homes/hospital requirements 	0.7%	0.6%	0.6%	0.6%
 Climate hazard protection	<ul style="list-style-type: none"> Severe weather protection products (e.g. strengthened window hardware and hurricane resistant roof hatches) Water-tight sidewalk doors protect critical infrastructure against flooding 	<ul style="list-style-type: none"> Building codes in hurricane vulnerable areas Changing climate/resilience (e.g. flooding) 	0.5%	0.4%	0.4%	0.1%
TOTAL			23.3%	21.8%	22.5%	20.6%

¹ Changes introduced by Parts F, L and O of the UK Building Regulations standards aim to reduce CO₂ emissions by 30%, requiring improved ventilation and the need to combat heat gain in new housing. From 2025, the UK's Future Homes Standard will require reductions in CO₂ emissions of 75–80%. In Europe, changes to the Energy Performance of Buildings Directive and the Fit for 55 Package, which aims for a 55% reduction in emissions by 2030, should also support continued growth of energy saving and ventilation products. Growing demand for double and triple glazed units is expected to increase sales of seals and hardware.

² The Inflation Reduction Act incentivises, via tax credits, homeowners to make energy efficiency upgrades with cap raised to 30% of the cost or US\$1,200 annually.

³ Restatement to include additional crime prevention and safety protection products not disclosed in previous reporting. 2020 and 2023 data subject to Limited Assurance by Bureau Veritas (pages 244 to 245).

Sustainability performance

More detail of the environmental and social benefits of its sustainable solutions can be found on the Group's website www.tymanplc.com/sustainability/sustainable-solutions.

The thermally broken roof hatch, for example, has a u-value of 0.278 W/m²K compared to a standard roof hatch u-value of 0.31 W/m²K (the lower the value, the better its thermal insulation). They also sell for a 36% premium over the standard hatch and deliver a 12% higher gross profit. Tyman's locks meet the high-performance standards recognised by the Secured by Design national police crime reduction initiative in the UK and our 3* cylinders are the only locks recommended by the Neighbourhood Watch scheme.

Product management

Eco-design

Design for environment procedures are in place to ensure sustainability is considered during stage-gate processes for NPD activity. Criteria considered include packaging, hazardous substances, carbon footprint and impact in use in terms of the UN SDGs.

Product certifications

Revenues from products with product certifications such as EPDs and C2C, declined to 4.6% of the Group's total revenues with a value of £30 million, compared to 5.7% in 2022 (2022: £41 million). This was driven by the lapsing of generic EPDs developed by the ARGE trade association for lock hardware. The Group expects to increase the scope of its EPD coverage in response to commercial and system house customer requests (see page 74).

Circular economy

Quantifying Tyman's value chain carbon footprint has highlighted the importance of reducing emissions from purchased raw materials (page 81). Working on reducing these emissions now prepares the Group to respond to customer demand for lower carbon products in the future and helps to differentiate our offer in the marketplace.

Reusing post-consumer waste and specifying high levels of recycled content offer good opportunities to reduce these impacts. For example, the Group's Cannon Falls extrusion facility uses over 900 tonnes of post-consumer recycled PVC in its products and the Giesse hardware business in Italy successfully trialled the use of extruded aluminium with 70%+ recycled content compared to the current 23%, saving an estimated 2,600 TCO₂e in 2022. Recycled aluminium has the benefit of using significantly less energy than virgin aluminium. Work will continue to explore other circular economy opportunities as the Group progresses its SBT plans (page 55 and pages 72 to 77).

Packaging

The Group continues to work towards its goal of 100% sustainable packaging by 2026 by optimising the amount of packaging used, moving to more sustainable/renewable/fully recyclable materials and avoiding single-use plastic packaging where possible. Where single-use plastic is unavoidable, the Group will look to source plastics with the highest levels of recycled content, which can be recycled or composted via arrangements that are widely available.

ERA's new smart lock and hardware in 2023 now include plastic-free packaging and de-inked cardboard cartons, making recycling easier. Following retailer feedback on new cardboard-based packaging for ERA's smart lock and hardware introduced earlier in the year, further work was undertaken to find an optimum solution from both an environmental and end-consumer perspective. Trials with Ocean-bound plastic, made from 100% post-consumer plastic collected from the natural environment are underway, which allow end-user customers to see the product they are buying and allow them to recycle the packaging at home in the municipal waste stream.

Conflict minerals, human rights and hazardous materials

As Tyman is not a US-listed company, §1502 of the U.S. Dodd Frank Act on conflict minerals does not apply to it directly. However, the Group abhors the human rights abuses that are enabled by the sale of raw materials from controversial sources and has taken steps to help it generate the information that its customers need to disclose under §1502 of the U.S. Dodd Frank Act.

Tyman adheres to policies that support human rights principles and, in keeping with its approach to human rights, as set out in its Code of Business Ethics, it conducts due diligence on its suppliers to ensure their alignment in this respect. Further information on Tyman's Supplier Code of Conduct can be found on page 75.

The Group continues to work with trade associations, such as the UK's Surface Engineering Association ("SEA") and the European Federation of Associations of Locks & Builders Hardware Manufacturers ("ARGE"), to find alternatives to hazardous substances such as chromium VI in electroplated products sourced from Asia and lead used in brass alloys for locks and other hardware components.

Action is also being taken on identifying the use of Per- and polyfluoroalkyl substances ("PFAs") in the Group's products and operations. PFAs can be found in paints, lubricants and in plastics given their frictionless properties. Preparations are underway to meet reporting requirements in the US starting in 2025 and developing phase-out plans ahead of potential bans on sales of PFA-containing products by the end of this decade.

Product integrity

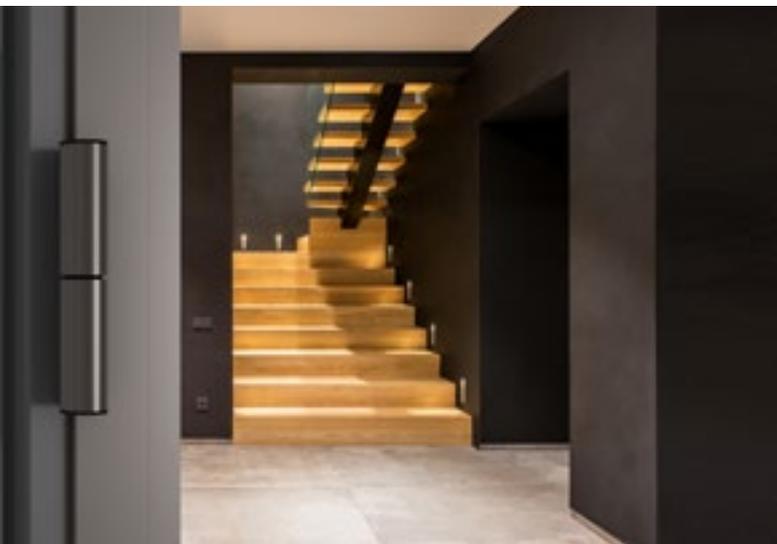
Each division is responsible for negotiating the terms and conditions of trade with its suppliers. Tyman requires all of its suppliers to adhere to the Group's Code of Business Ethics or a comparable set of principles of business conduct and reserves the right to terminate a business relationship and take appropriate action against any supplier that breaches any part of the Code.

The Group values its relationships with its customers and suppliers and seeks honesty and fairness in all its dealings with them. The Group aims to supply and procure goods and services efficiently, in accordance with specifications and compliance with applicable regulations, without compromising quality and performance. To achieve such aims, the Group welcomes transparent dialogue with its customers and suppliers in respect of any quality or performance issues.

The Group's businesses are encouraged to gain and maintain certification to specific standards required by the markets they serve, including quality, weather resistance, security and fire protection.

Extensive product and safety-related testing is undertaken by the Group's in-house test facilities in the UK, US, Italy and Australia, and externally through accredited partners. Tyman UK & Ireland for example, has its own UKAS accredited test facility in Wolverhampton to put its products and complete window/door installations through a variety of tests, including product strength, weather tightness and other performance characteristics. Many of the Group's products have been tested to relevant BS/EN standards in fire protection and acoustics and meet UL fire standards in the relevant markets. Steel riser doors manufactured under the Access 360 brand are independently CERTIFIRE rated, making it the only access panel manufacturer in the UK to offer independent bi-directional fire testing accreditation from Warrington Fire.

Pictured: Our Fulcra hinges have achieved EPD certification.



Case study

Meeting customer needs for lower carbon components

The Group has estimated that the carbon emissions of typical hardware components in a standard aluminium double glazed window represent c.10% of the total footprint of the window. The glazing and frame make up the majority of the carbon footprint and, with the leading glass and extrusion manufacturers targeting carbon reductions of around 40–60%, this means that the relative impact of hardware will increase when lower carbon glass and frames come onto the market as the sector seeks to decarbonise. Window OEMs are then likely to respond by seeking carbon reductions from their hardware suppliers too over time.

In March 2023, the Group hosted a sustainability conference for system house customers in Barcelona. During this event and subsequent discussions, it was clear that sustainability was of growing importance to many of them. More specifically, responding to their requirements to develop EPDs that set out the carbon footprint of their products and the components that go into them was an opportunity for Tyman to differentiate its offer for more sustainable solutions.

Later in the year, the Group successfully certified its Fulcra and CHIC hinges to the ISO 14025 standard to meet this requirement. The CHIC hinge EPD is now included in a customised product for an Italian system house customer.

Plans are in development to reduce the carbon footprint of the Fulcra 4700 series hinge by 35% by switching to 70% recycled content aluminium¹ giving a carbon footprint of 3.85 kg CO₂e per kg of product vs 5.92 kg CO₂e for the standard product in the EPD, while maintaining the same performance and quality of CE Marked product. The Group will also seek to introduce lower carbon steel alloys for its CHIC hinge to further reduce the embodied impact of this material, together with broader engagement of the supply chain to increase recycled content of other components and decarbonise supplier manufacturing processes.

¹ Up from an assumed zero recycled aluminium content according to life cycle assessments using SimaPro 9.4.02 and Ecoinvent 3.8 databases and simulation software for the upstream raw material impacts of processing and supplying extruded aluminium to Tyman (A1-A3).

Case Study

Tyman supporting the flood relief efforts in northern Italy

In May 2023, heavy storms caused severe flooding and landslides in the northern Italian region of Emilia-Romagna, leaving many people dead and thousands homeless. It was the heaviest rainfall in the area since records began, and the resulting floods were so severe that 21 rivers broke their banks, submerging entire towns and causing landslides. The worst-affected area was Emilia-Romagna and parts of the central Marche region.

Tyman's major hardware manufacturing facility at Budrio was in the affected area, and whilst the site itself was not flooded or damaged, the operations closed for several days as it was impossible for employees, suppliers and transport companies to travel safely around the area.

A large number of Tyman's workforce at Budrio was directly affected by the flooding but, thankfully, no one was injured. However, the flooding and landslides devastated whole communities in the area. Many people had to abandon their homes and belongings to be rescued by helicopters and dinghies, and there was significant damage to roads, bridges, houses, cars, businesses, and crops.

Tyman's employees felt strongly that they wanted to do whatever they could to help the affected people rebuild their lives and communities. Tyman made a financial donation of €25,000 to support local recovery and rebuilding efforts but, more importantly, large numbers of Tyman employees volunteered a significant amount of their own time, and considerable physical effort, to help those most in need. This mainly involved many hours of shovelling mud from houses, garages, roads and businesses to enable people to try and recover as many of their belongings as possible and return to work.



In Faenza, the devastation was unimaginable, like a scene from a battlefield. Despite the shock, the sight of people losing everything spurred me into action. What truly moved me was the collective willpower, especially among the youth, to rebuild and find moments of lightness amidst the hardship. Notably, helping a favourite pizzeria, which has now triumphantly reopened, brought me immense satisfaction."

Massimo Menetti



It was a very deep and challenging experience where I learnt that the power of the nature is very hard but if the people are joined they can do a lot."

Catia Samaritani





“

The hardest part was seeing people lose so much and realising the extent of their need. But in helping, you find a strength you didn't know you had. The mud was relentless, but so was our resolve. Every shovel of mud moved was a step towards recovery, a testament to the community's resilience.”

Jessica Nasi

“

During COVID-19, Romagna supported us, and now it was our turn to reciprocate. With “Medicina Rossoblu”, I spent three weeks in Sant'Agata sul Santerno, removing flood debris. Coordinated by the “Associazione Carabinieri d'Italia”, our efforts symbolised a circle of support and solidarity, a community standing strong together.”

Fabio Martelli

“

Forlì's flood was devastating, but the response was inspiring. Living in an unaffected part of the city, I felt a call to action. Joining volunteers, we entered homes, not of friends or relatives, but of anyone in need. The mud was overwhelming, but so was the spirit of the volunteers. Together, we salvaged, cleaned, and supported, driven by a shared resolve to rebuild.”

Mauro Bizzo

“

Faenza's flood left deep scars, with a thousand still homeless today. I saw its impact firsthand at my best friend's family home, where the receded waters left six meters of devastation and a dense layer of mud. Together with friends, we joined the cleanup, shovelling mud, determined to rebuild and restore. In every action, the message was clear – Romagna doesn't give up.”

Mirko Scheda



“

I am continually impressed by the people I work with at Tyman but never more so than when so many of the Budrio team ran to the aid of people locally who needed help. We always want to be a part of the communities we operate in and this was a perfect example of what this means.”

Peter Santo (President, Tyman International)



Climate-related financial disclosures

Statement of compliance

Tyman includes climate-related financial disclosures consistent with the TCFD recommendations in accordance with FCA Listing Rule LR 9.8.6R(8) on pages 58 to 82. These disclosures also cover the Companies Act 2006 as amended by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. The table below shows where disclosures can be found within the report, together with plans to improve reporting going forward.

	TCFD Disclosure	Status 2023	Reference
GOVERNANCE	a) Board oversight	Comply	Core disclosure: Pages 59 to 60 Additional information: Pages 72 and 77
	b) Management's role	Comply	Core disclosure: Page 59 Additional information: Pages 72 and 77
STRATEGY	a) Climate-related risks and opportunities	Comply	Core disclosure: Pages 61 to 71 Additional information: Pages 72 and 74
	b) The impact of climate-related risks and opportunities	Comply	Core disclosure: Pages 63 to 71 Additional information: Pages 73 to 77
	c) The resilience of the organisation's strategy	Comply	Core disclosure: Pages 66 to 69 Additional information: Pages 191 and 195 Financial and strategic planning: The financial impact of climate change first quantified in 2022 was refreshed in 2023 for the most material physical and transition climate-related risks.
RISK MANAGEMENT	a) Identifying and assessing climate-related risks	Comply	Core disclosure: Pages 61 to 67 Additional information: Pages 68 to 71
	b) Managing climate-related risks	Comply	Core disclosure: Page 79 Additional information: Page 23 and pages 71 to 77
	c) Integration into overall risk management	Comply	Core disclosure: Pages 78 to 79 Additional information: Page 93
METRICS AND TARGETS	a) Climate metrics	Comply	Core disclosure: Pages 80 to 82 Additional information: Pages 76 to 77 TCFD climate metrics and targets: Tyman continues to improve its disclosures through metrics and targets for climate risk exposure. In 2024, the Group will develop an internal carbon price strategy to strengthen its capital allocation process.
	b) GHG emissions	Comply	Core disclosure: Page 81 Additional information: Pages 76 to 77
	c) Climate targets	Comply	Core disclosure: Page 23 and pages 81 to 82 Additional information: Pages 76 to 77

Governance

Summary of disclosure

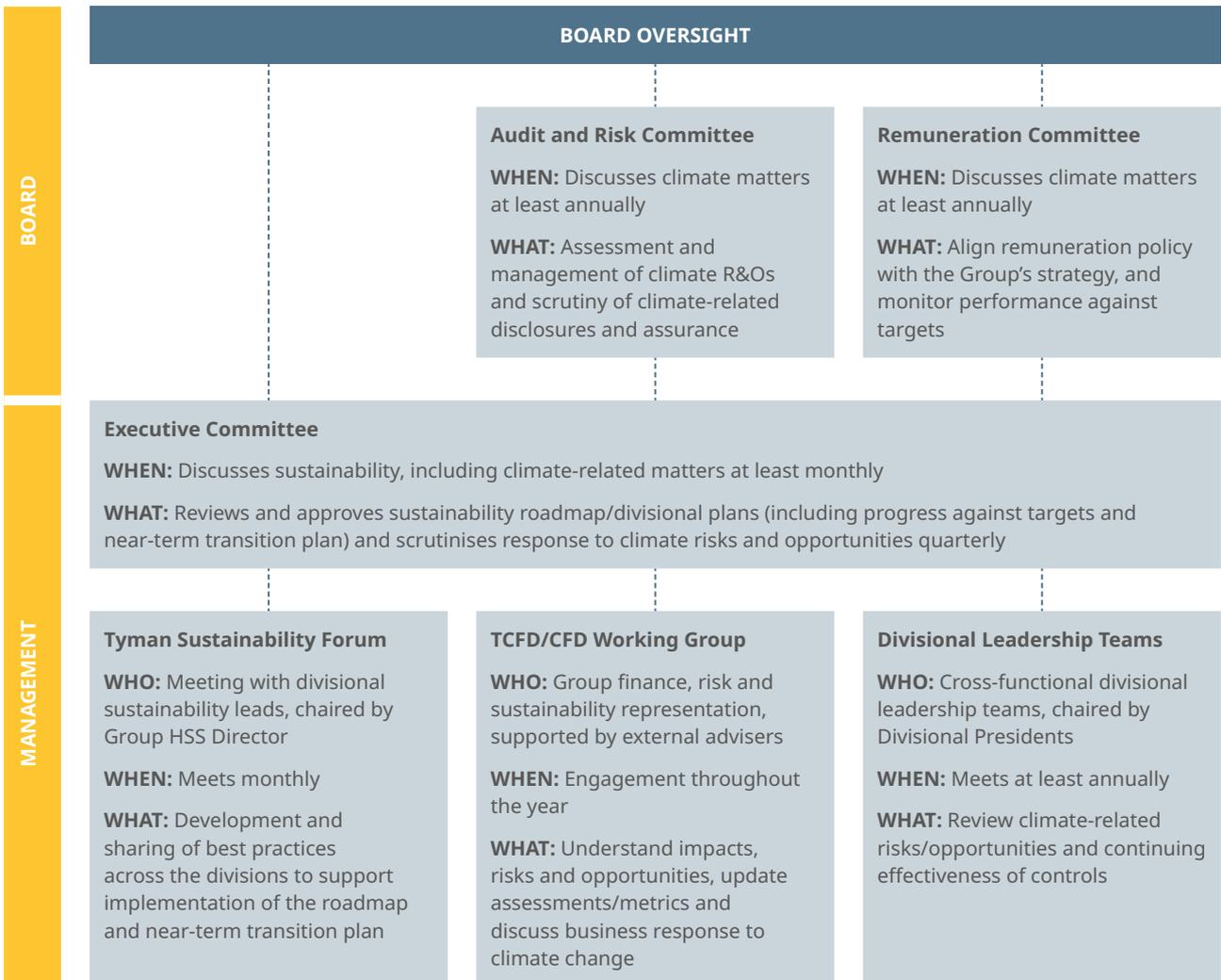
- The Board is responsible for the oversight of climate-related matters, with the CEO accountable for the management of climate-related risks and opportunities.
- The Executive Committee (“ExCo”) is responsible for the day-to-day management of climate risks and opportunities, guided by the Group Health, Safety and Sustainability (“HSS”) Director through monthly meetings and quarterly reviews of divisional progress against sustainability plans.
- Climate-related risks and opportunities are captured in divisional risk registers for on-going review by divisional leadership teams.
- The Audit and Risk Committee is responsible for ensuring the integrity of climate-related disclosures and the Remuneration Committee aligns ESG metrics to the Group’s incentive plans.

Next steps

Further develop the Group’s capital expenditure approval process with an internal carbon price.

Governance structure for climate-related matters

Climate-related responsibilities, including Tyman’s near-term transition plan, are embedded into the Group’s governance and leadership structures. The Board has oversight, with the CEO holding ultimate accountability, to ensure that climate action and ambition are driven into all aspects of the business, including strategic planning, approval of capital investment projects, sourcing decisions, acquisitions and execution of other business initiatives. The Group’s governance structure considers specific responsibilities, frequency and mechanisms of communication, and the flow of information across different committees.



Climate-related financial disclosures

Board engagement related to climate change

Sustainability and climate change is a standing agenda item for the Board to ensure regular progress updates and timely access to information on climate-related developments both internally and externally. Building on the 2022 Board-level engagement on sustainability, the topics discussed during 2023 are detailed in the table below.

Date	Audience	Topic	Outcome
February	Audit and Risk Committee	TCFD disclosures	<ul style="list-style-type: none"> Review and sign-off of TCFD-related disclosures in the Annual Report and Accounts
	RemCo	LTIP	<ul style="list-style-type: none"> Alignment of LTIP with ESG measures (including reducing Scope 1 and 2 emissions and growing revenues of positive impact solutions)
	Board	TCFD Quantitative Scenario Analysis	<ul style="list-style-type: none"> TCFD update, quantification of physical and transition risks Transition plan 2023 TCFD workplan
May	Board	Product Sustainability Certifications	<ul style="list-style-type: none"> Environmental Product Declarations (CO₂ footprint) and Cradle-2-Cradle certifications Market perspectives and divisional plans
July	Board	Hazardous substances elimination	<ul style="list-style-type: none"> Chromium VI, lead and PFAs in products and supply chains Divisional strategies
August	Board	Packaging	<ul style="list-style-type: none"> Update on divisional sustainability plans for plastic elimination and returnable solutions
September	Board	Customer engagement	<ul style="list-style-type: none"> Update on customer engagement on sustainability – regional differences and plans for differentiation Update on 2023 CDP submission
November	Board	2024 sustainability plan	<ul style="list-style-type: none"> Review of performance against 2023 plan and sign-off 2024 plan, including Tyman's near-term transition plan Sustainable solutions ideation workshop Appointment of Bureau Veritas to undertake Limited Assurance of certain climate-related and other sustainability metrics in the ARA
December	Board	Decarbonisation update	<ul style="list-style-type: none"> Progress update on groupwide reduction of Scope 1 and 2 emissions (metrics and plans) Update on climate science, including latest assessment of global carbon budget 2024 priorities
	RemCo	LTIP	<ul style="list-style-type: none"> Review of ESG measures and incorporation of absolute Scope 1 and 2 emissions target in 2024 LTIP

The Executive Committee (“ExCo”) discusses sustainability topics on a monthly basis. These meetings include a formal review of divisional sustainability plans as well as approving enhancements to the Group’s sustainability roadmap, near-term transition plan, progress against decarbonisation metrics and annual divisional sustainability plans. The ExCo also participated in the Group’s innovation workshop in October to road-test new approaches to product ideation through the lens of sustainability.

Inclusion of climate considerations into the Group’s capital allocation process

To achieve carbon reduction targets and enhance resilience to climate impacts, the Group will continue to direct capital towards lower carbon investments as well as emissions reduction and resilience projects. Tyman has embedded three climate resilience considerations within its capital expenditure proposal process. These considerations will be further strengthened once the Group has established an internal price of carbon in 2024 (see page 80).

Strategy

Summary of disclosure

- Refreshed the quantified financial impacts of the Group’s principal/ most material climate-related risks (both physical and transition).
- Quantified physical and transition risks from climate scenario analysis have been incorporated into Tyman’s impairment and viability/going concern assessment process, concluding the Group is resilient to modelled worst-case forward-looking climate scenarios.
- A progress update has been provided on the Group’s near-term climate transition plan, which addresses the impacts, risks and opportunities of climate change.

Next steps

- Continue to assess quantitative physical and transition risk scenarios by integrating climate modelling results into Tyman’s financial planning processes.
- Monitor longer-term impacts from climate change with the intention to set long-term net zero goals and interim milestones within five years.

Climate resilience strategy

Tyman recognises climate change is a potentially significant strategic issue for the business and has undertaken a detailed climate scenario analysis to inform its understanding of current and future climate impacts.

By assessing the potential business impacts across forward-looking climate scenarios, Tyman has a better understanding of its possible exposure to operational disruptions and building damage from physical hazards, as well as cashflow impacts from the transition to a low carbon economy. At the same time, Tyman is well positioned to help its customers enhance climate resilience through products designed to better withstand severe weather events, contribute to the circular economy and enhance energy efficiency.

Tyman’s strategy to enhance the climate resilience of its operations, and that of its customers, is threefold:

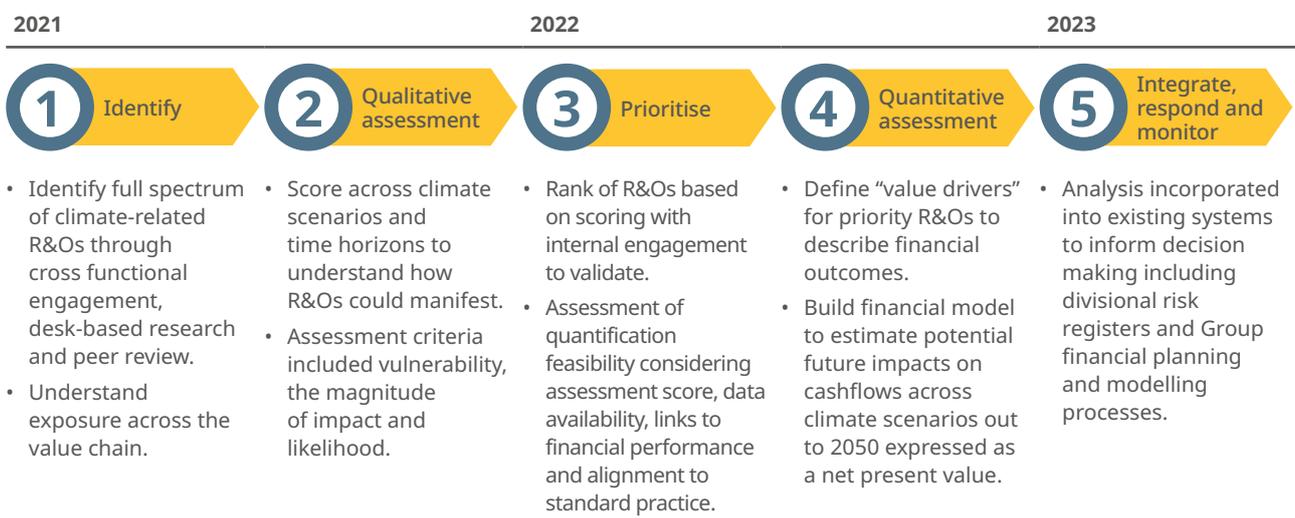
1. **Grow the Group’s climate-resilient product portfolio:** through innovation focused on products that enhance thermal efficiency, decrease embodied carbon emissions and enhance resilience against physical climate hazards such as hurricanes, fire and flood.
2. **Plan for the transition to a net zero economy:** through investment in decarbonisation and adaptation measures, as well as adjusting management systems to address material climate risks and opportunities (see pages 72 to 77).
3. **Internalise the future cost of carbon:** through the incorporation of climate-related considerations into all project capital allocation decisions and the planned development of an internal carbon price to further strengthen the business case for decarbonisation.

Approach

The following TCFD/CFD-aligned disclosures describe the processes undertaken to identify and assess actual and possible future climate-related risks and opportunities over the past three years.

The development of Tyman’s Climate Scenario Analysis approach

An overview of the Group’s approach to climate-risk management is shown below, with further information on the methodology detailed on page 62. This approach has allowed Tyman to better understand the potential impacts from physical and transition climate change across its value chain.



Climate-related financial disclosures

Climate scenarios

TCFD and CFM encourages consideration of different possible future climate scenarios to assess the potential impacts of climate change. Qualitative and quantitative assessments have been conducted using publicly available projected data against three hypothetical climate scenario sets, shown below. These scenario sets describe the level of climate policy intervention and market changes, which lead to broad ranges of temperature outcomes, from a low to high warming scenario, together with a middle of the road one. They illustrate the significance of physical vs. transition risks such as potential growth in climate resilient products, impacts on high-carbon operations/materials and adverse weather-related impacts on the Group's infrastructure.

Climate risks and opportunities have been assessed across the short (0–3 years), medium (4–9 years) and long-term (10+ years to 2050). The short-term period aligns with financial planning cycles, the medium-term period aligns with the Group's sustainability roadmap and near-term transition plan to 2030, and the long-term period aims to account for the longer-term nature of climate risks out to 2050 and the impact on manufacturing/infrastructure assets.

Scenario set	Ambitious climate policy (A)	Middle of the road (M)	High warming (H)
Description	<ul style="list-style-type: none"> • Early and ambitious action to support the transition to a net zero economy. • Incentives are introduced to put a cost on carbon and increase demand for low carbon products and services. 	<ul style="list-style-type: none"> • Late, disruptive and/or unanticipated action, no earlier than 2030. • Action is slower and delayed compared to the orderly transition, resulting in more extreme action taken in the longer term to make up for lost time. 	<ul style="list-style-type: none"> • A high warming scenario with limited action being taken beyond what has already been committed, leading to continued global warming and significant increases in exposures to physical climate risks.
Data sources	<ul style="list-style-type: none"> • NGFS's¹ Orderly Transition including REMIND-MAgPIE 3.0-4.4 Net Zero 2050 and Below 2°C. • IEA's WEO² Net Zero Emissions. • IPCC's³ SSP⁴1-2.6. 	<ul style="list-style-type: none"> • NGFS's Disorderly Transition scenario including REMIND-MAgPIE 3.0-4.4 Delayed Transition and Divergent Net Zero. • IEA's WEO Announced Pledges. • IPCC's SSP2-4.5. 	<ul style="list-style-type: none"> • NGFS's Hot House World scenario including REMIND-MAgPIE 3.0-4.4 Current policies and NDCs. • IEA WEO Stated Policies. • IPCC's SSP5-8.5.
Temperature outcome range	1.4°C to 1.8°C	1.4°C to 2.7°C	2.6°C to 4.4°C

¹ NGFS – Network for Greening Financial Systems.

² IEA's WEO – International Energy Agency's World Energy Outlook.

³ IPCC – Intergovernmental Panel on Climate Change.

⁴ Shared Socioeconomic Pathways ("SSPs") represent low, middle and high-warming scenarios, which are the same ones used in the IPCC Sixth Assessment Report to align with the latest climate science.

Qualitative results for identified transition and physical climate-related risks

In 2021, a granular review of all risks and opportunities was undertaken. Having completed its first climate scenario analysis, the Group then categorised and grouped its principal risks and opportunities to describe the potential financial and strategic impacts of a changing climate in 2022. Quantitative assessments were performed in 2022 for these principal risks and opportunities. These quantitative assessments were updated in 2023 to deepen the Group's understanding of the potential financial impacts of these risks and validate the assumptions underpinning the analysis.

The Group's modelling was updated with the most readily available information from the business and the aforementioned climate scenarios. The following tables synthesise the assessment results, providing both qualitative scoring outcomes for identified physical and transition risks and connectivity to quantified value drivers. The potential financial impacts of these value drivers can be found on pages 66 to 67.

Market

The Group uses materials that are energy intensive, including aluminium, steel, zinc and polymers. The industries that supply these materials will face pressures as the cost of fossil-derived energy increases and market pressure grows for products that facilitate end-of-life recovery/circularity. In turn, Tyman's operations may be exposed to higher energy prices as suppliers pass on increased costs to their customers.

Quantified value drivers: change in electricity and natural gas prices at Tyman facilities.

Risk drivers	Strategic impact	Management response	Assessment		
			S	M	L
<ul style="list-style-type: none"> Scarcity of by/ co-products from petrochemicals. Increased cost of manufacturing process. Raw material price increases. Energy regulation leading to higher energy costs. 	<ul style="list-style-type: none"> Changes in energy prices could impact the cost of operations. All suppliers could be exposed to transition risks with the Group's material and component suppliers operating energy-intensive activities likely to face the greatest cost increases. Potential impact on financial performance from operating cost increases, which cannot be passed on to customers. Suppliers could cease production of carbon-intensive or non-recyclable/ non-circular materials. 	<ul style="list-style-type: none"> Switch to low-carbon energy sources, renewables and implement efficiency measures across the Group's operations to reduce exposure to future higher costs for fossil fuel consumption. Optimise product design to reduce the weight of materials used and select lower-impact alternatives (including higher levels of recycled content). Initiate research into lower carbon, more recyclable materials (e.g. polymers and steel alloys). 	A	M	L
			M	M	L
			H	M	M

Metrics and targets

- # energy saving opportunities.
- % sites sourcing electricity from 100% renewable sources.
- Scope 3 (category 1a) SBT.

➔ See **transition plan** for progress (page 72)

Key

● Low risk ● Low-Medium risk ● Medium risk ● Medium-High risk ● High risk

A: Ambitious climate policy, M: Middle of the road, H: High warming, S: Short-term, M: Medium-term, L: Long-term

Climate-related financial disclosures

Technology

To align with global climate goals and to achieve environmental targets, the Group will need to invest in the identification and implementation of efficiency measures, switching to renewable sources of energy and decarbonising across the value chain.

Quantified value drivers: capital investment in lower emissions technology, as well as avoided higher energy and carbon prices.

Risk drivers	Strategic impact	Management response	Assessment																
<ul style="list-style-type: none"> Obsolescence or impairment of equipment due to the introduction of new climate change-orientated technologies. High cost of transition to lower emissions technology. 	<ul style="list-style-type: none"> Engagement with site managers and suppliers is needed to identify appropriate solutions, which will direct capital to adaptation and mitigation activities. Continued investment in low-carbon material R&D (e.g. fully circular polymer seals and low carbon steels), and upskilling of employees throughout the roll-out of sustainable design tools. 	<ul style="list-style-type: none"> Assessment of the feasibility of on-site solar at owned manufacturing sites. Introduction of a sustainable operations database to monitor ideas and implementation of energy, emission and resource efficiency and reduction measures. Embed climate considerations in capital allocation and introduce Internal Price of Carbon. 	<table border="1"> <thead> <tr> <th></th> <th>S</th> <th>M</th> <th>L</th> </tr> </thead> <tbody> <tr> <th>A</th> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> </tr> <tr> <th>M</th> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #ffffcc;"></td> </tr> <tr> <th>H</th> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> </tr> </tbody> </table> <p>Metrics and targets</p> <ul style="list-style-type: none"> Scope 1 and 2 near-term SBT. % sites completing solar deployment feasibility studies. <p>→ See transition plan for progress (page 72).</p>		S	M	L	A				M				H			
	S	M	L																
A																			
M																			
H																			

Policy and legal

In the transition to net zero, there will be an increasing array of voluntary and mandatory regulations, which Tyman may need to comply with. The greatest impact is expected from carbon pricing mechanisms, which are being introduced across jurisdictions to encourage decarbonisation. Whilst Tyman is not exposed to these mechanisms today there is a possibility this may change in the future or that suppliers may face increased taxes, which are passed on in the cost of goods supplied. In more advanced economies, tax schemes are being introduced, not only on emissions generated by the Group but also on goods/services imported to limit carbon leakage e.g. the EU Carbon Border Adjustment Mechanism being introduced in 2026 for aluminium and steel imports.

Quantified value drivers: introduction of carbon tax mechanisms impact direct operations as well as suppliers increasing material costs.

Risk drivers	Strategic impact	Management response	Assessment																
<ul style="list-style-type: none"> Carbon regulation (e.g. carbon pricing mechanisms). Energy regulation leading to higher costs and/or disruption to energy availability. Introduction of energy efficiency standards and use of recycled materials made mandatory. 	<ul style="list-style-type: none"> It is expected that the greatest impact would be from the pass-through of taxes from suppliers. This would most likely come from large suppliers of aluminium, steel or polymers, which are energy intensive. Increase in taxes at Tyman manufacturing sites, which are subject to carbon pricing mechanisms. 	<ul style="list-style-type: none"> Switch to low-carbon energy sources, renewables and implement efficiency measures across the Group's operations to reduce exposure to potential carbon taxes on Scope 1 and 2 emissions. Climate considerations reviewed when discussing "make or buy" decisions. Outputs from quantitative climate scenario analysis, which provide a value of future potential costs, will be used to support the case for further investment in mitigation. Value chain: material optimisation, increase in recycled content and low-carbon material R&D (e.g. polymers and steel alloys). 	<table border="1"> <thead> <tr> <th></th> <th>S</th> <th>M</th> <th>L</th> </tr> </thead> <tbody> <tr> <th>A</th> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> </tr> <tr> <th>M</th> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> </tr> <tr> <th>H</th> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #c6e0b4;"></td> <td style="background-color: #ffffcc;"></td> </tr> </tbody> </table> <p>Metrics and targets</p> <ul style="list-style-type: none"> Scope 1, 2 and 3 near-term SBTs. # energy saving opportunities. % sites sourcing electricity from 100% renewable sources. % sites completing solar deployment feasibility studies. Emissions break down by material type. <p>→ See transition plan for progress (page 72)</p>		S	M	L	A				M				H			
	S	M	L																
A																			
M																			
H																			

Reputation

Expectations on climate ambition, as well as the transparency and maturity of disclosure, continue to grow. Should the Group fail to meet its targets in the near term, or not align with the latest ambition levels, then it could see investors, customers and talent prefer other companies.

Quantified value drivers: not applicable.

Risk drivers	Strategic impact	Management response	Assessment																
<ul style="list-style-type: none"> Investor concern over climate credentials. Customers seeking lower carbon, more sustainable products. Employees seeking an employer actively delivering on a meaningful climate ambition. 	<ul style="list-style-type: none"> Access to capital could become limited if investors switch to better climate-performing stocks. Decline in customer demand for products if competitors are able to demonstrate greater climate ambition. Hampered ability to recruit/retain talent. 	<ul style="list-style-type: none"> Seek to grow revenues of SDG-aligned product categories, identifying the subset with climate-resilient characteristics. Report transparently on climate-related matters to demonstrate ambition and performance to external stakeholders. Participate in external ESG ratings. Align climate metrics to external finance (e.g. USPP and RCF) and senior management remuneration (LTIP metrics). 	<table border="1"> <thead> <tr> <th></th> <th>S</th> <th>M</th> <th>L</th> </tr> </thead> <tbody> <tr> <th>A</th> <td style="background-color: #2c4e64;"></td> <td style="background-color: #a6c9e0;"></td> <td style="background-color: #d9e1f2;"></td> </tr> <tr> <th>M</th> <td style="background-color: #2c4e64;"></td> <td style="background-color: #a6c9e0;"></td> <td style="background-color: #d9e1f2;"></td> </tr> <tr> <th>H</th> <td style="background-color: #2c4e64;"></td> <td style="background-color: #a6c9e0;"></td> <td style="background-color: #d9e1f2;"></td> </tr> </tbody> </table> <p>Metrics and targets</p> <ul style="list-style-type: none"> Revenues from SDG 7 and 13 aligned positive impact solutions. CDP scores. ESG LTIP metrics (Scope 1 and 2 emissions) and SDG aligned product revenues. <p>➔ See transition plan for progress (page 72)</p>		S	M	L	A				M				H			
	S	M	L																
A																			
M																			
H																			

Physical

Extreme weather events as well as gradual climatic changes are expected to cause disruption across Tyman’s value chain. Climatic events including heatwaves, floods, water stress, heavy precipitation, and storms etc. may cause damage to Tyman’s facilities as well as causing temporary shutdowns and negative effects on working conditions, which result in reduced outputs in Mexico, parts of the US, Canada and Italy. These types of disruptions may also be experienced by Tyman’s suppliers and customers, which could have an indirect effect on Tyman in southeast Asia (particularly China) and Mexico.

Quantified value drivers: damage to assets

Risk drivers

- Extreme weather events degrade building materials requiring increased maintenance and replacement.
- Site failures where facilities are not constructed fit for future climate risks.

Strategic impact

- Physical damage to an asset increases the costs to replace or repair damaged property.

Management response

- Divisions update their business continuity plans and mitigation actions to address physical risks from a changing climate (page 72).

Quantified value drivers: productivity loss

Risk driver

- Lower efficiency of labour due to working conditions, which reduces employee comfort, or due to disruption if the site is temporarily out of operation.

Strategic impact

- Reduced efficiency and temporary shutdowns result in loss of revenue if orders cannot be fulfilled.

Management response

- Implement heat stress mitigations increased frequency of breaks, heat index monitoring and provision of cooling systems (pages 68 and 74).

Metrics and Targets

- Absolute water use consumption target for five plants operating in regions of very high water stress (pages 48 and 76).
- # instances of operational disruption caused by extreme weather events (page 68).

➔ See **transition plan** for progress (page 72)

Key

- Low risk
- Low-Medium risk
- Medium risk
- Medium-High risk
- High risk

A: Ambitious climate policy, M: Middle of the road, H: High warming, S: Short-term, M: Medium-term, L: Long-term

Climate-related financial disclosures

Potential financial impact of climate change

The Group's quantitative assessment looked at the potential financial impact across the aforementioned three climate scenarios out to the long-term time horizon of 2050 for the Group's principal climate-related physical and transition risks.

Financial impact results¹

	Description	Financial impact
PHYSICAL RISK	Damage to assets The expected increase in extreme weather events and chronic climate change could degrade building materials, increasing costs for maintenance and repair.	Damage to assets: A £(0)m, M £(1)m, H £(1)m
	Productivity loss The potential loss of expected revenue if operations are disrupted, or there is a lower efficiency of labour due to change in climate conditions.	Productivity: A £(3)m, M £(4)m, H £(7)m
TRANSITION RISK AND OPPORTUNITY	Policy and legal: carbon prices The potential impact of a carbon tax being applied to the Group's energy consumption across its global operations (Scope 1 and 2 emissions).	Carbon: A £(8)m, M £(7)m, H £(4)m
	Market: energy prices Changes to electricity and natural gas prices across Tyman's operations are expected as the energy transition drives changes in the fuel mix and cost of installing new renewables capacity ² .	Energy: A £88m, M £73m, H £42m
	Market and legal: material prices The potential introduction of carbon taxes on suppliers of carbon-intensive materials such as aluminium and steel, both globally and more specifically for imports of these metals into Europe under the Carbon Border Adjustment Mechanism ("CBAM").	Materials: A £(81)m, M £(65)m, H £(25)m
	Technology: additional expenditure due to low carbon mitigation Increases in capital investment to decarbonise the Group's direct operations (its Scope 1 and 2 emissions) such as procuring 100% renewable electricity, investing in efficiency measures and renewable technologies (e.g. solar) and finally neutralising hard-to-reduce residual emissions through carbon removals from the atmosphere.	Mitigation: A £(10)m, M £(10)m, H £(10)m
	Technology: avoided costs from low carbon mitigation³ Investment in mitigation is critical to achieving the Group's decarbonisation targets. These investments will reduce the potential on-costs from higher carbon prices and energy costs for the Group's consumption of electricity and natural gas, as well as through the value chain (material prices), over time.	(Avoided costs shown in green in the chart)
	Technology: avoided costs from low carbon mitigation³ (continued)	(Avoided costs shown in green in the chart)
SUMMARY OUTPUTS	Physical climate risk-adjusted net present value⁴ 	Climate transition-adjusted net present value⁴

The more likely financial impact under each scenario is reported here, based on the known actions the Group will take to manage the risk.

1 The financial impact is represented as a "climate risk-adjusted net present value" over the period 2024 to 2050, which is used to account for the risk associated with the projected cash flows varying from the originally forecasted cash flows due to climate impacts.
 2 Energy costs are predicted to decrease over time representing avoided costs for the business. This is based on that shows the cost of installing new capacity is expected to substantially decrease for renewables, which make up an increasing proportion of the grid. It is important to be aware that supply and demand economics may mean that the lower price is not realised if renewable availability does not meet demand.
 3 Avoided costs shown in green include reductions in potential carbon prices from mitigation actions to reduce Scope 1 and 2 emissions and reducing material cost increases through product design changes, specifying lower carbon materials and increasing levels of recycled content.
 4 A = Ambitious climate policy, M = Middle of the road, H = High warming

For physical risks, the Group presents the results at the 50th percentile (the “best guess” within the uncertainty envelope), considering known mitigation actions in place. This differs from the analysis presented in 2022, which illustrated the scale of impact across the 5th, 50th and 95th percentile for uncertainty, and excluded the impact of any controls. The 2023 results now represent the potential additional losses associated with climate change from today’s level of impact. Taking the same calculation approach for the additional losses compared to baseline, together with updated business data and accounting for risk controls, the total financial impact from physical risk reduces by approximately £0.5–1 million across the lower and higher warming scenarios respectively (2023 financial cost £3–8 million).

For transition risks, potential cost impacts for carbon pricing, energy costs, material costs and mitigation expenditure for operational decarbonisation were modelled, reflecting planned mitigation activity and the impact these actions have on avoiding higher carbon or energy costs. Transition costs following mitigation range from £11 million on-cost for the lower warming scenario to an avoided cost of £3 million for the higher-warming scenario due to forecast reduction in long-term energy prices (source: IEA energy price modelling). It is assumed that up to 75% of potential cost increases from raw material suppliers (due to energy price changes and/or potential carbon taxation being applied across the Group globally from 2030) is passed on to customers. Further detail on the assumptions used in the modelling can be found on page 69. The results also show that Tyman’s direct operations are not as impacted as the Group’s value chain, with the indirect impact of material price increases, particularly for more carbon intensive raw materials, being the largest potential risk.

This analysis also reinforces the business case for climate mitigation and adaptation, as the Group’s modelling shows a significant reduction in the potential impact from physical hazards, as well as evidence of avoided costs through the net zero transition by reducing exposure to potential future cost increases in energy, materials and carbon taxation in Tyman’s own operations and supply chain. Further detail can be found in the “deep dives” on physical risks on page 68 and transition risks on page 69.

The Group considers its operations are resilient to both identified potential physical risks on its operations as well as transition risks, including in a below 2°C scenario (see page 191).

Scope of physical climate risk assessment

The set of climate analytics software packages and global climate models used for these assessments over the period 2021–2023 is summarised in the table below.

Scope	Function	Data source	Methodology notes
Supplier and customers	Indexed score to indicate potential risk exposure	Moody’s Climate Solutions	Physical risk exposure scoring for six different climate hazards, including heat stress, water stress, flooding, wildfire, hurricanes and sea-level rise.
Tyman manufacturing sites	Location and site-specific analysis of potential climate changes	Open-source climate analytics	Physical risk exposure scoring as above for all 19 manufacturing locations. Followed by deep dive for priority sites to investigate changes in climate data from baseline year over the next 10–20 years. Using data from WRI Aqueduct, CMIP 6 data from the World Bank and IPCC WGI Interactive Atlas.
	Understanding situational characteristics and management of risk	Interviews	Reviews with site managers to explore historical climatic events and measures in place or planned to manage impacts.
	Value at risk for physical damage to asset and productivity loss due to climatic changes	Climate Insights tool by CLIMsystems (part of SLR)	Data from the Climate Insights tool shows potential future changes in climatic variables across 15 hazards based on global climate models (“GCMs”) of the coupled model intercomparison project (CMP6) for the periods 2010 to 2055 with a five-year step under selected scenarios of SS1–1.9, SSP2–4.5 and SSP5–8.5. Covers nine priority sites previously identified as the highest risk. Accounts for potential additional losses from which is considered the status quo today. Mitigation based on current adaptation measures. Key assumptions: <ul style="list-style-type: none"> Physical risk is overlaid on the asset and contents value for damage and revenue generation for productivity at each site. Asset values static over time for damage. Revenue projection is based on a five-year revenue growth plan and a nominal 2% per annum thereafter.

Climate-related financial disclosures

Deep dive on impacts from physical risks

The Group has undertaken an in-depth analysis of physical hazards across its value chain, including key suppliers, customers and its manufacturing sites. This analysis showed that supply chain operations in Asia (specifically China) and in Mexico could face the highest levels of physical risk in the future, reinforcing the importance of dual sourcing and business continuity plans for critical materials and components, as well as integrating climate risk evaluation into new supplier selection processes.

In 2022, the Group identified nine of its manufacturing sites that could be critically exposed to heat stress, water stress and flooding. These locations were prioritised for further investigation and quantification of financial risk.

The forward-looking financial modelling identified the main driver of physical damage to the nine sites assessed was due to flooding (which accounts for riverine and precipitation-based events). In contrast, the main productivity loss driver is heat stress. The analysis showed that, over time, the potential cost impact of heat stress increases at a much faster rate than the impact of flooding, and by 2050 will be the main driver of financial losses. This is driven by expected increases in global temperatures and heatwave events over time.

The potential financial impact of the physical risks of climate change on the Group's manufacturing operations has been included in the Group's impairment assessment (page 191).

During the year, one incident of operational disruption was caused by severe weather (2022: 2). The manufacturing facility in Budrio and warehouse in Fossatone, near Bologna, were closed for two days in May 2023 due to extensive flooding in the Emilia Romagna region. The flooding did not impact these facilities directly but prevented personnel from commuting to work on the first day. All personnel at these facilities then took a groupwide annual leave day to stay at home on the second day. As the plant was experiencing a low period in production at the time, output and shipping was recovered the following week, resulting in no significant cost impact or disruption to customers.

Additional measures were taken in 2023 to mitigate the impact of heat stress on the Group's manufacturing operations in North America and Italy. These included the purchasing or hire of mobile evaporative cooler units in Juarez, adiabatic cooling units in Budrio/Agosine and fans for Monterrey, Cannon Falls and Trumann, as well as increasing the provision of ice for cool drinks in Zanesville.

Tyman manufacturing locations assessed for physical risk and financial impact



Deep dive on impacts from transition risks

The Group's qualitative climate scenario assessment in 2021 (page 61) indicated that market and policy risks posed the most significant threat across all scenarios. Preliminary modelling for the financial impact of these value drivers was completed as part of the 2022 TCFD work programme. Further work was undertaken in 2023 to fully understand the implications of the data and complete the development of a financial planning model to support future decision making around climate risks. This included presenting the preliminary modelling data to the ExCo and work by the Group finance and sustainability teams to refresh the data with the latest business forecasts and include these costs in the Group's impairment modelling in 2023.

The potential financial impact of the transition risks of climate change on the Group's operations have been included in the Group's impairment assessment (page 191).

The methodology and key assumptions used to complete the assessment of each identified transition risk is summarised in the table below. External datasets used for the assessment include World Energy Outlook and the IEA's Global Energy and Carbon models.

Transition risk/opportunity	Methodology	Assumptions
Carbon prices	<ul style="list-style-type: none"> Carbon price projections for stated regions across climate scenarios are overlaid on Tyman's Scope 1 and 2 emissions. Carbon prices are linearly interpolated, in the absence of more granular information. 	<ul style="list-style-type: none"> Potential carbon price is applied from 2030, as Tyman is not currently subject to direct taxes, nor is there any indication it will be in the near term. Emissions increase proportionally with business growth, and in line with target achievement.
Energy prices	<ul style="list-style-type: none"> Energy price projections are applied to Tyman's consumption projections. The energy price projections¹ look at trends over time for key regions and climate scenarios, and apply to Tyman's current procurement price. Scope includes all sites focusing on natural gas and electricity consumption only (LPG and vehicle fuel is excluded). 	<ul style="list-style-type: none"> Electricity price projections are estimated based on expected changes in grid mix and forecasts on the change in the cost to install new capacity. Consumption increases proportionally with business growth, and in line with target achievement.
Material prices	<ul style="list-style-type: none"> Carbon prices are used as a proxy of potential transition costs associated with climate policy. This impact includes both a potential global carbon pricing mechanism as well as direct impact from CBAM. Under CBAM, only aluminium and steel coming into the EU for Tyman International is considered (excludes UK CBAM announced in late December 2023). For the global pricing mechanisms, this includes Tyman's more carbon-intensive materials, which are aluminium, steel, zinc, and polymers. 	<ul style="list-style-type: none"> 75% of the Group's emissions, for the stated key materials, are accounted for in the financial calculation (deemed an "on-cost" to Tyman that is not passed through to the customer). This reflects the likelihood that not all suppliers would be subject to such taxes and not all suppliers would pass on 100% of the cost to Tyman. Potential carbon price is applied from 2030 for the global carbon pricing mechanism, and 2026 for the application of CBAM in the EU. Increases proportionally with business growth, and in line with target achievement.
Additional expenditure due to low carbon mitigation	<ul style="list-style-type: none"> Includes potential costs from decarbonisation initiatives, renewable energy certificates and procurement of carbon removal certificates. It only includes measures identified within the Group's sustainability operations database that have quantified impacts. Where decarbonisation measures are known, the potential CAPEX requirements have been included. 	<ul style="list-style-type: none"> For renewable and carbon renewal certificates, the Group has assumed an increase over time from current price levels. The potential changes in the market for these certificates is uncertain with limited information on how demand and supply will affect the price. However, the Group believes it is taking a conservative approach to understand the potential downside.

¹ Taken from IEA natural gas and Levelized Cost of Electricity ("LCOE") supply projects for 2030 and 2050 for specific IEA regions over the Group's three climate scenarios.

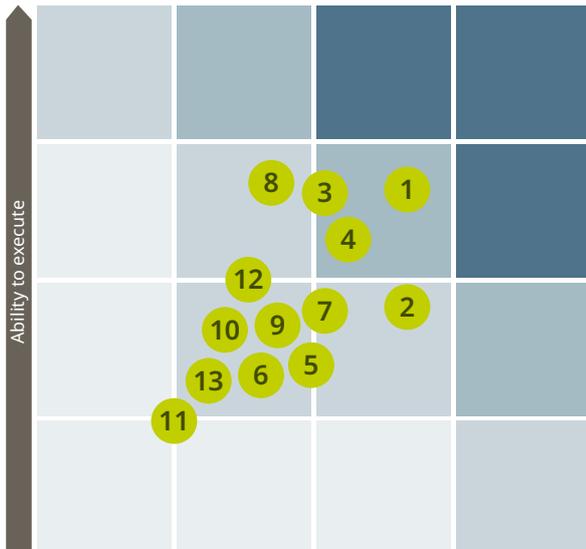
Annual updates of the model will be undertaken with refreshed data as part of the Group's impairment modelling and the functionality and assumptions underpinning the model itself will be reviewed every three years.

Climate-related financial disclosures

Identified climate opportunities

A climate opportunity assessment was also conducted to determine the potential impact across climate scenarios and time horizons. The assessment criteria considered the size of the opportunity (in terms of market size, efficiency gains, etc.) and Tyman's ability to execute (in terms of alignment to strategy, cost, etc.). The scoring outcomes were informed through a cross-functional workshop in 2021 and validated in 2022.

Qualitative opportunity assessment



- 1 Reuse and recycling measures in production processes
- 2 Use of more efficient production and distribution processes
- 3 Increased water efficiency (at most water intensive sites)
- 4 Procure renewable energy and adopt energy-efficiency measures in own operations
- 5 Use of new lower carbon technologies (e.g. switch from natural gas to electric process heating)
- 6 Shift towards low emissions sources and/or decentralised on-site energy generation
- 7 Continue to develop micro-ventilation products for indoor climate control, ventilation, security and energy saving
- 8 Continue to develop severe weather protection products
- 9 UK regulatory developments promoting energy efficiency (e.g. Future Homes Standard)
- 10 Global regulation on energy performance and thermal efficiency
- 11 Include flood considerations in portfolio development
- 12 Account for value, emissions and product spec trade-offs to deliver sustainable operations and solutions
- 13 Assessing product lifecycle to reuse waste

Resource efficiency

As part of the work to set the Group's Scope 3 emissions targets, the Group has identified several measures that will reduce the environmental impact of its value chain. As these measures are implemented, the Group will reduce its exposure to the future potential higher costs in a low carbon transition and will generate cost savings for resource efficiency projects.

Opportunity drivers	Strategic impact	Management response and alignment to transition plan	Assessment																
<ol style="list-style-type: none"> 1 2 3 4 5 6 	<ul style="list-style-type: none"> Meet expectations from customers for lower carbon/more resource-efficient supply chain. Reduced operational costs from resource-saving projects. 	<ul style="list-style-type: none"> Monitor performance against targets, including new GHG reduction targets set in line with climate science. Monitor climate-related cost savings to reinvest capital into climate adaptation and mitigation. Introduction of a sustainable operations database to monitor ideas and implementation of energy, resource efficiency and reduction measures. 	<table border="1"> <thead> <tr> <th></th> <th>S</th> <th>M</th> <th>L</th> </tr> </thead> <tbody> <tr> <th>A</th> <td style="background-color: #cccccc;"></td> <td style="background-color: #d9ead3;"></td> <td style="background-color: #d9ead3;"></td> </tr> <tr> <th>M</th> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #d9ead3;"></td> </tr> <tr> <th>H</th> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> </tr> </tbody> </table>		S	M	L	A				M				H			
	S	M	L																
A																			
M																			
H																			
			Metrics and targets <ul style="list-style-type: none"> Scope 1, 2 and 3 near-term SBTs. # and value of resource efficiency measures identified/implemented. 																

Markets and products

Tyman has a commercial opportunity to respond to climate-related issues through its product portfolio with sustainable solutions that support energy efficiency savings for customers, mitigate the increasing threat from physical climate change, as well as products that minimise environmental impact as a result of their material content (page 82).

Opportunity drivers	Strategic impact	Management response and alignment to transition plan	Assessment																
<ul style="list-style-type: none"> 7 8 9 10 11 	<ul style="list-style-type: none"> Increased sales as customers opt for lower carbon and more sustainable products. Increased sales to customers as the need for climate resilient/adaptation solutions increases. 	<ul style="list-style-type: none"> Investigation and roll out of sustainability-driven design tools. Engagement with suppliers to access better data and achieve shared goals related to climate change. Grow the pipeline of positive impact solutions (e.g. energy saving and severe weather protection products). 	<table border="1"> <thead> <tr> <th></th> <th>S</th> <th>M</th> <th>L</th> </tr> </thead> <tbody> <tr> <th>A</th> <td></td> <td></td> <td></td> </tr> <tr> <th>M</th> <td></td> <td></td> <td></td> </tr> <tr> <th>H</th> <td></td> <td></td> <td></td> </tr> </tbody> </table>		S	M	L	A				M				H			
	S	M	L																
A																			
M																			
H																			
			<p>Metrics and targets</p> <p>Revenue growth from sales of positive impact solutions.</p>																

Resilience

The Group has also identified sustainable design tools to transition to lower-carbon materials and reduce product costs. This workstream is a significant element and key contribution to both the delivery of climate-resilient solutions to customers, as well as for Tyman to achieve its targets.

Opportunity drivers	Strategic impact	Management response and alignment to transition plan	Assessment																
<ul style="list-style-type: none"> 12 13 	Better management of climate-related risks leads to an increase in capital available to invest in climate and sustainability ambitions and implement robust adaption and mitigation plans.	<ul style="list-style-type: none"> Development of a near-term transition plan and investigation into longer-term plans out to 2050. Introduction of an internal carbon price to support the redirection of capital towards low-carbon projects. 	<table border="1"> <thead> <tr> <th></th> <th>S</th> <th>M</th> <th>L</th> </tr> </thead> <tbody> <tr> <th>A</th> <td></td> <td></td> <td></td> </tr> <tr> <th>M</th> <td></td> <td></td> <td></td> </tr> <tr> <th>H</th> <td></td> <td></td> <td></td> </tr> </tbody> </table>		S	M	L	A				M				H			
	S	M	L																
A																			
M																			
H																			
			<p>Metrics and targets</p> <p>None.</p>																

Key

● Low opportunity ● Low-Medium opportunity ● Medium opportunity ● Medium-High opportunity ● High opportunity

A: Ambitious climate policy, M: Middle of the road, H: High warming, S: Short-term, M: Medium-term, L: Long-term

Deep dive on impact from climate opportunities

The Group is committed to growing revenues of products aligned with the UN Sustainable Development Goals (“SDGs”) including those with climate-resilient characteristics. Whilst it is difficult to predict how demand for products might change under different climate scenario sources, opportunities exist to meet likely growth in products that are either energy efficient, resilient to climate hazards, or have lower embodied emissions (page 82). In response, Tyman’s sustainability roadmap outlines plans to increase the percentage of revenue from positive impact solutions each year. Examples of such solutions include Q-Lon seals for energy saving and hurricane protection products.

This places Tyman in strong alignment with policy developments relating to enhancing building and infrastructure resilience. This is being discussed widely, and has featured in the IPCC’s Sixth Assessment Report on Impacts, Adaptation and Vulnerability, which emphasised the importance of the adaptation of buildings to climate change and the UK’s Climate Change Committee’s Advice to Government report, which included calls for climate adaptation and resilience. In addition, the UN’s Environment Programme (“UNEP”), supported by World Bank analysis, estimates that investing in more resilient infrastructure could save US\$4.2 trillion from climate change damages – emphasising the need for climate-resilient products.

Climate-related financial disclosures

Response: near-term climate transition plan

Tyman's near-term transition plan is set out below, outlining the Group's ambition, plans and governance arrangements for its delivery, as well as signposting to further information in this report.

AMBITION AND TARGETS	2019 baseline	2027-2028	2030 targets
	Scope 1 and 2: 43,171 TCO ₂ e Scope 3 materials: 421,395 TCO ₂ e	SBT re-validation Long-term net zero target development	Scope 1 and 2: -46.2% (1.5°C aligned) Scope 3 materials: -27.5% (WB2°C aligned)

IMPLEMENTATION STRATEGY		ENGAGEMENT STRATEGY
<p>Decarbonising operations</p> <p><u>Scope 1 and 2 emissions:</u></p> <ol style="list-style-type: none"> Demand reduction (energy kaizen projects) Purchase 100% renewable electricity Solar energy deployments Transition own vehicle fleet to EV Internal Price of Carbon <p><u>Scope 3 emissions (purchased raw materials):</u></p> <ol style="list-style-type: none"> Sustainable product design and material selection Supplier Code of Conduct Lower carbon materials/high levels of recycled content Low carbon materials R&D 	<p>Contributing to an economy-wide transition</p> <ol style="list-style-type: none"> Growing sales of energy saving/climate adaptation products Nurturing a growth mindset for new market adjacencies with product prototyping and feasibility studies <p>Responding to climate-related risks</p> <ol style="list-style-type: none"> Optimise water use at high-water stress sites Heat stress mitigation Climate scenarios – transition planning and impairment modelling 	<ol style="list-style-type: none"> Investors, annual CDP submission and ESG ratings Customer engagement and collaboration Supply chain engagement Senior leadership and employee engagement Trade Associations and other bodies

METRICS	
<ul style="list-style-type: none"> Improve Scope 1, 2 and 3 measurement (including Sphera Cloud) and commence Limited Assurance Quantification of physical and transition risks SDG aligned product revenues, EPDs and C2C 	 

GOVERNANCE				
Board, Audit and Risk Committee, RemCo	Executive Committee	ESG and LTIP	Annual Divisional Sustainability Plans	Tyman Sustainability Forum

Transition plan: ambition and targets

Tyman's ambition with regard to sustainability is set out in its sustainability roadmap (see pages 23 to 27). This translates into decarbonising the Group's operations (operational excellence) and helping Tyman's customers protect the planet and create safer, more inclusive communities through the provision of sustainable solutions. With the built environment responsible for approximately 40% of global GHG emissions¹, the Group recognises the role it can play in accelerating the transition to a low carbon and climate resilient economy through its actions.

Scope 1 and 2 emissions (principally natural gas and purchased electricity) account for 8% of the Group's total value chain carbon footprint (2019 baseline), with 92% being Scope 3 emissions. Scope 3 emissions arise from sources upstream and downstream of the Group's operations, with purchased raw materials (i.e. the emissions associated with the extraction and processing of the metals and polymers in its products) being the single largest contributor at 75% of value chain emissions. Further detail on the Group's value chain carbon emissions can be found on the Tyman website www.tymanplc.com/sustainability.

The Group's near-term absolute reduction targets for Scope 1 and 2 emissions (1.5°C pathway) and Scope 3 emissions for materials purchases (well below 2°C pathway) by 2030 were validated by the SBTi in June with reductions of 46.2% and 27.5% respectively. A "pre-COVID-19" 2019 baseline year was selected as this was considered more representative of normal operations. These targets are included within the Group's Focus-Define-Grow strategy (page 21) to strengthen its resilience to the physical and transition risks of a changing climate.

Sustainable products, including a subset of climate resilient products, is seen as an important growth driver for the Group, both in terms of current and future offerings (see pages 53 to 54). The Group has set itself the ambition of YoY growth in positive impact products, including those contributing to climate mitigation by enhancing energy efficiency, protecting against adverse weather events and promoting circularity through their formulation in terms of lower carbon materials. Further detail can be found on pages 53 and 82.

Transition plan: implementation strategy

The Group has identified three principal levers for decarbonising its operational Scope 1 and 2 emissions.

Decarbonisation lever	Mechanism	Context
Reduce energy demand at source through energy efficiency projects	Delivered through auditing processes (including Lean/Kaizen approaches) conducted internally and/or with external technical support.	Vehicle fuel accounts for just 3% of the Group's Scope 1 and 2 footprint and will be prioritised later in the plan.
Purchase 100% renewably sourced electricity	Sourcing electricity from 100% renewable sources direct from the grid or dedicated renewable energy generation facility (such as off-site solar/wind).	<ul style="list-style-type: none"> Purchased electricity represents 70% of the Group's Scope 1 and 2 footprint. These contracts are widely available in North America and Europe, covering two thirds of the Group electrical consumption.
Deploy renewable energy technologies	Prioritising roof-top solar deployments at the Group's facilities, where considered feasible to tackle Scope 2 emissions from purchased electricity.	

Energy audits/Kaizen events were commissioned at a further three sites in the year – Cannon Falls and Statesville (page 23) in the US, and Newton Aycliffe in the UK. These audits will be extended to Tyman's larger plants in North America in the coming two years, in aggregate responsible for over 75% of the Group's Scope 1 and 2 emissions footprint. Energy reduction opportunities generated through these studies are captured in a sustainable operations database to facilitate replication across the Group. Fourteen opportunities were added to the database in the year (2022: 12). Further detail of Group's GHG inventory can be found on page 81.

Decarbonising industrial heat (principally natural gas) is more challenging than switching to cleaner forms of electricity where experience of electric and hydrogen alternatives is not widespread. In the short term, emphasis will focus on energy efficiency of existing natural gas fired systems, while longer-term, cleaner options are evaluated.

100% renewably sourced electricity contracts are now in place for all manufacturing plants in Europe and will be extended to the Group's three Mexican plants in 2024. Feasibility studies will be commissioned in 2024 to identify how best to deploy 100% renewably sourced contracts in the US and Canada. See page 76 for further detail of 100% renewably sourced electricity contract deployment and solar feasibility studies.

¹ The built environment accounts for approximately 39% of global carbon emissions: 28% from operational emissions, from energy needed to heat, cool and power them, and the remaining 11% from materials (embodied carbon) and construction (source: World Green Building Council).

Climate-related financial disclosures

Rooftop solar arrays have been deployed at the Group's two plants in Wolverhampton and a warehouse in Fossatone, Italy. Plans to extend solar technologies in Mexico are at the feasibility stage.

A consultant has been selected to start work on developing a decarbonisation appraisal tool for the Group to better inform the allocation of capital to reduce operational emissions.

Reducing Scope 3 material emissions will require optimising product designs, using new software tools such as life cycle assessment to develop EPDs, select lower impact materials and increase recycled content in products. Further improvements to the quality of data used to calculate these emissions have been identified as an early priority in the plan by using supplier-specific and actual weight data where possible instead of generic spend data. This will be underpinned by a Tyman Supplier Code of Conduct setting out, amongst a range of responsible sourcing requirements, expectations for reporting carbon data and working with the Group to deliver emissions reductions in the supply chain. Further supplier engagement work will be undertaken once the Code of Conduct has been deployed in 2024.

Over time, the Group will also increase its R&D effort around lower carbon materials, starting with lower carbon/more recyclable polymers.

Growing sales of positive impact products feature in each division's sustainability plan (page 53) and product certifications such as EPDs and C2C are becoming increasingly important, particularly in the UK and Europe for commercial and system house markets. These certifications are becoming a pre-requisite for tenders and provide an opportunity for differentiation and participation in new tenders with customers (page 54). The Group is responding to these customer needs by increasing its product certifications and further developing its product ideation capabilities to grow its NPD pipeline for the climate transition (page 82).

Following the physical risk modelling work and climatic changes experienced (page 68), the Group has invested in mitigation actions to improve the resilience of its operations to heat and water stress and to increased flooding risk. The insights from these assessments also informed the development of the Group's water reduction target focused on those locations exposed to very high water stress (page 48 and 76).

Transition plan: engagement strategy

Tyman prioritises engagement activity with investors, customers, employees and its supply chain.

The Group is committed to maintaining high levels of transparency in sustainability-related disclosures and will continue to report its climate progress through CDP (Tyman achieved a B rating in 2023, up from a C in 2022), as well as engaging with the primary ratings agencies and investors on sustainability and climate-related topics. For example, Tyman shared its experiences on decarbonising its operations and developing climate resilient products at a Berenberg *Journey to Green Construction* webinar in October.

The Group recognises the importance of engaging its leadership teams, key business functions and wider workforce in the low carbon transition. Planned training sessions for the divisional and Group leadership teams in 2023 were changed to prioritise the development of a growth mindset around product ideation. Sustainability was used as the stimulus for an innovation workshop attended by 20 senior leaders from across the Group in October. Led by innovation consultancy, Magnetic, a range of tools and techniques were used to generate new product ideas around circularity, the energy transition and wellbeing.

A cross-divisional exchange of sustainability training courses is planned for 2024 to determine how best to leverage readily available materials and courses. Options being considered include training for sales teams to enable them to engage customers on sustainability topics, introductory training for employees, sustainability masterclasses for managers and technical training for sustainability specialists (e.g. LCA software).

Progress was made by each division in engaging customers on sustainability-related topics during the year. While penetration varied by geography, early indications suggest that engaging customers on sustainability can increase customer "stickiness", creates differentiation that smaller competitors in the market could find challenging to replicate and provides a route to developing new commercial prospects. A sustainability conference was hosted for Iberian system house customers in Barcelona (pictured below).



Pictured: Delegates at a sustainability conference for system house customers.

Opportunities have been identified to supply lower environmental impact products and components through sustainability certifications such as EPDs and C2C. In the UK, customer interest in the retail market has polarised around the costs of Packaging Producer Responsibility Regulations and plastic taxes (page 54). Engagement in North America focused on three of the Group's top five customers with collaborations addressing more sustainable packaging solutions as well as knowledge sharing between corporate sustainability teams.

One of the most beneficial collaborations was working with a top five US customer to jointly deliver an energy and waste Kaizen event at the Group's facility in Statesville (see case study on page 23). Each division has identified further customer engagement activity as part of their 2024 sustainability plans.

Engaging the supply chain to source lower carbon materials is critical to the Group's climate ambition and targets. Senior leaders from each division attended a conference in Ningbo for the Group's supply chain based in China (see case study on page 25). The Group presented its sustainability roadmap and showcased how suppliers can contribute to the achievement of the Group's targets through the supply of low carbon materials and decarbonising their own operations. Supplier engagement will be strengthened going forward as the Group's Supplier Code of Conduct is rolled out.

The Group has completed a review of its membership of various trade associations and concluded that none of these organisations campaign against the aims of the Paris Agreement. Many, such as the UK Glazing and Glass Federation, actively campaign for emissions reductions. The Group is contributing its EPD expertise in the development of a sustainability guide for members of the Guild of Architectural Ironmongers and Tyman North America's VP of Product Management sits on the board of the Window and Door Manufacturers Association ("WDMA"), which advocates energy efficiency and environmental stewardship.

Tyman also contributed to the "ecosystem" of guidance created by the Sandbox Coalition established by the Transition Plan Taskforce ("TPT") and launched in October. You can watch a video interview with the Group's HSS Director about Board engagement at <https://transitiontaskforce.net/call-for-transition-plan-case-studies/>.



Pictured: Senior leaders brainstorming during a sustainability-focused innovation workshop.

Case study

Tyman helping the restoration of Ukraine

The war in Ukraine continues to have a devastating impact on the Ukrainian population, with critical infrastructure in many Ukrainian cities being destroyed or badly damaged. Tyman is proud to be playing an active role in the restoration of infrastructure and buildings, working with Ukrainian partner Rodors Ltd to replace damaged doors in hospitals, schools, kindergartens and other important municipal buildings as they get rebuilt following bomb attacks.

Here is an example of a kindergarten that was destroyed but which has now been rebuilt, with Tyman's Q-LON seals featuring in the new doors supplied by Rodors Ltd.



Pictured: Kindergarten in Ukraine following a bomb attack.



Pictured: Same kindergarten rebuilt using Rodors-Tyman doors.

Climate-related financial disclosures

Transition plan: metrics

The Group continues to develop its metrics and targets relating to its climate ambition (see page 72). Progress against its SBTs is summarised below, together with an overview of the metrics used to monitor progress towards these targets. Also included is the growth in climate resilient products comprising a sub-set of product revenues aligned to the UN SDGs, together with the Group's target on water consumption at sites located in areas of very high water stress.

Scope ^{1,3}	Pathway	Type	Unit of measure	Base – target year	2023	Metrics to track progress	Trend analysis ⁴
Operational (Scope 1 and 2) emissions - market-based	1.5C aligned ²	Absolute	TCO ₂ e	2019: 43,171 2030: 23,226 (-46.2%)	26,666	<ul style="list-style-type: none"> 14 energy saving opportunities implemented (2022: 12) 	On track ⁵
	n/a	Intensity	TCO ₂ e / £m revenue	2019: 70.3 2026: 35.2 (-50%)	40.6	<ul style="list-style-type: none"> 29% sites purchase 100% renewably sourced electricity (2022: 1%) 25% sites completed solar feasibility studies (2022: 11%) 	On track ⁵
Purchased Raw Materials (Scope 3 – category 1)	Well below 2C aligned ²	Absolute	TCO ₂ e	2019: 421,395 2030: 305,511 (-27.5%)	610,085	North American data is estimated based on spend data. Emissions factors for many materials increased in 2023	Behind plan. Transforming the quality of material data in North America will allow the Group to re-appraise the achievement of this target.
YoY growth in climate resilient product revenues	n/a	Absolute	£m revenues aligned to SDGs	2021: £93m 2022: £109m	107	Revenues from SDG 7 clean energy, SDG 11 sustainable cities and SDG 13 climate change aligned products	Slightly behind plan ⁵ . The Group expects to get back on track as market conditions improve.
Water consumption in regions of very high water stress	n/a	Absolute	m ³	2021: 260,595 2026: 233,000 Consumption capped at 233,000	217,913	Further detail on page 48	On track

¹ All targets cover the Group's global operations.

² Targets validated by SBTi in 2023.

³ Further information on the definitions for these metrics and Tyman GHG inventory over time (2019–2023) can be found on page 81.

⁴ Based on a straight-line trajectory from base to target year.

⁵ Metrics subject to Limited Assurance by Bureau Veritas. See pages 244 to 245.

With a 38% reduction in absolute Scope 1 and 2 emissions in 2023 vs the 2019 baseline, the Group is currently on track against the glidepath to deliver its SBT. See page 82 for further detail on the factors driving this reduction.

Like many companies, calculating their Scope 3 footprint for the first time, access to accurate data was challenging. Of baseline Scope 3 material emissions, 69% were calculated from spend data and 31% from raw material weight data. Going forward, effort will prioritise improving the quality of this data with supplier-specific emissions factors and EPDs where available, together with increases in recycled content. The Group's other applicable baseline Scope 3 emissions (categories 2–7, 9, 11 and 12) were generated through spend data and pro-rated thereafter.

Data quality has been enhanced by the deployment of a proprietary emissions reporting platform, SpheraCloud Corporate Sustainability ("Sphera"), during the year. This system improves data accuracy, tracking of supporting evidence such as supplier invoices and provides automatic updates to the latest emissions factors. Initial priority has been focused on the Group's Scope 1 and 2 emissions subject to SBTs.

The Group did not improve the quality of its Scope 3 materials data as it would have liked in 2023. During the 2023 data collection exercise, gaps were identified in the 2022 North American footprint, requiring emissions to be estimated on spend rather than a blend of spend and weight data. Estimates based on spend are especially exposed to material price inflation with metal and polymer prices increasing between c.30–100% since 2019. Of the 2023 materials footprint, 86% was derived from material spend data. Emissions increases were further driven by changes in the global emissions factors, with all material types showing increases and, notably, mild steel showing a 46% increase¹.

Improving the quality of the Scope 3 emissions data from materials will be prioritised in 2024 to transition away from spend to purchased weight data by commodity. Some progress has already been made in moving away from estimates/pro-rated data for other Scope 3 categories to calculate fuel and energy-related services (category 3), waste generation (category 5) and business travel (category 6). Over time, the remaining applicable Scope 3 categories will be calculated in Sphera in preparation for the Group's planned re-baselining of its emissions in 2027–28 and longer-term net zero target setting.

Climate resilient product revenues totalled £107 million in 2023 (2022: £109 million), corresponding to 16% of Group revenues (see page 82). It is expected that revenues from these products will grow, especially given an increase in the frequency of extreme weather events, continued development in energy regulations and a desire to reduce consumption. The Group also expects that, over time, customers will increasingly look to their supply chains to reduce the

embodied carbon in the materials and components they purchase (see case study on page 55).

Sustainability criteria have been applied to the Group's refinancing activities, including its US private placement notes and Revolving Credit Facility ("RCF"). These include delivery against the Group's Scope 1 and 2 emissions targets (intensity-based), submitting its Scope 3 target to SBTi, and disclosing its climate performance annually through CDP. In addition, the RCF has two further sustainability KPIs linked to the margin it pays. These include the YoY increases in revenues generated from positive-impact solutions (including those contributing to climate resilience) that contribute to the UN SDGs and a reduction in the Total Recordable Incident Rate ("TRIR").

Tyman has no immediate plans to use offsetting or carbon credits to meet its absolute reduction target. Towards the end of the near-term plan the Group will neutralise residual emissions beyond the absolute target, with nature-based offsets in accordance with SBTi guidance.

Transition plan: governance

Governance of the Group's near-term transition plan is integrated into its oversight of climate-related risks and opportunities by the Board and day-to-day management through the ExCo (page 59). This plan is underpinned by the Group's sustainability roadmap and annual divisional sustainability plans. These divisional plans are reviewed on a quarterly basis by the ExCo. Moreover, the Group's purpose statement clearly states the importance of providing its expert touch to transform the sustainability of living and working spaces (see page 21).

Additional sustainability resources were appointed during the year in each division – a decarbonisation manager to drive operational emissions reductions in North America, together with a packaging engineer and a sustainability apprentice in the UK (see page 51) and a sustainability specialist in Italy. Planned recruitment of a sustainable procurement specialist in North America will be subsumed into a new supplier development role and sustainable design requirements have been re-assigned to a newly created divisional innovation manager role. A sustainability data analyst was also recruited at head office to support the deployment of Sphera (page 77), generate new performance insights and share best practices across the Group.

The Group commissioned external independent assurance of its Scope 1 and 2 emissions and SDG aligned product revenues (including climate resilient solutions) for this first time this year. The Limited Assurance statement can be found on pages 244 to 245.

Executives and senior leaders are incentivised to deliver elements of the Group's near-term transition plan through two ESG measures detailed on pages 148 and 156.

¹ Driven by more accurate data being used to generate global emissions factors and shifts in the production of commodities to more carbon intensive countries, taken from the latest available EcoInvent database.

Climate-related financial disclosures

Risk management

Summary of disclosure

Risk process:

- Climate change risk is assessed in a separate Group process and is included as a principal risk as part of the Group's risk management process (page 61).
- Tyman's climate scenario analysis has identified and assessed climate risks by geography, time horizon and forward-looking scenarios. The outcomes of this risk assessment have been integrated into the Group risk management process covering the review of identified divisional risks.
- Site-specific physical risks and broader transition risks identified from the Group process have been documented in divisional risk registers and accountability for mitigation now embedded within the business.

Risk controls:

- A near-term transition plan has been formalised, which sets out the implementation of decarbonisation measures, which will reduce future emissions and exposure to climate transition risks (pages 72 to 77).
- The Group's capital expenditure process includes climate resilience considerations, which will require mitigation measures to be identified to manage additional climate risk exposure.

Next steps

Climate-related key risk indicators will continue to be developed to target, monitor and manage climate risks through the Group's risk management process.

Risk management process to identify and assess climate risk

To account for the unique characteristics and complexity around climate risks, Tyman has developed a groupwide climate risk management process, from which the outputs are integrated into the Group risk management framework. This seeks to identify and assess existing and emerging transition and physical climate risks (and associated opportunities), followed by implementing an appropriate risk response for mitigation at divisional and site level. This risk identification process was done "Group-down", with divisional involvement and going forward a more two-way process will be adopted with divisions reporting up to Group level any significant changes in the identification or management of these risks as part of scheduled divisional risk management reviews.

Climate risk identification

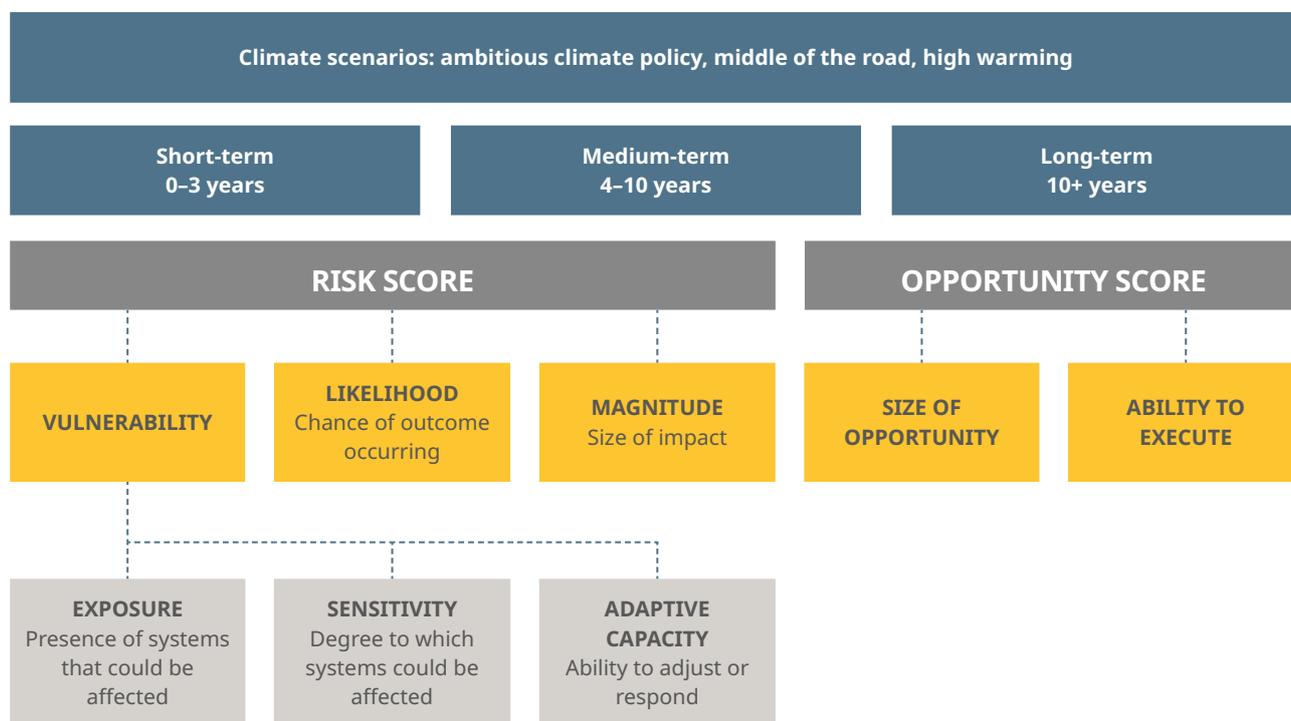
A long list of climate risks has been identified through research and engagement with cross-functional teams across the Group via:

- Reviews with key functions, including finance, sustainability, plant managers, risk management, supply chain and product development teams.
- Desk-based research on country/regional climate policy and regulatory requirements.
- Review of NGFS database and IEA World Energy Outlook for transition risks.
- Review of global climate models and IPCC Atlas database for physical hazard data.

Climate risk assessment and prioritisation

The identified climate risks (and opportunities) were qualitatively assessed to better understand their relative importance. Each risk was scored and ranked across three climate scenarios and time horizons (see pages 62 and 79) against criteria including vulnerability, likelihood and magnitude of impact. The assessment results were sense-checked with key functions from across the business through a risk and opportunity workshop held in December 2021 to achieve consensus on the most important (material) climate risks to the business. Through this approach, the Group identified the priority risks and opportunities for further evaluation and quantification.

The climate risk and opportunity assessment scoring criteria are described below.



Management and integration of climate-related risks into risk management

During 2021, the potential impact of climate change and the growing importance of the broader sustainability agenda was raised to a principal risk (page 93). As such, climate-related issues are assessed alongside Tyman's 10 other principal risks, including business interruption and market conditions. This ensures appropriate management controls are in place and allows the Group to consider the significance of climate change and sustainability against other business risks.

In 2022, the climate risk assessment was further progressed by quantifying the financial impacts of selected material climate risks and opportunities. The results of this quantification are described on pages 66 to 69 and these climate considerations were integrated into the Group's financial planning and divisional risk management processes in 2023. With climate risks now embedded in divisional risk registers, reviews of these risks and adequacy of controls takes place at a divisional and Group leadership level.

Management of climate-related risks and opportunities can be found in Tyman's sustainability roadmap pages 22 to 27, the Group's transition plan (page 72) and at operational level through ongoing reviews of climate-related risks within divisional risk registers.

Climate-related financial disclosures

Metrics and targets

Summary of disclosure

- Complete GHG inventory reported for Scope 1, 2 and 3 baseline emissions from 2019.
- Near-term absolute emission reduction targets validated by SBTi.
- Increased alignment, monitoring, and reporting of climate-related metrics, as part of Tyman's transition plan.

Next steps

- Develop an internal carbon price strategy to support the allocation of capital to GHG-saving projects.
- Continue to improve data capture and reporting of all applicable Scope 3 emissions.
- Review and set longer-term targets by 2028 for emissions reductions out to 2050 to increase alignment with the SBTi's Net Zero Standard.

Climate-related metrics

Over the past three years, Tyman has advanced the metrics it uses to monitor exposure to climate-related risks and opportunities, as well as tracking its environmental performance over time (pages 48 to 49 and pages 81 to 82). A summary of the Group's reporting against TCFD's cross-industry metrics reporting categories is provided below. Where the Group is not yet tracking against a metric or target, an explanation is provided on its intentions going forward.

Metric	Target
GHG emissions Total Scope 1, 2 and 3 emissions (purchased goods and services). The Group reports its GHG inventory breakdown as well as its emissions intensity per £m revenue from a 2019 Scope 1 and 2 baseline (page 81).	Absolute emission reduction near-term targets for Scope 1 and 2 and Scope 3 raw materials to 2030 were approved and validated by the SBTi in 2023. With the introduction of the Sphera reporting tool, progress against Scope 1 and 2 emissions will be reviewed on a quarterly basis and annually for Scope 3 raw materials.
Transition Metrics track progress on energy reduction initiatives, renewable technology assessments and energy procured from renewable sources (page 76).	Targets to reduce operational Scope 1 and 2 as well as purchased raw material emissions will reduce the Group's exposure to future transition costs.
Physical The Group reports its consumption of water at sites operating in areas of very high water stress against a 2021 baseline (page 48).	Absolute water consumption at water-stressed sites capped at 233,000m ³ , whilst further reduction opportunities assessed (page 48).
Climate-related opportunities Revenues and percentage of total product revenues associated with climate-resilient products are tracked and reported from 2020 (page 82).	YoY growth in positive impact products to 2030.
Capital deployment Not currently reported. Will be further developed as part of the Group's transition planning to mitigate exposure to rising energy prices and potential for carbon taxation.	Development of an internal carbon price to be completed in 2024.
Internal carbon prices Not currently reported.	Development of an internal carbon price to be completed in 2024.
Remuneration The Group's LTIPs give a 15% weighting for four sustainability metrics, of which two are climate related: growing sustainable product revenues (YoY improvement in UN SDG-aligned products revenues as a proportion of total Group revenues) and reducing Scope 1 and 2 emissions by 2026. New ESG measures for the 2024 LTIP include absolute Scope 1 and 2 emissions reductions (page 156).	The Remuneration Committee keeps this under review each year to ensure that senior leadership across the Group is appropriately incentivised to deliver on Tyman's climate commitments in its sustainability roadmap and near-term transition plan

Additional environmental metrics (e.g. for waste) are reported on page 49.

Energy and greenhouse gas emissions inventory reporting

The Group quantified its value chain carbon footprint for its 2019 baseline year in 2021. Scope 1 and 2 emissions accounted for 8% of emissions (43,171 TCO₂e restated), and Scope 3 emissions accounted for the remaining 92% (515,374 TCO₂e), with direct purchases of raw materials accounting for the single largest portion at 75% of the total footprint (421,395 TCO₂e). Further detail on the Group's GHG inventory is reported below, together with information on energy and emission reduction measures implemented during the year. Tyman's Scope 1, 2, and 3 emissions targets were validated by the SBTi in June (page 72).

For more information on the Group's value chain carbon footprint visit www.tymanplc.com/sustainability.

The Group measures and reports its global greenhouse gas ("GHG") emissions according to the UK's Streamlined Energy and Carbon Reporting ("SECR") requirements for both Scope 1 and 2 emissions as defined by the GHG Reporting and Accounting Protocol and Reporting Standard. Emissions are reported for all the Group's operations worldwide over which it has operational control (manufacturing, warehouses, offices). Scope 3 value chain carbon emissions have been reported for the 2019 baseline in line with best practice set out by the SBTi. Limited assurance of Scope 1 and 2 emissions was undertaken for the first time during the year (pages 244 to 245).

Energy and greenhouse gas emissions	Targets	2023	2022	2021	2020	2019 (baseline)
UK Scope 1 emissions (TCO ₂ e)		508	491	558	646	979
Offshore (outside UK) Scope 1 emissions (TCO ₂ e)		9,331	11,577	11,739	10,658	11,098
Total global Scope 1 direct emissions ¹ TCO ₂ e		9,839	12,067	12,297	11,303	12,078
UK Scope 2 emissions (TCO ₂ e)		949	1,004	1,076	1,057	1,312
Offshore (outside UK) Scope 2 emissions (TCO ₂ e)		21,263	23,664	25,961	25,681	28,720
Total global Scope 2 indirect emissions ² TCO ₂ e – location-based		22,212	24,669	27,037	26,738	30,032
Total global Scope 2 indirect emissions ³ TCO ₂ e – market-based		16,827	26,270	28,597	27,717	31,093
Total direct and indirect emissions (Scope 1 and 2) TCO ₂ e – market-based for SBT ⁸	2030: 23,226	26,666	38,337	40,894	39,021	43,171
Intensity ratio (Scope 1 and 2) TCO ₂ e per £m revenue – location-based		48.7	51.3	61.9	66.4	68.6
Intensity ratio (Scope 1 and 2) TCO ₂ e per £m revenue – market-based	2026: 35.2	40.6	53.6	64.3	68.1	70.3
Global energy consumption used to calculate above emissions kWh ⁴		107,618,563	125,775,448	129,682,263	120,152,047	124,376,446
On-site renewably generated electricity		668,747				
Total Scope 3 indirect emissions: ⁵						
Purchased goods and services (metals and polymers) ⁶ – category 1a	2030: 305,511	610,085	679,695	436,501	353,820	421,395
Other applicable Scope 3 emissions (categories 2–7, 9, 11 & 12) ⁷		96,491	107,474	96,459	91,771	96,127

¹ Direct emissions through combustion of fuels and process emissions using DEFRA GHG factors. Refrigerant emissions, e.g. from process and building cooling systems, are collected from 2021 onwards.

² Indirect emissions through consumption of electricity (location-based method) using static IEA conversion factors.

³ Indirect emissions through consumption of electricity (market-based method) reflecting European residual emissions and static IEA conversion factors.

⁴ Required by the UK Government's SECR requirements using DEFRA conversion factors for natural gas and combustion of fuels for heating and process use, electricity consumption (location-based) and transport fuel (from quantities consumed) across the Group's global operations. Restated with outputs generated from the Sphera proprietary reporting software.

⁵ Emissions from raw material purchases account for 75% of the Group's value chain carbon footprint and feature in Tyman's near-term 2030 SBT as the priority for action. A full emissions inventory for ten applicable Scope 3 emissions categories for 2019 to 2023 is available online in the sustainability data table on Tyman's website. These other Scope 3 emissions are not covered by the Group's near-term 2030 SBT.

⁶ Restatement for 2022 based on spend data from North America and groupwide estimate provided for 2021.

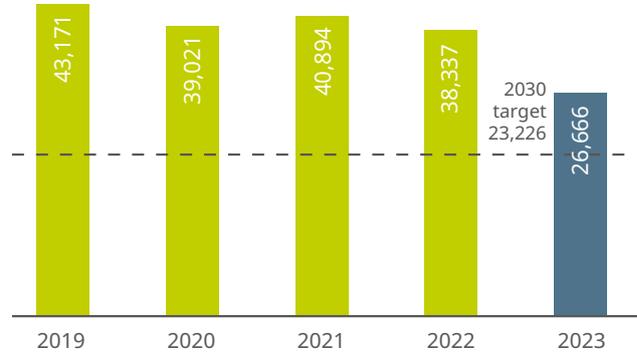
⁷ Categories 3, 5 and 6 generated through the Sphera system for energy, waste and travel data. Other applicable categories based on estimates generated on spend data as part of the SBT baseline assessments in 2019/2020 and then pro-rated for following years.

⁸ Restatement following limited assurance (pages 244 to 245) of 2019 and 2023 Scope 1 and 2 emissions: a reduction to the baseline of 543 TCO₂e (1.2% change).

Climate-related financial disclosures

The Group's Scope 1 and 2 emissions in TCO₂e per £m revenue decreased by 24% in 2023 to 40.6 (2022: 53.6 restated) and a 30% reduction in absolute terms to 26,666 TCO₂e (2022: 38,337). This reduction has been driven by the continued greening of the electrical grid, reduced product output, the provision of supplier-specific emissions factors in Mexico (accounting for 5,000 TCO₂e) and the impact of energy efficiency measures at plant level including the cessation of carbon-intensive industrial heating processes from Hamburg through their transfer to the UK and switching to 100% renewable electricity tariffs in Italy and the UK. Stripping out the impact of market-based measures, the Group's Scope 1 and 2 emissions through the location-based method decreased by 5% to 48.7 TCO₂e per £m revenue (2022: 51.3). See the Group's transition plan on pages 72 to 77 for further detail and commentary on Tyman SBT glidepath.

Scope 1 and 2¹ emissions TCO₂e / £m revenue



A summary of the Group's energy and carbon reduction projects implemented in 2022 and 2023 is presented in the table below.

2022	2023
<ul style="list-style-type: none"> LED lighting upgrades (London, Agnosine, Budrio, Juarez and Monterrey) coupled with movement sensors (at new Access 360 manufacturing facility in Wolverhampton) Local electric heaters replace natural gas fired space heating (Fossatone) and thermostats fitted to heaters (Trumann) Reduced heating hours for office areas (Agnosine) Installation of 1.2MW rooftop solar array and switch to a 100% renewable electricity tariff (ERA facility in Wolverhampton) Various compressed air initiatives (Brampton and Owatonna), namely pressure reduction, repairs and leak reduction, optimised scheduling 	<ul style="list-style-type: none"> Further LED lighting upgrades in Mumbai Replacement of motors and drives in Owatonna Various heating, ventilation and air conditioning ("HVAC") optimisation and compressed air projects in Owatonna Five new diecasting machines in Owatonna, replacing older, less energy-efficient conventional die-casters and ancillary equipment Enhancements to capacitor units in Brampton

The Group's Scope 3 emissions, in terms of its purchased raw materials, decreased by 10% in 2023 to 610,085 TCO₂e (2022 restated: 679,695). The Group has had to estimate emissions from its North American operations using spend data rather than a mix of weight and spend, resulting in a restatement of 2022 data. Further commentary on data quality and plans to improve data collection in 2024 is provided in the transition plan on page 74.

Climate-resilient product revenues

Revenues from climate resilient products feature in the Group's near-term transition plan (page 72). Climate resilient product revenues totalled £107 million in 2023 (2022: £109 million), corresponding to 16% of Group revenues (2022: 15%). The Group aims to increase both the revenues and the associated proportion of these products over time.

Climate resilient product revenues	SDG alignment	£m			
		2023 ¹	2022	2021	2020 ¹
Energy saving products		72.2	76.8	73.2	60.2
Climate hazard protection		25.4	22.3	15.3	12.1
Circular economy/lower carbon materials		9.4	9.6	8.0	-
Totals		107.0	108.7	96.7	72.4

¹ Subject to Limited Assurance by Bureau Veritas (pages 244 to 245).

Case study

Our high security locks and smart alarm systems reduce community crime

Around 5% of Tyman's revenues are generated from high security locks and smart alarm systems proven to reduce community crime sold by Tyman's UK-based business ERA.

ERA has, for many years, had a strong partnership with the UK charity Neighbourhood Watch, driven by a shared commitment to make communities safer through product innovation and expert advice. ERA's "Total Security Guarantee" is the only one on the market endorsed by Neighbourhood Watch and, as such, is highly valued by ERA's trade customers.

Together, ERA and Neighbourhood Watch regularly seek to raise awareness of how to prevent burglaries and antisocial behaviour through joint campaigns and webinars, and ERA commissions valuable consumer market research into new product development; for example, it received over 18,000 responses to a survey on smart technology in just one week.

ERA was also the first corporate sponsor of Neighbourhood Watch's Community Safety Charter, which aims to give individuals and organisations tailored information, support, and tools to help recognise and report crime and support those affected.



Pictured: Our high security locks and smart alarm systems are making communities safer.



Principal risks and uncertainties

The Board is committed to protecting and enhancing the Group's interests via effective risk management.

Risk management process

The Board is committed to protecting and enhancing the Group's reputation and the interests of shareholders and our wider group of stakeholders. In doing so, the Board promotes a strong ethical, risk aware culture within the business, which emphasises the importance of effective risk management and risk reporting throughout the year and forms a key element of our internal governance and performance review processes.

Our risk management process, based on the Four Lines of Defence model, provides clarity on roles and responsibilities for managing risk.

The Board has ultimate responsibility for the Group's system of risk management and internal control with responsibility for oversight delegated to the Audit and Risk Committee, which is responsible for maintaining and reviewing the effectiveness of our risk management and internal controls processes, including strategic, financial, operational and regulatory/compliance matters.

The Board has reviewed the systems of internal control and risk management within the year up to the date of approval of the Annual Report and Accounts.

Group risk appetite

The Board ensures that the Group's risk exposure remains appropriate and links directly to the effective delivery of our strategic objectives. During the year, the Group has continued to review and update key aspects of the risk management framework, including the Group risk appetite and risk management processes (for example, through further consideration of risk velocity and the development of divisional sustainability risk registers). Further developments are planned in 2024, both at divisional and Group levels, to enhance skills and capabilities on risk management as well as further focusing on key areas of risk.

As an international group operating in multiple countries, the business faces a range of risks and uncertainties where internal and external factors influence the Group's response to managing these risks, many of which are similar in nature to other comparable companies and are not fully within the Group's control.

The Group's key principal risks are those risks that are considered material and could have a significant impact on the Group's business activities and operations. The Group considers emerging risks regularly throughout the year, both through the risk management process and in ongoing and established meetings embedded in our performance management system. The Group considers emerging risks as those that may materialise or have an impact on a longer timeframe of three years or more. Areas of emerging risk where the value of, or nature of, these risks are not fully known are considered as part of the risk management process and other existing management processes.

The Group's risks and uncertainties have been considered in the context of the broader geopolitical and economic environment, including the dynamic nature of the changing trading relationships between the US and China, the impact of the wars in Ukraine and the Middle East, and the impact of uncertain global economic conditions. In addition, the Group has closely monitored and responded to industry-wide inflationary pressures, as well as labour availability issues.

These have all remained prominent themes of risk throughout the year and the Group has focused on ensuring these risks are mitigated, to the extent possible.

The Directors confirm they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The table on pages 88 to 93 sets out the principal risks and uncertainties facing the Group at the date of this report and how they are being managed or mitigated.

In accordance with the provisions of the Code, the Board has taken into consideration the principal risks in the context of determining whether to adopt the going concern basis of accounting and when assessing the prospects of the Group for the purpose of preparing the viability statement. The going concern and viability statement can be found on pages 94 to 96.

Responsibilities for, and structure of, risk management

The Group's risk framework defines clear roles, responsibilities and accountabilities for risk management using the Four Lines of Defence model and continues to develop in line with the strategy.

The first line of defence consists of operational management implementing and maintaining effective risk identification, risk mitigation, reporting and the development and maintenance of internal control systems. This ensures that risk management and internal control remain an integral part of day-to-day operations, yet facilitates the escalation of significant risks as and when they should arise. Each division (and location) has an established organisational structure, senior management team and policies and procedures at divisional and location levels, including those risks relating to compliance with laws and regulations in the geographies in which they operate. Divisional risk registers are reviewed by the Executive Directors and the Audit and Risk Committee twice per year.

The second line of defence consists of the corporate functions that support operational management and are responsible for establishing Group-level policies and procedures, including the Delegation of Authority, Code of Business Ethics and Accounting Policies. The Group has specialist resources to strengthen its risk and assurance capabilities in areas including Group finance, tax and treasury, IT, legal and secretariat, health, safety and sustainability, risk management, corporate development, and corporate communications and investor relations.

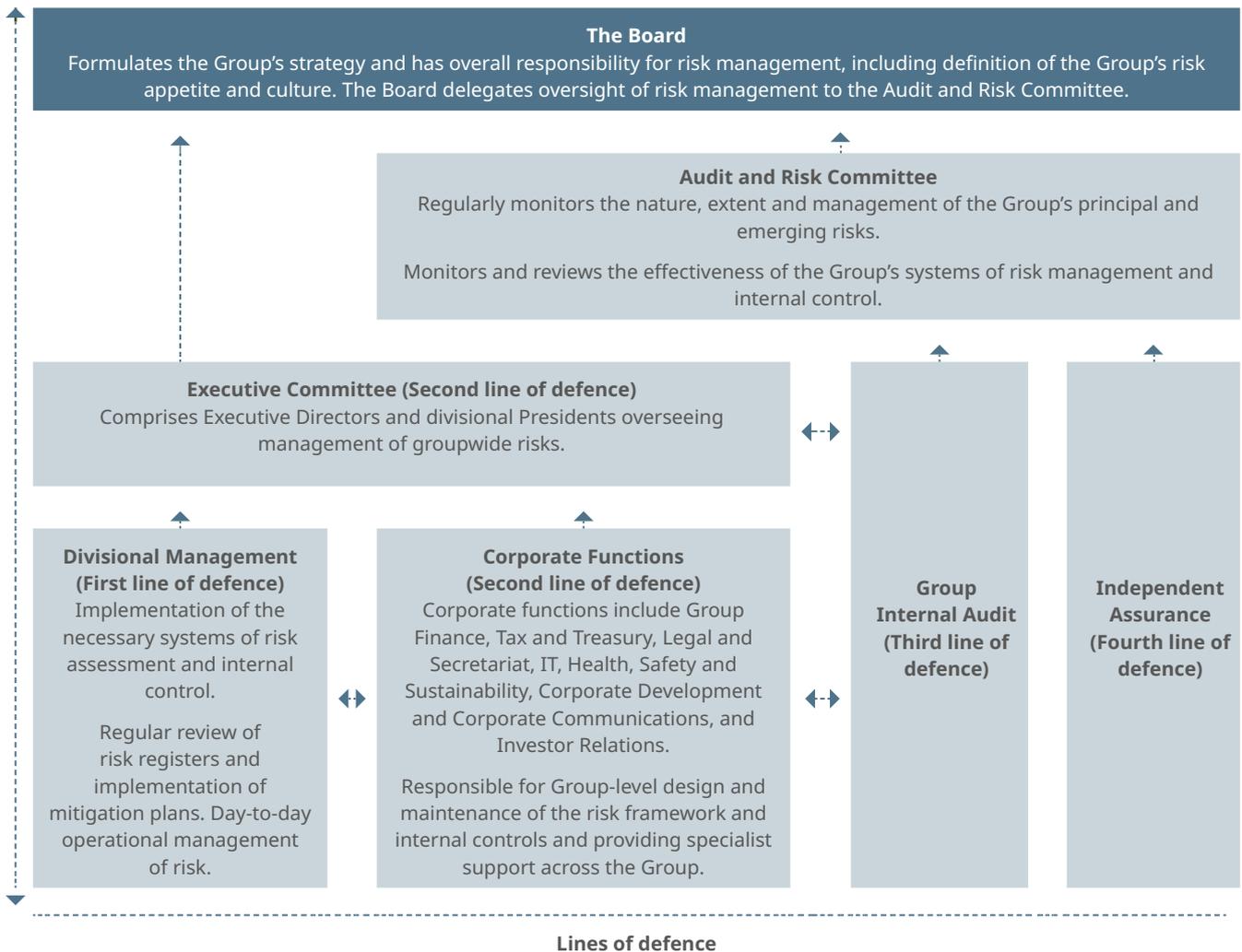
Risk management is embedded in many aspects of the Group's leadership and performance model where key areas of risk are inherently considered throughout the year. Key governance mechanisms for the management of risk include the Executive Committee, the Finance Leadership Team, the strategic planning process, budgeting and forecasting and the Business Performance Review ("BPR") process undertaken every month for each division.

The BPR process covers key aspects of our strategic, financial, operational and compliance risks, including proactive monitoring of key actions from month to month, safety performance, business ethics, legal matters, financial performance (including budget and forecasts), customer and commercial issues, supply chain management, progress on strategic priorities, organisational developments and risk watchlist items. In addition, the BPR meeting process is supplemented by deep dive reviews from time to time throughout the year. A review of organisational capabilities is also undertaken annually with additional reviews taking place as required throughout the year.

In addition, this line of assurance also covers the operation of the Group's "Speak Up" reporting system, which enables employees to raise concerns confidentially over ethics and compliance matters (see page 50). All "Speak Up" reports are investigated by the General Counsel & Company Secretary, or their nominated investigator, who tracks the actions and reports their outcome to the Board at every Board meeting. The Group's "Speak Up" process has been reviewed by the Board this year.

The third line of defence is Group Internal Audit providing independent and objective assurance.

This assurance is provided by the Group Head of Internal Audit and Risk Management, who utilises resources from a professional services firm to support the Internal Audit process. This allows the Group to facilitate the ongoing development of its Group's risk management processes. The Group Head of Internal Audit reports directly to the Chair of the Audit and Risk Committee, reinforcing the importance of this function maintaining its independence and objectivity.



Principal risks and uncertainties

Internal Audit effectiveness was formally reviewed in 2023, with no significant areas for improvement to report.

The fourth line of defence is independent assurance provided by third-party providers or specialists where specific assurance has been requested by the Board or its Committees.

The Group's statutory auditors provide independent assurance. Deloitte has now completed their second year as the Group's external auditor.

Through the work of the Group Internal Audit function and external auditors, the Audit and Risk Committee is satisfied that any audit issues raised by either of the auditors are managed and resolved effectively by management.

The Group will continue to evolve and develop its risk framework as appropriate throughout 2024, recognising the dynamic nature of risk management and the UK's proposed reforms in corporate governance.

Each division maintains a comprehensive risk register, which assesses all pertinent risks relevant to that division, including strategic, financial, operational, and compliance risks. The risk assessment process is dynamic and includes emerging and retiring risks as each division's risk landscape shifts.

These risk registers are reviewed on a regular basis by the senior leadership team of each division. Each risk is monitored in line with the process above to assess the likelihood and impact of the relevant risks crystallising. Against this, an assessment is made of existing controls that are in place to mitigate the relevant risk and identify further actions to further manage each risk to an acceptable level. Each division's risk register is reviewed throughout the year within the division, the conclusions of which are discussed at the Executive Committee and submitted to the Audit and Risk Committee at least twice per year.

A shorter register of Group principal risks is specifically reserved for review by the Audit and Risk Committee. This mainly, but not exclusively, comprises risks above a certain threshold after mitigation. These principal risks and uncertainties are reported in the Annual Report.

Risk priorities in 2024

The risk priorities for the year ahead are as follows:

- Management of the impact of uncertain macroeconomic conditions, with potential decline in customer demand in key markets ensuring plans are in place to respond if required.
- Remain focused on pricing disciplines to mitigate the risk of input cost inflation, whilst remaining competitive.
- Continued strengthening in key areas to improve operational resilience given the need for adaptability of the Group's supply chains, particularly in the context of climate change and changing geopolitical circumstances.
- Continued review and response to developments in corporate governance, including climate change (TCFD and Transition Plan), broader ESG risks and revised UK Corporate Governance Code.



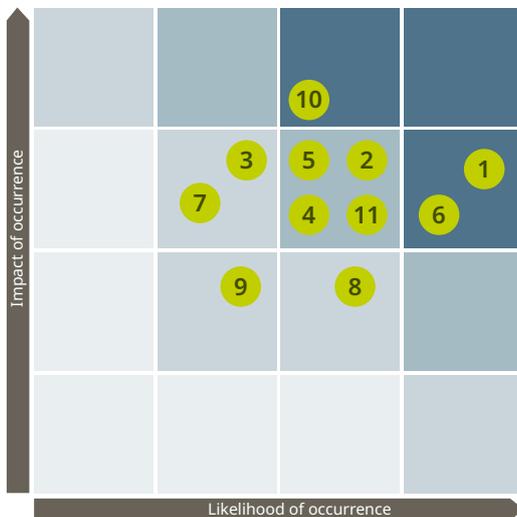
The Tyman risk management process

The Group has policies and procedures in place to ensure that risks are properly identified, evaluated and managed at the appropriate level within the business. The identification of risks and opportunities, the development of action plans to manage the risks and maximise the opportunities, and the continual monitoring of progress against agreed plans are integral parts of the core activities and performance review processes throughout the Group.



Group principal risks

A heat map of the Group's net risks is illustrated below:



- 1 Market conditions
- 2 Raw materials and supply chain disruption
- 3 Loss of market share
- 4 Execution of major programmes
- 5 Attracting and retaining key talent
- 6 Information security
- 7 Compliance with laws and regulations
- 8 Foreign exchange
- 9 Liquidity and credit
- 10 Business interruption
- 11 Climate change and sustainability

Principal risks and uncertainties

Risk	Risk description	Mitigation	Changes since last Annual Report	Trend after mitigation
<p>Business interruption (including pandemic)</p> <p>Risk assessment: Medium</p> <p>Strategic outcomes</p> 	<p>The occurrence of an event that may lead to a significant business, supply chain or market interruption. This includes events such as natural disasters, pandemics, significant IT interruption, the loss of an operating location or geopolitical events including significant changes in trading relationships such as US/China trade developments. This results in an inability to operate or meet customer demand, a reduction in market demand or poses a health risk to employees.</p>	<p>The Group reviews business continuity management, IT disaster recovery and IT security as appropriate throughout the year. The Group also ensures appropriate insurance cover is maintained</p>	<p>The reduced impact of COVID-19 in our operations and supply chain.</p> <p>Trend increasing due to wider nature of potential risks.</p>	▲
<p>Market conditions</p> <p>Risk assessment: High</p> <p>Strategic outcomes</p> 	<p>Demand in the building products sector is dependent on levels of activity in new construction and RMI markets. This demand is cyclical and can be unpredictable, and the Group has low visibility of future orders from its customers. The risk of global recession is increasing, driven by widespread inflation and interest rate increases and geopolitical events such as the wars in Ukraine and the Middle East.</p>	<p>We continue to ensure:</p> <ul style="list-style-type: none"> • monitoring of market conditions and macroeconomic trends through both annual strategic planning processes and regular performance/forecasting reviews; • maintaining appropriate headroom and tenor in the Group's available borrowing facilities; • its geographic spread providing a degree of market diversification; and • the ability to flex the Group's cost base in line with demand. <p>As part of its process for assessing the ongoing viability of the Group, the Board regularly stress tests Tyman's financial and cash flow forecasts over both a short and medium-term horizon.</p>	<p>During the year, uncertainty over short to medium-term market conditions has increased due to wider macroeconomic conditions and geopolitical risk.</p>	▲

Risk	Risk description	Mitigation	Changes since last Annual Report	Trend after mitigation
<p>Loss of competitive advantage</p> <p>Risk assessment: Medium</p> <p>Strategic outcomes</p>  	<p>Loss of competitive advantage may adversely affect the Group financial performance or reputation in the short to medium term. The Group's ability to maintain its competitive advantage is based on a wide range of factors including the strength of the Group's brands, the breadth and depth of our portfolio, the level of quality and innovation reflected in our products, our supply chain flexibility, excellent customer service and technical support, and the depth of customer relationships we nurture, all supported by fair and competitive pricing. Failure to perform on any one of these aspects may lead to erosion of competitive advantage over time, and in turn to loss of customers to competition.</p>	<p>Some of the Group's markets are relatively concentrated with two or three key players, while others are highly fragmented and offer significant opportunities for consolidation and penetration.</p> <p>Tyman continues to differentiate itself through its wide range of products, its focus on customer service including technical support, its geographical coverage, innovation capabilities and the reputation of its brands. The Group monitors the status of its competitive advantage through feedback from customers and close review of the market positioning of its products.</p> <p>The Group aims to minimise the impact of competitive pricing pressures by competitors through margin expansion activities including continual sourcing review, innovation and value engineering, as well as building long-term relationships with its customers based on value creation, quality, service and technical support.</p>	<p>No significant changes during the year.</p>	<p>▶</p>

Strategy Key

 Margin expansion
  Sustainable growth
  Engaged people
  Positive impact

Trend after mitigation

▲ Up ▶ Same ▼ Down **NEW** New risk

Principal risks and uncertainties

Risk	Risk description	Mitigation	Changes since last Annual Report	Trend after mitigation
<p>Foreign exchange risk</p> <p>Risk assessment: Medium</p> <p>Strategic outcomes</p> 	<p>The Group operates internationally and is therefore exposed to transactional and translational foreign exchange movements in currencies other than sterling. In particular, the Group's translated adjusted operating profit is impacted by the sterling exchange rate of the US dollar and the euro.</p>	<p>The Group denominates a proportion of its debt in foreign currency to align its exposure to the translational balance sheet risks associated with overseas subsidiaries. Ancillary bank facilities are utilised to manage the foreign exchange transactional risks and interest rate exposure through the use of derivative financial instruments. Where possible, the Group will recover the impact of adverse exchange movements on the cost of imported products and materials from customers.</p>	<p>No significant changes during the year.</p>	
<p>Liquidity and credit risks</p> <p>Risk assessment: Low</p> <p>Strategic outcomes</p> 	<p>The Group must maintain sufficient capital and financial resources to finance its current financial obligations and fund the future needs of its growth strategy.</p>	<p>The Group maintains adequate cash balances and credit facilities with sufficient headroom and tenor to mitigate credit availability risk. The Group monitors forecast and actual cash flows to match the maturity profiles of financial assets and liabilities. In the medium term, the Group aims to operate within its target leverage range of 1.0x to 1.5x adjusted EBITDA.</p>	<p>At the end of the year, Group leverage was 1.1x adjusted EBITDA, at the lower end of the target range of 1.0x to 1.5x adjusted EBITDA.</p>	
<p>Information security</p> <p>Risk assessment: High</p> <p>Strategic outcomes</p>   	<p>Information and data systems are fundamental to the successful operation of Tyman's businesses. The Group's digital assets are under increasing risk from hacking, viruses and "phishing" threats. Sensitive employee, customer, banking and other data may be stolen and distributed or used illegally. GDPR increases the cost of any failure to protect the Group's digital assets.</p>	<p>The Group continues to develop and test disaster recovery plans for all sites. The Group undertakes regular penetration testing of data systems and maintains up-to-date versions of software and firewalls. The Group periodically reviews and improves IT system controls.</p>	<p>Attacks on corporate systems continue to rise, leading to an increased risk. Training and IT controls improvements continue to be implemented as a key element of the IT Strategy.</p>	

Risk	Risk description	Mitigation	Changes since last Annual Report	Trend after mitigation
<p>Raw material costs and supply chain failures</p> <p>Risk assessment: Medium</p> <p>Strategic outcomes</p>  	<p>The input costs for the Group's products include commodities that experience price volatility (such as oil derivatives, steel, aluminium, zinc, freight and natural gas). The Group's ability to meet customer demands depends on obtaining timely supplies of high-quality components and raw materials on competitive terms. Products or raw materials may become unavailable from a supplier due to events beyond the Group's control.</p>	<p>The Group continues to invest in, and improve, its sourcing and procurement capability with dedicated supply chain resources. The Group manages supply chain risk through developing strong long-term relationships with its key suppliers, regular risk assessment and audit of suppliers including logistics providers, review of make or buy strategies, dual-sourcing where appropriate and maintaining adequate safety stocks throughout the supply chain. Where commodity and other material cost increases materialise, the Group seeks to recover the incremental cost through active price management.</p>	<p>No significant changes during the year.</p>	<p>▶</p>
<p>Attracting and retaining key talent</p> <p>Risk assessment: Medium</p> <p>Strategic outcomes</p>  	<p>The Group's future success is substantially dependent on the continued services and performance of its senior management and its ability to continue to attract and retain highly skilled and qualified personnel at Group, divisional and site level.</p>	<p>The Group mitigates the risk of losing key personnel through robust succession planning, strong recruitment processes, employee engagement and retention initiatives, and long-term management incentives.</p>	<p>No significant changes during the year.</p>	<p>▶</p>

Strategy Key

 Margin expansion
  Sustainable growth
  Engaged people
  Positive impact

Trend after mitigation

▲ Up ▶ Same ▼ Down **NEW** New risk

Principal risks and uncertainties

Risk	Risk description	Mitigation	Changes since last Annual Report	Trend after mitigation
<p>Compliance with laws and regulations</p> <p>Risk assessment: Low</p> <p>Strategic outcomes</p> 	<p>A lack of understanding or non-compliance with laws and regulations in any jurisdiction in which the Group operates could lead to a significant financial penalty and/or severe damage to the Group's reputation. Legal and regulatory requirements can be complex and are constantly evolving, requiring ongoing monitoring and training.</p>	<p>Mitigations include:</p> <ul style="list-style-type: none"> • A comprehensive and engaging Code of Business Ethics and associated training • Supporting policies and standards that set out the compliance requirements in detail • A group-wide "Speak Up" whistleblowing mechanism • Risk framework to identify, assess and monitor business and compliance risks • Specific legal and compliance matters reviewed by the Group General Counsel as required 	<p>Increased monitoring and actions to address legal and regulatory developments.</p>	
<p>Execution of major programmes</p> <p>Risk assessment: Medium</p> <p>Strategic outcomes</p> 	<p>The Group has a range of change management programmes and strategic initiatives underway to support our "Focus, Define, Grow" Strategy. Failure to effectively execute these programmes could adversely affect the Group's ability to deliver on key elements of our strategy.</p>	<p>Oversight mechanisms to track the progress of all strategic programmes take place monthly at Group and divisional levels. In addition, each programme has established project governance disciplines in place, including project managers for each programme.</p>	<p>No significant changes during the year.</p>	

Risk	Risk description	Mitigation	Changes since last Annual Report	Trend after mitigation
<p>Climate change and sustainability</p> <p>Risk assessment: Medium</p> <p>Strategic outcomes</p> 	<p>Adverse impacts of climate change may, over time, affect the operations of the Group, its supply chains and the markets in which it operates. This could include physical (weather-related) risks, as well as failing to adapt to legal, technological and market demands for more sustainable operations and product solutions. More broadly, customer, investor and societal expectations have never been higher for companies to respond with action on ESG topics.</p> <p>Should the Group not reduce its GHG emissions and deliver its other sustainability commitments in line with Tyman's targets and ambition, it may be subject to increased costs, adverse financial impacts, reputational damage and failure to attract/retain future talent.</p>	<p>The Group maintains a 2030 sustainability roadmap, setting out Tyman's ESG ambitions and targets, which include reducing GHG emissions and growing revenues from more sustainable solutions.</p> <p>A dedicated sustainability leader is in place in each division to drive the execution of the roadmap.</p> <p>Regular reviews are held both at a divisional level and groupwide via a sustainability forum. Quarterly deep-dives are held with the ExCo to facilitate the sharing of cross-team learnings and identify opportunities to synergise and/or accelerate.</p> <p>Disclosures will also be enhanced against the recommendations in the TCFD framework, including risk mitigation and completing a quantitative scenario analysis.</p>	<p>No significant changes during the year.</p>	<p>▶</p>

Strategy Key

 Margin expansion
  Sustainable growth
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  Positive impact

Trend after mitigation

▲ Up ▶ Same ▼ Down **NEW** New risk

Going concern and viability

Viability statement

Assessment of prospects

In assessing the long-term prospects of the Group, the Board considers the Group's current position, including the following factors:

- Although demand weakened during 2023 as a result of the challenging macroeconomic conditions, the Group has achieved share gains in core markets, has successfully recovered current and prior year cost inflation, and completed the acquisition of Lawrence Industries, which will drive further growth. The Group has demonstrated its ability to flex the cost base in response to changes in demand.
- Operations are highly cash generative and drive a high operating cash conversion ratio. Cash conversion in 2023 of 143% is higher than average, reflecting a significant reduction in inventory following a build in 2022 due to supply chain disruption. The longer-term average cash conversion is c.90%.
- The Group has significant headroom in borrowing facilities and debt covenants at 31 December 2023, with liquidity headroom of £183.1 million and leverage of 1.1x. A significant deleveraging has been achieved over the last four years from 1.7x at the end of 2019, despite completing the Lawrence acquisition in July 2023.
- The Group successfully refinanced both the USPP and RCF facilities in 2022 and has total committed debt facilities of c.£304 million. After exercising the option to extend the £210 million RCF for a further year in 2023, this facility now matures in December 2027. Of the US\$120 million of USPP notes, US\$40 million of these notes have a remaining term of just over five years, maturing in April 2029, US\$35 million have a remaining term of just over eight years, maturing in April 2032, and the remaining US\$45 million is due for repayment in November 2024. This gives an average debt facility life of just over four years, covering the majority of the assessment period. Given the Group's investment grade rating from DBRS Morningstar and track record of support from lenders, the Board has a strong expectation that the RCF could be successfully refinanced at maturity.

In addition, the Board considers the Group's strategy and business model, including the following factors:

- Favourable long-term macroeconomics and megatrends are expected to drive further growth (see Our Markets section on pages 14 to 17 for further details).
- Diversification across geographies and markets provides resilience.
- Innovation capabilities quickly allow the Group to adapt to changing trends, such as smartware and automation, sustainability, fire integrity, and affordability.
- Our sustainability roadmap positions the Group well to derive benefits from the transition to a low carbon economy.
- There are high barriers to entry through our deep customer relationships, market-leading brands, and domain expertise.

- The extensive portfolio of highly-engineered, differentiated products across hardware, smartware and seals and extrusions, combined with value-added support services, helps to prolong customer relationships.
- Co-development and customisation services create long-term partnerships.
- Self-help activities are driving margin expansion.
- The growth strategy is focused on gaining market share through new product introductions, channel expansion initiatives, and customer service.
- Maintaining focus on pricing discipline to protect margins from the effects of adverse material and labour input price inflation and exchange rate fluctuations.

The Group's strategy and business model are central to understanding the future prospects and viability of Tyman. Both are well established and subject to regular monitoring and development by the Board. See further details of the Group's strategy on pages 20 to 27 and of the Group's business model on pages 12 and 13.

The principal risks related to the business are also taken into account by the Board when assessing the long-term prospects of the Group, particularly business interruption, market conditions, and raw material costs and supply chain disruption. See further details of the Group's principal risks on pages 84 to 93.

Structured budgeting and strategic planning process

Tyman's longer-term prospects are assessed primarily through the Group's budgeting and strategic planning process. The annual Group budget is compiled in the autumn of each year and generates a detailed forecast for the year ahead. This is reviewed and approved by the Board. A strategic planning process is also conducted, covering the next three-years on a rolling basis. This process includes a review of divisional strategic plans and cross-divisional initiatives by the Tyman Executive Committee. Group and divisional management then present strategic plans to the Board at a strategy day. The Board also receives monthly strategy updates from the Chief Executive Officer.

The output of the strategic plan includes a consolidated set of financial projections for the Group covering a period of the next three years, including a review of forecast debt covenant compliance and debt headroom. The strategic plan reviewed as part of the assessment of prospects in this report covers the three-year period ending 31 December 2026.

Assessment of viability

In accordance with provision 31 of the Code, the Directors have assessed the future viability of the Group. This assessment takes account of the Group's current trading position and the potential impact of the principal risks and the mitigating actions documented on pages 87 to 93 of the Annual Report.

The Directors have determined that five years is an appropriate timeframe over which to provide a viability statement. Although the Board's strategic planning period is three years, given the position of the business, the viability of the Group can reasonably be assessed for a further two years beyond this.

The Directors consider that demand in the Group's business is ultimately driven by consumer confidence and discretionary spending patterns, which are difficult to project accurately beyond a five-year time horizon.

In order to assess the Group's viability over this period, the strategic plan has been extrapolated for a further two years at an estimated medium-term growth rate. The key assumptions underpinning the assessment include:

- average market growth forecasts in line with local consensus;
- no future loss of significant customers;
- forecasts of market share growth, selling price increases and the impact of new product development;
- forecasts of the benefits from self-help and continuous improvement activities;

- the RCF, which is due for repayment in December 2027 is successfully refinanced at the existing facility limit of £210 million; and
- no future acquisitions or disposals.

These financials have then been flexed by overlaying the estimated financial impact of crystallisation of certain of the Group's principal risks that are considered to have the potential to threaten viability in "severe but plausible" downside scenarios. The risks modelled were a downturn in market conditions, raw material and supply chain failure, and business interruption.

The downside scenarios applied to the strategic plan are summarised below.

Severe but plausible downside scenarios

The "severe but plausible" scenario models the impact of a significant short-term contraction in revenue on the Group.

Strategic plan flexed for combinations of the following scenarios	Link to principal risks and uncertainties	Level of severity tested	Conclusion
Downturn in market conditions	Market conditions	The scenario modelled is a 10% fall in revenue from the base case in each of the next five years.	Tyman, after undertaking reasonable mitigating actions, should be able to comfortably withstand the impact of this severe but plausible scenario.
Raw material cost increases and supply chain disruption	Raw material costs and supply chain failures	The scenario modelled is a 10% reduction in revenue from the base case in each of the next five years resulting from supply chain failure, combined with further cost inflation of 3% that is not fully passed on to customers. In an environment where inflation persists, it is likely there would be further interest rate rises and therefore an increase in interest rates in each year of 100bps from the base case is also modelled.	Tyman, after undertaking reasonable mitigating actions, should be able to comfortably withstand the impact of this severe but plausible scenario.
Business interruption resulting from a significant event such as a pandemic, IT interruption, or loss of an operating location.	Business interruption	The scenario modelled is a 15% reduction in revenue from the base case in year one, representing lost sales during the interruption event, a 5% reduction in each of the following four years representing a longer-term effect, and a one-off exceptional cost of £5 million representing costs of resolving the issue.	Tyman, after undertaking reasonable mitigating actions, should be able to comfortably withstand the impact of this severe but plausible scenario.

Going concern and viability

Reverse stress test scenario

The “reverse stress test” scenario models a scenario that would represent the point at which the Group’s future viability becomes less certain. In effect this would be a breach of covenants.

Strategic plan flexed for combinations of the following scenarios	Link to principal risks and uncertainties	Level of severity tested	Conclusion
This models the impact of a larger, short-term contraction in revenue, which is sustained for a period of time, causing a breach of covenants.	Business interruption Market conditions Raw material costs and supply chain failures	A reduction in revenue from the base case of 32% for each of the five years.	This sustained level of performance deterioration is considered highly implausible. This is much more severe than what was experienced through the height of the COVID-19 pandemic in 2020 and the global financial crisis in 2007–2009.

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

Viability statement

Based on their assessment of the prospects for the Group and principal risks and the viability assessment above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2028.

Going concern

As a consequence of the work undertaken to support the viability statement above, the Directors have continued to adopt the going concern basis in preparing the financial statements (see note 2.2 Going concern in the notes to the financial statements).

Non-financial and sustainability information statement

This section of the Strategic Report constitutes Tyman's non-financial information statement and is produced to comply with Sections 414CA and 414CB of the Companies Act 2006. The table below summarises the applicable policy or code corresponding to each reporting requirement and where this information is located within the Annual Report and Accounts.

Reporting requirements	Relevant policy/code	Location within Annual Report
Environmental matters	<ul style="list-style-type: none"> Environmental policy 	<ul style="list-style-type: none"> Sustainability performance (pages 48 to 50) Climate-related disclosures (pages 58 to 83)
Employees	<ul style="list-style-type: none"> Code of Business Ethics: Integrity in action Health and safety policy Diversity and inclusion policy Anti-bribery and corruption policy Conflicts of interest policy Fair competition policy Trade controls policy Speak-Up policy Political donations policy Fraud risk management policy Workforce engagement 	<ul style="list-style-type: none"> Ethics and compliance on page 50 Health and safety policy on page 46 Diversity and inclusion policy on page 51 Diversity and inclusion policy on page 51 Employee engagement on page 52
Human rights	<ul style="list-style-type: none"> Code of Business Ethics: Integrity in action Diversity and inclusion policy 	<ul style="list-style-type: none"> Ethics and compliance on page 50 Diversity and inclusion policy on page 51
Anti-corruption and anti-bribery matters	<ul style="list-style-type: none"> Code of Business Ethics: Integrity in action Anti-bribery and corruption policy 	<ul style="list-style-type: none"> Ethics and compliance on page 50
Social matters	<ul style="list-style-type: none"> Code of Business Ethics: Integrity in action Stakeholder engagement 	<ul style="list-style-type: none"> Ethics and compliance on page 50 Section 172 statement on pages 98 to 103 Community investment on page 52
Business model		<ul style="list-style-type: none"> Business model on pages 12 and 13
Principal risks		<ul style="list-style-type: none"> Risk management on pages 84 to 86 Group principal risks on pages 87 to 93
Non-financial KPIs		<ul style="list-style-type: none"> Total recordable incident rate and greenhouse gas emissions KPIs on page 29

Section 172 statement

In accordance with the duties of Directors under section 172 of the Companies Act 2006, the Board considers several factors in its decision making, including:

s.172 consideration	Relevant disclosures
The likely consequences of any decision in the long term	<ul style="list-style-type: none"> • Our markets (pages 14 to 17) • Our strategy (pages 20 to 27)
The interests and wellbeing of our people	<ul style="list-style-type: none"> • Our people (page 50 to 52) • Diversity and inclusion (page 51) • Training and development (page 50 to 51) • Employee engagement (page 52) • Board visits to the operations (page 117)
The need to act fairly as between members of the Company	<ul style="list-style-type: none"> • Stakeholder engagement (page 100 to 103) • Investor relations programme (page 119) • Annual General Meeting (page 159) • Access to the Chair and Non-executive Directors (page 120) • Remuneration policy (page 135 to 140)
The Group's relationships with its customers and suppliers	<ul style="list-style-type: none"> • Our business model (pages 12 and 13) • Sustainable solutions (page 27 and 53)
The importance of our reputation for high standards of business conduct	<ul style="list-style-type: none"> • Our purpose and values (page 21) • Ethics and compliance, including the Group's Code of Business Ethics (page 50) • Speak Up (page 50) • Risk management (pages 84 to 93) • Internal controls (page 129)
The impact of our businesses on the environment and the communities where we are present	<ul style="list-style-type: none"> • Climate-related financial disclosures (pages 58 to 83) • Sustainable performance (page 46 to 55)

Tyman engages extensively with its stakeholders at all levels of our business because we believe that the understanding of such stakeholders through engagement is vital to building a sustainable and successful business.

Some examples of direct engagement by the Board include the Workforce Engagement NED's skip-level meetings with employees and their representatives, and meetings or calls with customers, suppliers or shareholders. However, engagement may also be indirect, such as through Board reports, employee surveys and feedback from investors and analysts. All such engagement has provided invaluable input to the Board's discussions and decision making.

Case study

How the Board approached the decision to close operations in China

Key stakeholders affected:

Employees; shareholders; customers

s.172 factors considered: Long-term impact of decision; wellbeing of our people; relationships with customers; and business reputation and conduct.

A major decision made by the Group this year was to close Tyman's sales and distribution operation in China. This decision was not taken lightly, as it involved exiting 44 employees and meant Tyman was withdrawing from a large, albeit loss-making, market. To provide insight into the approach taken by the Board, a summary of stakeholder considerations is set out on the right.

- **Employees:** When the decision was made to close the business, being cognisant of local economic conditions, the Board requested that management consider steps that the business could make to help exiting employees secure new roles. Accordingly, in addition to enhanced redundancy packages, the business also arranged for outplacement services and CV-writing assistance, and contacted its customers and suppliers to help exiting employees find new work.
- **Shareholders:** The Board considered Tyman's competitiveness in the Chinese market and the efforts already expended by the business since 2021 to turn around its loss-making position. It was considered that further efforts would require significant further investment and detract management time from other more beneficial activities that would be of greater value to Tyman's shareholders. On this basis, the Board agreed that exiting the business would be in the best interests of Tyman's shareholders.
- **Customers:** The Board considered whether the business' decision to exit the Chinese market might catch customers unaware and cause them concern. For this reason, the Board queried what retention incentives were being offered to key personnel to ensure that the exit was managed well from a customer's perspective.



Section 172 statement

WHO? Stakeholder group	WHY? Why it is important to engage	HOW? How management and/or Directors engaged
Investors	<p>For the business to achieve long-term success, continued access to capital is vital. As a company with shares on the Main Market of the London Stock Exchange's premium list, we must provide fair, balanced and understandable information about the business to enable informed investment decisions to be made.</p>	<ul style="list-style-type: none"> • Results presentations and post-results engagement with institutional shareholders • Investor roadshows, site visits, capital markets events, face-to-face meetings and conference calls addressing investor and analyst enquiries • Annual Report and Accounts • Annual General Meeting • Regulatory announcements • Corporate website, including dedicated investor section
Suppliers	<p>The Group's suppliers are integral to the quality of our products and the reliability of their delivery. Engaging with our supply chain ensures the security of supply and speed to market. We seek to curate high-quality suppliers that help us deliver market-leading products that meet our customer expectations and requirements and are consistent with our ethical, sustainable and responsible procurement standards and policies.</p>	<ul style="list-style-type: none"> • Meetings with key suppliers • Supplier audits and inspections • Through our Tyman Sourcing Asia organisation based in China • Engagement on our Code of Business Ethics and topics such as anti-bribery and corruption, anti-modern slavery and fair competition • The Group held a major supplier event in China in June 2023, which was attended by Tyman's three divisional Presidents and key supply chain personnel as well as 19 key suppliers representing around 80% of the Group's spend in Asia. A focus of the event was how to make Tyman's supply chain more sustainable and resilient (see page 25)
Employees	<p>Our people are critical to our long-term strategy and sustainable success. We recognise that an engaged workforce is also a productive one. Across our global network, we seek to foster diverse and inclusive workplaces where every employee feels psychologically safe to achieve their full potential and job satisfaction. We also recognise the importance of developing and maintaining an employer brand that helps to ensure that we can retain and develop the best talent.</p>	<ul style="list-style-type: none"> • Following on from the all-employee engagement survey conducted in 2022, pulse surveys were held in 2023 • Skip-level meetings held by the CEO, Chair of Remuneration Committee, the Workforce Engagement Director, Group Health Safety and Sustainability Director, and divisional management • Training and development (e.g. Safety Leadership Programme; One Tyman; and Leading with Integrity) • Tyman Group leadership conference and virtual conferences with the Group's leaders • All-employee communications from the Chief Executive Officer • Speak Up hotline • Development of, and initial roll-out of, a Group intranet

WHAT?

What were the key topics of engagement and what feedback and input did the Board/management obtain?

Key topics discussed included:

- Ability of the Group to react to potential changes in demand
- Ability of Tyman to recover cost inflation
- Acquisition of Lawrence Industries and the Group's increasing exposure to the US residential housing market and future M&A strategy
- CEO changes and recruitment process
- The Group's strategy and sustainability roadmap
- Progress against the Group's medium-term margin targets
- Proposed updates to the remuneration policy

Feedback and input were obtained from the Head of Corporate Communications and Investor Relations and the Group's corporate brokers and financial PR advisers.

OUTCOMES AND ACTIONS

What was the impact of the engagement, including any actions taken?

- Refinement of investor communications based on feedback to best address the key topics, including updates to the Introduction to Tyman investor presentation on the website
- The hosting of a capital markets event for analysts and investors in October 2023 on the US residential housing market to help investors improve their understanding of this important market and Tyman's position and growth strategy within it (see page 17)
- The Chair of the Board and Senior Independent Director offered and held multiple one-to-one calls with major shareholders during the year to discuss the changes in the CEO position
- Sustainability metrics feature as measures in the Group's LTIP and Tyman participated in an ESG-themed investor conference to explain more fully key aspects of the Group's sustainability roadmap
- The Chair of the Remuneration Committee wrote to major shareholders in December 2023 to consult with them on the proposed changes to the remuneration policy that will be put forward for shareholder approval at the 2024 Annual General Meeting

- The results of supplier audits are reported to the Board in connection with its consideration of the Group's modern slavery policy and statement
- The CEO regularly reports to the Board on material supplier matters and on the Group's progress in procuring sustainably
- Development of approaches to help our supply chain become more sustainable, including the substitution of hazardous substances with less harmful finishes

- Better communication and engagement between key suppliers and Tyman's senior leaders
- The Group Health, Safety and Sustainability Director visited several major Chinese suppliers and explored how Tyman can foster an improved safety culture across our supply chain
- Support gained for the investment in automation of supplier due diligence

- Health and safety
- Company strategy and financial performance
- Sustainability
- Cost-of-living pressures
- Executive remuneration

- Feedback from the pulse surveys have been reported to the Board and follow up actions are being undertaken
- Feedback from the employee representatives on executive remuneration was discussed with the Remuneration Committee and considered in the latest policy update
- Continued support of the Real Living Wage in the UK, with Tyman retaining its Living Wage Employer accreditation with the Living Wage Foundation
- Improved employee communications

Section 172 statement

WHO? Stakeholder group	WHY? Why it is important to engage	HOW? How management and/or Directors engaged
<p>Customers and end users</p>	<p>We want to continually deliver the best relevant products to our customers on time, every time. Engaging with our customers enables us to better evaluate our past performances and to understand their current and future needs. Engagement also highlights opportunities for innovation and improvement to our products and processes.</p>	<ul style="list-style-type: none"> • Meetings with major customers, including face-to-face sustainability and lean workshops with several of the Group's largest US customers • Participation in industry forums and events • Reports on new product development • CEO and division leadership reports on material customer updates • In October a cross-divisional leadership innovation workshop was held to initiate a groupwide approach to innovation ideation at Tyman
<p>Society</p>	<p>We conduct and build our business responsibly and sustainably, which enables us to respond to stakeholder expectations and manage a range of emerging risks. We continually seek to contribute positively to the communities and environments in which we work.</p>	<ul style="list-style-type: none"> • Membership of trade associations and industry bodies • Meetings with major organisations and employers in the local community • Reports from the Group Health, Safety and Sustainability Director • During 2023, 73 local fund-raising activities were undertaken



WHAT?

What were the key topics of engagement and what feedback and input did the Board/management obtain?

- Innovation and new product development, including sustainable product lines and packaging
- Price changes to adjust for cost inflation and deflation
- Product availability and ability to meet required service levels

OUTCOMES AND ACTIONS

What was the impact of the engagement, including any actions taken?

- Investment in innovation and product development, including sustainable solutions (see pages 55 for an example)
- Increased levels of customer communication and interaction on inflation/pricing as well as sustainability, lean/continuous improvement and innovation
- Improved cross-divisional collaboration to enable further sustainable solutions for customers

- Climate change
- Humanitarian crises, such as the severe flooding in northern Italy and the ongoing war in Ukraine
- Support for local issues and charities
- Apprenticeships are offered in certain locations

- Engaging with the SBTi to gain their validation of Tyman's near-term carbon emissions targets, which was received in June
- In June Tyman donated €25,000 to support the flood-affected areas of northern Italy, and gave considerable time and effort to support the flood relief initiatives (see pages 56 and 57)
- Apprenticeship schemes, such as the one implemented in the UK to employ a health and safety apprentice and a sustainability apprentice (see page 51)

Peter Ho

General Counsel & Company Secretary

6 March 2024





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Board of Directors



Nicky Hartery

Non-executive Chair



Appointment to the Board

Nicky Hartery was appointed to the Board as a Non-executive Director on 1 October 2020 and as Chair of the Board and Chair of the Nominations Committee on 1 December 2020.

Skills and qualifications

Nicky is a Chartered Engineer with an electrical engineering degree from University College Cork and an MBA from the University of Galway. He has extensive operational and general management experience gained in international manufacturing companies, which he later leveraged to set up the Lean Six Sigma business transformation consultancy, Prodigium. He has strong experience of North American markets, both as an Executive and Non-executive Director.

Relevant past experience

From 2012 to 2019, Nicky was the Chair of CRH plc, the global building materials FTSE 100 company, and has also been a Non-executive Director of Eircom Ltd. Nicky spent his executive career at General Electric, Verbatim/Eastman Kodak and Dell Inc, including being based in the US for 10 years.

External appointments

Nicky is Chair of the Musgrave Group, a Non-executive Director of Finning International Inc and Chair of Horse Racing Ireland.



Rutger Helbing

Chief Executive Officer

Appointment to the Board

Rutger Helbing joined Tyman on 2 January 2024 as Chief Executive Officer.

Skills and qualifications

Rutger holds a MA in Economics & Business from Erasmus University, the Netherlands.

Relevant past experience

Rutger was formerly Chief Executive of Devro plc between January 2018 and April 2023, having originally joined as Group Finance Director in 2016. He spent his earlier career in commercial divisional finance roles in blue chip global manufacturing businesses including at Unilever, ICI and AkzoNobel. As a Dutch national, Rutger has lived and worked in the UK for almost 20 years.

External appointments

None.

Committee membership key:

A Audit and Risk Committee
 N Nominations Committee
 R Remuneration Committee
 ● Committee Chair

**Jason Ashton**

Chief Financial Officer

Appointment to the Board

Jason Ashton joined Tyman on 29 April 2019 and has served as Chief Financial Officer since 9 May 2019. Between 6 April 2023 and 2 January 2024, he acted as Interim Chief Executive Officer.

Skills and qualifications

Jason is a Chartered Accountant and has a degree in Economics from the University of Manchester. His career in international manufacturing-based businesses includes significant experience of commercial finance, M&A, investor relations and tax and treasury functions.

Relevant past experience

Jason was formerly Interim Group Chief Financial Officer of Nomad Foods Limited, the UK-headquartered, NYSE-listed frozen foods group. Prior to this, he was Group Finance Director for the Iglo Group, leading the business through its €2.6 billion acquisition by Nomad Foods and subsequent €0.7 billion acquisition of the Findus Group. Jason has also held senior finance and commercial positions with Mondalez (Kraft), Plum Baby and Cadbury plc, based variously in the UK, Belgium, Poland, Russia and Turkey. His early career included roles with Diageo plc, Tetley Group and KPMG.

External appointments

None.

**Dr Margaret Amos**

Non-executive Director

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R

Appointment to the Board

Margaret Amos was appointed to the Board as a Non-executive Director on 19 June 2023 and as Chair of the Audit and Risk Committee from 21 July 2023.

Skills and qualifications

Margaret is a Fellow of the Chartered Institute of Management Accountants and the Chartered Institute of Procurement and Supply. She holds a Doctorate in Professional Practice from the University of Derby and a Masters in Global Supply Chain Management (with distinction) from the University of Nottingham.

Relevant past experience

Margaret was formerly Chair of the Audit Committee of Trinity House (a subsidiary of the Department for Transport). Margaret has also chaired the Audit Committees of Velocity Composites plc, the Southern Derbyshire and Erewash NHS Clinical Commissioning Group, and Derbyshire Health United. She has also served NMCN plc as a Non-executive Director and Chair of its Remuneration Committee.

Her career began at Rolls-Royce plc in 1990, where she gained extensive financial and commercial experience as Senior Finance Business Partner, Aerospace (from 2013 to 2015) and Finance Director, Corporate, IT and Engineering (from 2015 to 2017).

External appointments

Margaret is a Non-executive Director of Hunting plc and Volution Group plc, where she is a member of the Audit, Remuneration and Nomination Committees. Margaret is Chair of the Audit and ESG Committees of Pod Point Group Holdings plc. She is also Chair of the Audit Committee of the nonprofit Trust Alliance Group.

Board of Directors



Pamela Bingham

Non-executive Director



Appointment to the Board

Pamela Bingham was appointed to the Board in January 2018 as a Non-executive Director. She is the Non-executive Director responsible for employee engagement across the Group.

Skills and qualifications

Pamela has a law degree from the University of Edinburgh and holds an MBA from Warwick Business School. She practised as a solicitor before moving into general management. Pamela has a proven track record as a commercial leader, focusing on strategic direction and leading cross-cultural teams to deliver growth and business expansion. She has worked in the building products, engineering, mining, renewable energy, and oil and gas sectors.

Relevant past experience

Pamela was formerly Chief Executive Officer of Glen Dimplex's Heating and Ventilation Division. She was also Managing Director, Infrastructure Products Group, Europe & Australia, at CRH and, before this, Managing Director of Weir Minerals Europe. She previously held senior management roles with Rotork plc, David Brown Group Ltd and CSE-Servelec Ltd. Her early career was spent as in-house counsel for English Welsh and Scottish Railway Ltd and for the Yorkshire Building Society.

External appointments

Pamela is Chief Executive Officer of ERIKS UK & Ireland, a specialised industrial services provider.



David Randich

Non-executive Director



Appointment to the Board

David Randich was appointed to the Board as a Non-executive Director on 15 December 2021 and is a member of the Nominations, Audit and Risk, and the Remuneration Committees.

Skills and qualifications

Dave has extensive experience of the North American building products market.

He holds a BS in Industrial Management from Purdue University and an MBA from Mercer University.

Relevant past experience

At Fortune Brands, Dave was President of the Masterbrand Cabinets business for seven years and President of the Therma-Tru Doors business for five years. Prior to Fortune Brands, Dave held an international career with Armstrong World Industries, with roles in China, the UK, Germany and the US. Dave was also a Non-executive Director of Springs Window Fashions.

External appointments

Dave lectures at Purdue University's Daniels School of Management.

Committee membership key:

A Audit and Risk Committee
 N Nominations Committee
 R Remuneration Committee
 ● Committee Chair

**Paul Withers**

Non-executive Director

A
N
R

Appointment to the Board

Paul Withers was appointed to the Board as a Non-executive Director in February 2020 and as Chair of the Remuneration Committee and Senior Independent Director from April 2020.

Skills and qualifications

Paul qualified as a Mechanical Engineer, is a Sloan Fellow of the London Business School, and holds an MA in Mathematics from Cambridge University and a DPhil in Mathematics from Oxford University. He has extensive experience in international manufacturing businesses and, in particular, strong knowledge of US markets, both as an Executive and Non-executive Director.

Relevant past experience

Paul's executive career was spent at BPB plc, the international building materials business, where he was Group Managing Director.

Paul is a former Non-executive Director of Premier Farnell plc, Hyder Consulting plc, Devro plc and Keller Group plc. He held the roles of Senior Independent Director and Chair of the Remuneration Committee in each of these.

External appointments

None.

Leavers during 2023

Jo Hallas stepped down as Chief Executive Officer on 6 April 2023, having served in that role since April 2019.

Helen Clatworthy retired as Non-executive Director and Chair of the Audit and Risk Committee on 21 July 2023, having been appointed since January 2017 and May 2017 respectively.

Chairman's introduction



The Board made good progress against all of its priorities for 2023, encompassing governance and strategic topics.”

Nicky Hartery
Chair of the Board

Dear shareholder

On behalf of the Board, I am delighted to present the Governance report for the financial year ended 31 December 2023. This report offers insight into our governance framework and highlights the main actions taken by the Board throughout a year marked by geopolitical instability, inflation, steep rises in interest rates and increasing regulatory complexity, among other challenges.

The Board's focus in 2023

On pages 116 and 117 (Work of the Board in 2023), we have set out the range of matters that the Board considered in the year. These included the recruitment of a new Chief Executive Officer, various operational topics, such as the acquisition of Lawrence and the exit from the Chinese commercial market, as well as topics related to the Group's long-term strategy, such as progressing the sustainability roadmap, upgrading the Group's IT systems and oversight of the Group's footprint optimisation projects.

Sustainability

Sustainability is core to Tyman's overall strategy, and the Board maintains oversight of the implementation of the Group's sustainability initiatives. Sustainability and climate change remained standing items on the Board's agenda in 2023. Accordingly, the Board considered and approved the Group's CFD disclosures and oversaw the progress of its sustainability roadmap. For further information about the sustainability topics considered by the Board, please refer to page 60.

Furthermore, through the Remuneration Committee Tyman continues to embed ESG targets as an LTIP metric, and such targets constitute 15% of the Executive Directors' LTIP awards. For further information, please refer to pages 138 and 148.

The Board is pleased to note that Tyman's ongoing efforts were recognised in 2023 by FTSE Russell when it included Tyman in the FTSE4Good Index for the first time, and by the Science Based Targets initiative when it validated the Group's ambitious near-term carbon reduction targets.

Progress in 2023

The following priorities were set for the Board for 2023:

- Ensure that Tyman has the appropriate capabilities to achieve its strategic objectives.
- Support M&A activity aligned to Tyman's strategy and purpose.
- Further embed sustainability into the business and the monitoring of progress against targets.

I am pleased to report that we have made good progress against all of these priorities as we have:

- developed the Board's skills matrix to help monitor Board composition and aid succession planning, and also conducted an organisational capability review through the Nominations Committee;
- conducted a rigorous and extensive process to appoint a new Chief Executive Officer;
- exercised oversight of the Group's strategic acquisition of Lawrence; and
- received reports on the Group's progress on its sustainability roadmap as a standing item at each Board meeting.

Engagement with stakeholders

In 2023, we engaged extensively with a broad range of our stakeholders. Details of such engagement can be found in our section 172 statement on pages 98 to 103.

Whilst we were able to engage with many of our equity and debt investors through meetings with members of the Board and senior management, there were fewer such opportunities to do so with our retail investors. Therefore, in keeping with recognised best practice developed in recent years, we organised a "hybrid" AGM in 2023. Under this format, all shareholders were able to participate in person or online via an audio webcast to hear from the Directors, ask questions of the Board and vote on our resolutions; we intend to do the same this year to enable our shareholders to interact with the Board, even if they are unable to be in the UK. Information on how to participate digitally, both in advance and on the day, will be set out in the Notice of the Company's AGM.

Thank you for your support.

Nicky Hartery
Non-executive Chair

6 March 2024

Statement of governance

Governance framework

The Board

Key responsibilities

The Board's role is to promote the Group's long-term sustainable success for the benefit of all the Company's stakeholders, generating value for the Company's shareholders and contributing to wider society. The Board sets the Group's long-term business strategy and establishes its purpose and values, which underpin its culture.

Audit and Risk Committee

Key responsibilities

Monitors the integrity of the Group's external reporting and provides oversight and governance of its internal controls, risk management and relationship with the external auditors.

Remuneration Committee

Key responsibilities

Responsible for setting the remuneration policy and individual compensation for the Board Chair, Executive Directors and senior management to ensure it aligns with the Group's purpose and values and supports the achievement of the Group's long-term interests.

Nominations Committee

Key responsibilities

Responsible for appointments to the Board, succession planning and the review of the Board's structure, size and composition to ensure that it has a balance of skills, knowledge, experience and diversity.

Executive Committee

Key responsibilities

The Board delegates day-to-day responsibility for managing the business to the Executive Committee. The Executive Committee comprises the Chief Executive Officer, the Chief Financial Officer and the three divisional Presidents. It drives the Group's strategic priorities in each division, leads group-wide initiatives and reinforces the Group's operational and governance structures. The Executive Committee meets at least monthly and its members regularly present to the Board.

UK Corporate Governance Code: compliance

As a company that is premium-listed on the London Stock Exchange, Tyman is required to explain how it has applied the main principles of the Code, which is available at www.frc.org.uk, and complied with the Code's provisions throughout the financial year.

For the year ended 31 December 2023, and up to the date of this report, the Board is pleased to report in summary below that the Company has applied the principles of the Code and complied with the provisions set out in the Code.

Statement of governance

Principle	Section	Page
1. Board leadership and Company purpose		
a. The Company is led by an effective and entrepreneurial Board that promotes the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	<ul style="list-style-type: none"> Nominations Committee report 	121 to 124
b. The Company's purpose, values and strategy align with its culture. All Directors act with integrity, lead by example and promote the desired culture.	<ul style="list-style-type: none"> Strategy How governance supports strategy 	20 to 29 119
c. The Board seeks to ensure that necessary resources are in place for the Company to meet its objectives and measure performance against them. A framework of prudent and effective controls is being established to enable risk to be assessed and managed.	<ul style="list-style-type: none"> Principal risks and uncertainties 	84 to 93
d. The Board engages with shareholders and other stakeholders to encourage their participation in the Group's success.	<ul style="list-style-type: none"> Section 172 statement 	98 to 103
e. The Board oversees workforce policies and practices to ensure that they are consistent with the Company's values and support its long-term sustainable success. The workforce can raise any matters of concern through various channels.	<ul style="list-style-type: none"> Workforce engagement Speak Up 	52 50
2. Division of responsibilities		
f. The Chair is objective and leads an effective Board with constructive relationships.	<ul style="list-style-type: none"> Our governance framework 	111
g. The Board comprises an appropriate combination of Non-executive and Executive Directors, with a clear division of responsibilities.	<ul style="list-style-type: none"> Board composition and Non-executive Director independence 	114
h. Non-executive Directors commit appropriate time in line with their roles.	<ul style="list-style-type: none"> Directors Board and Committee attendance Board effectiveness evaluation 	119 116 118 to 119
i. The General Counsel & Company Secretary and the appropriate policies, processes, information, time and resources support the Board.	<ul style="list-style-type: none"> How governance supports strategy 	114

Principle	Section	Page
3. Composition, succession and evaluation		
j. There is a transparent procedure for Board appointments and a succession plan that recognises merit and promotes diversity.	<ul style="list-style-type: none"> New Director appointment process 	122
k. There is a combination of skills, experience and knowledge across the Board and its committees.	<ul style="list-style-type: none"> Board composition and Non-executive Director independence 	114
l. The Board's annual evaluation considers its overall composition, diversity and effectiveness.	<ul style="list-style-type: none"> Directors Board effectiveness evaluation 	118 to 119
4. Audit, risk and internal control		
m. Tyman's policies and procedures safeguard the independence and effectiveness of internal and external audit functions. The Board has satisfied itself of the integrity of financial and narrative statements.	<ul style="list-style-type: none"> Internal audit and internal audit effectiveness External audit 	129
n. A fair, balanced and understandable assessment of the Group's position and prospects was presented.	<ul style="list-style-type: none"> Review of the 2023 Annual Report and Accounts 	126
o. Procedures manage and oversee risk, the internal control framework and the extent of principal risks that the Group is willing to take to achieve its long-term objectives.	<ul style="list-style-type: none"> Internal control Risk appetite 	128 to 129
5. Remuneration		
p. Remuneration policies and practices support the Group's strategy and promote its long-term sustainable success. Executive remuneration is aligned to the Group's purpose, values and strategic delivery.	<ul style="list-style-type: none"> The Directors' remuneration policy 	135 to 141
q. A transparent and formal procedure is used to develop policy and agree executive and senior management remuneration.	<ul style="list-style-type: none"> The Directors' remuneration policy 	135 to 141
r. The Directors exercise their independent judgement and discretion over remuneration outcomes, taking account of the relevant wider context.	<ul style="list-style-type: none"> Remuneration Committee priorities 2023 	132 to 134

Statement of governance

Role of the Board

The Board is responsible for promoting the Group's long-term success for the benefit of all its stakeholders, generating value for shareholders and contributing to the wider society. To achieve its strategic objectives, it focuses on the Group's overall leadership, strategy, culture, development and controls that safeguard the Group's assets and enable risks to be properly assessed and managed.

The areas specifically considered by the Board include: overseeing the Group's values and standards; approval of the Group's strategic plan; ensuring maintenance of a sound system of internal control and risk management, including approval of the Group's risk appetite statements; responsibility for the review of the Group's corporate governance arrangements; and ensuring the Group has the necessary resources, processes and controls to deliver the Group's long-term strategy.

Matters not specifically reserved for the Board, including the day-to-day management of the Group, are delegated to the Executive Directors in accordance with the Group's delegation of authorities.

The Board assesses and monitors the Group's culture, ensuring that policy, practices and behaviours of the business align with Tyman's purpose, values and strategy. The Board receives regular reports from the Chief Executive Officer and the General Counsel & Company Secretary on cultural topics such as the development and implementation of Tyman's Business Ethics & Compliance Programme. For more information please refer to page 50.

Stakeholder engagement

The Board is responsible for engaging with and understanding the views of the Group's key stakeholders. This includes the need to foster the Group's business relationships with its employees, customers, investors and societies in the countries that the Group operates. The Board keeps engagement mechanisms under review so that they remain effective.

The Directors take their duties under section 172 of the Companies Act 2006 very seriously and consider that they have acted in the way they consider, in good faith, would promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172 (1) (a-f) in the decisions taken during the year ended 31 December 2023. The full statement, together with how Tyman engages with key stakeholders can be found on pages 98 to 103.

Governance framework

A schedule of Board meeting dates is set a year in advance, to ensure the Board meets at regular intervals throughout the year, at times that align with the operations of the different business divisions and the financial and reporting requirements of the Group as a whole.

To ensure relevant topics are given appropriate consideration, the Board has delegated certain roles to three principal Committees: Audit & Risk, Remuneration and Nominations.

Membership of these Committees is made up of the Non-executive Directors. The Board Chair is also a member of the Nominations and Remuneration Committees.

The work of these Committees in 2023 is explained in more detail on pages 121 to 134, and page 143. Each of the Committees' terms of reference may be found on the Group's website.

All Directors have access to the services of the General Counsel & Company Secretary, who is responsible for ensuring the Group's governance framework is observed and the Board and Committees receive the necessary support in fulfilling their responsibilities.

If thought appropriate, Directors may obtain independent professional advice in respect of their responsibilities, at the Company's expense. No such advice was sought in the year.

Board composition

The names and biographical details of all the current Directors, as at the date of this report, are set out on pages 106 to 109 and at the Group's website.

The following Directors served during the year ended 31 December 2023:

Board member	Appointed to the Board
Nicky Hartery	October 2020
Jo Hallas	April 2019
Jason Ashton	May 2019
Paul Withers	February 2020
Pamela Bingham	January 2018
Helen Clatworthy	January 2017
Margaret Amos	June 2023
Dave Randich	December 2021

Independence of Non-executive Directors

Through the work of the Nominations Committee, the Board ensures that its members have an appropriate mix of skills, diversity of backgrounds, experiences and relevant industry experiences such that they can challenge and support the work of Executive Directors. Each Non-executive Director has sufficient knowledge of the Company, which has enabled them to discharge their duties and responsibilities during the year.

As part of the internally facilitated Board and Committees' effectiveness evaluation in 2023, the Board reviewed the independence of the Directors. Having reviewed the other positions held by the Non-executive Directors and the possibility of any potential conflicts of interest, the Board continues to consider that each of the Non-executive Directors is independent, as defined against the independence criteria as set out in the Code, believing each to be independent of character and judgement.

Director induction

Upon appointment, all new Directors receive a comprehensive and tailored induction programme, providing them with the opportunity to learn about the operations, making specific site visits and meet with divisional and local management. Recent director inductions were successfully facilitated using a combination of in-person and remote meetings, briefing notes and both in-person and video tours of facilities. Details of the induction of the Board's newest Non-executive Director, Dr Margaret Amos, can be found on page 123.

Key responsibilities

Roles on the Board	Responsibilities
Chair	<p>Responsible for the leadership and effective running of the Board and its decision-making processes</p> <p>Sponsors and promotes the highest standards of corporate governance</p> <p>Sets the Board agenda in consultation with the Chief Executive Officer and the General Counsel & Company Secretary, ensuring that they are aligned to the Group's strategic objectives</p> <p>Sets the style and tone of Board discussions, facilitating contribution from all Directors</p> <p>Leads the Board in determining the strategy and the overall objectives of the Group, including its approach to environmental, social and governance matters, while ensuring that the Board determines the nature and extent of the principal risks associated with implementing its strategy</p> <p>Leads the effectiveness evaluation of the Board and ensures its effectiveness in all aspects of its role</p> <p>Ensures effective communication with the Company's shareholders and other stakeholders</p>
Chief Executive Officer	<p>Responsible for the day-to-day management of the Group</p> <p>Promotes the Group's culture and values</p> <p>Leads the Executive team and develops and implements the Group's strategic objectives, with assistance from the Executive Committee</p> <p>Responsible for sustainability</p> <p>Responsible for providing the Board with details of feedback received from institutional shareholders and any key issues raised</p> <p>Brings matters of particular significance or risk to the Chair for discussion and consideration by the Board where appropriate</p>
Chief Financial Officer	<p>Responsible for the financial reporting, IT and management of the Group, in addition to the finance, audit, tax and treasury functions</p> <p>Responsible for the day-to-day management of all investor relations matters and for contact with shareholders, as well as with financial analysts</p>
Senior Independent Director	<p>Is available for shareholders to voice any concerns which may not be appropriate for discussion through the normal channels of Chair, CEO or CFO</p> <p>Provides a sounding board for the Chair and supports him in his leadership of the Board</p> <p>Leads the Chair's performance appraisal by the other Non-executive Directors and serves as an intermediary for the other Directors with the Chair as necessary</p>
Non-executive Directors	<p>Bring complementary skills and experience to the Board</p> <p>Constructively challenge the Executive Directors on matters affecting the Group</p>

Statement of governance

Board and Committee attendance

The following table shows the attendance record of the Directors at the scheduled Board and relevant Committee meetings held during the year.

Board member	Board	Audit	Remuneration	Nominations	AGM
Nicky Hartery	13/13	-	6/6	6/6	1/1
Jo Hallas ¹	2/2	-	-	-	-
Jason Ashton	13/13	-	-	-	1/1
Paul Withers	13/13	4/4	6/6	6/6	1/1
Pamela Bingham	12/13	4/4	6/6	6/6	1/1
Helen Clatworthy ²	6/6	3/3	4/4	2/2	1/1
Margaret Amos ³	9/9	2/2	3/3	4/4	-
Dave Randich	13/13	4/4	6/6	6/6	1/1

¹ Jo Hallas was a Director until 6 April 2023.

² Helen Clatworthy was a Director until 21 July 2023.

³ Margaret Amos was appointed as a Director on 19 June 2023.

Attendance at Board meetings

Thirteen scheduled Board meetings were held during the year. The Board also met on an ad hoc basis on other occasions to consider the Group's responses to certain corporate matters. Where expedient, the Board also delegated a number of administrative and completion matters to a duly appointed sub-committee of the Board.

Work of the Board during 2023

The Board's principal matters during 2023 are summarised below:

Principal matter	
Health and safety	<ul style="list-style-type: none"> Received details of every health and safety lost time incident, including remedial actions taken, lessons learned and future preventative measures (see pages 46 to 47) Oversaw the development of the Group's Safety Leadership Programme and safety leadership tours, safety improvement opportunities and positive safety observations (see pages 46 to 47)
Strategy and sustainability	<ul style="list-style-type: none"> Approved the Group strategy (see pages 21 to 27 and 72 to 77) Received progress reports on the implementation of the Group's sustainability roadmap (see pages 23 to 27) Reviewed the alignment of the LTIP and ESG measures (page 60) Reviewed and discussed updates on trading performance, markets and strategic initiatives, including presentations from the Group's senior management Received reports on new product development and launches, and innovations in packaging Received reports on the Group's upgrade of IT systems Oversaw the acquisition of Lawrence Industries, Inc. and monitored the M&A pipeline (see page 27)
Governance	<ul style="list-style-type: none"> Approved key Group policies and received reports on the codification of standards Approved the organisation of a "hybrid" AGM and the notice of AGM Approved the recommendation and declaration of dividends Approved insurance renewals Recruited and completed the induction of a new Non-executive Director (see page 123) Recruited a new Chief Executive Officer (see page 122) Participated in an internally facilitated Board evaluation (see pages 118 to 119) Assessed and monitored the Group's culture and alignment with its purpose, values and strategy (see page 119) Received reports from the Chairs of the Nominations, Audit & Risk and Remuneration Committees Received and reviewed reports from the Audit and Risk Committee on the Group's risk register, risk appetite statement and the effectiveness of the systems of internal control and risk management (see pages 84 to 95)

Purpose, values and Group culture	<ul style="list-style-type: none"> Received, as standing agenda items of the Board, reports from the General Counsel & Company Secretary on general governance updates, material legal matters and Speak Up reports (see page 50) Received quarterly progress reports from the General Counsel & Company Secretary on the Group's Business Ethics & Compliance Programme (see pages 50) Oversaw the deployment of the Group's Leading with Integrity Programme (see page 50) Approved the Group's Modern Slavery Act statement Received reports on the results of an all-employee survey and the follow-up actions (see page 52) Received reports from the Workforce Engagement Director and the Chair of the Remuneration Committee on meetings that each of them had with the workforce
Financial	<ul style="list-style-type: none"> Actively monitored trading performance conditions, ongoing scenario modelling, monthly CFO reports and supported management's actions in responding to ongoing challenges Approved the budget for 2024 and set KPIs (see pages 28 to 29) Reviewed and approved the half-year 2023 results, the full-year 2022 annual results, viability and going concern statements, and the 2023 AGM notice
Investor relations and communications	<ul style="list-style-type: none"> Received presentations from the Company's brokers and financial advisors on the Company's shareholder profile and market perception Received feedback from proxy advisors in respect of the 2023 AGM resolutions Received reports and feedback from analysts and shareholders following meetings with them (see page 119)
Employee engagement	<ul style="list-style-type: none"> Visits to sites and discussions with management, conducted in person or remotely (see below) Received and discussed reports from the Workforce Engagement Director, Pamela Bingham, and the Chair of the Remuneration Committee following their respective skip-level meetings with employees across the divisions (see below and page 118)

Board visits to the operations

As part of the Board's work, the Directors visit operating units each year to meet with divisional management and to see these businesses first hand. In line with the Board's meeting schedule in 2023, the Board visited Tyman International's Budrio plant, Tyman North America's Monterrey, Statesville and Thomasville sites and Tyman UK & Ireland's Wolverhampton sites in person. Such visits allowed for front-line employees to share their experiences with the Board and enhanced the Board's understanding of the cultural tone and sentiment 'on the shop floor'. Members of the Board also visited other sites on an informal basis during the year.

Employee engagement

The Chief Executive Officer, the Workforce Engagement Director and the Remuneration Committee Chair held skip-level employee meetings in 2023. The Workforce Engagement Director, Pamela Bingham, had separate meetings with diverse employees and employee representatives from the businesses in Italy, Mexico, the US and the UK. The meetings provided her with opportunities to better understand local challenges and practices, opportunities for improvement and to promote a direct link into the Board (see page 52).

The Remuneration Committee Chair, Paul Withers, also met with employee representatives from the same locations to engage with them in a dialogue on the alignment of executive remuneration with wider company pay policy.

By meeting with such diverse representatives from the workforce covering various levels of seniority, location, business units and gender, he was not only able to explain the behaviours that the Group's remuneration framework aim to promote, but also to hear their views. As with the Workforce Engagement Director's skip-level meetings, the Remuneration Committee Chair's meetings were reported to the Board and taken into account when the Remuneration Committee made decisions relating to executive pay. Specifically, the Remuneration Committee has taken the output from these engagements into consideration as it developed the Directors' remuneration policy during 2023, which included engagement with shareholders in early 2024 before a revised policy is tabled at the Group's 2024 AGM. It has also resulted in changes to the remuneration offered to Tyman North America's senior managers that will strengthen the division's ability to attract, retain and incentivise talent.

Statement of governance



Pamela Bingham Workforce Engagement Director

Q&A: Board engagement with employees

Q: What are your reflections on the value of the Board's engagement with employees?

A: The Board recognises the immense worth of engagement, as it cultivates trust, fosters collaboration, and establishes a shared approach between the Board and employees. Acknowledging the importance of soliciting varied feedback from employees to effectively execute the Group's strategy, the Board considers ongoing direct engagement to be a critical and indispensable activity. I eagerly anticipate translating employee perspectives and priorities into meaningful Board discussions.

Q: Are there any common themes from your engagement with Tyman's global employees?

A: I have had the opportunity to engage with employees from diverse backgrounds across the Group, with several common themes emerging.

Firstly, there is clearly a strong sense of shared commitment to Tyman's purpose. This collective dedication has fostered a positive and collaborative work environment, encouraging employees to go above and beyond in their efforts to achieve our strategic objectives.

Secondly, there is recognition and appreciation for Tyman's commitment to fostering a culture of continuous learning. Employees have expressed their desire for continuous development and access to resources that enable them to enhance their skills and knowledge.

Thirdly, open and transparent communication has emerged as a key theme. Our employees value an inclusive and supportive communication culture that encourages collaboration, feedback sharing, and empowers them to actively contribute to the success of Tyman.

Lastly, a strong emphasis on employee wellbeing and work-life balance. Employees appreciate a healthy work environment that promotes their physical and mental wellbeing, ensuring their overall satisfaction and enabling them to thrive both personally and professionally.

These common themes reflect the cohesive energy and shared values that permeate throughout Tyman. By acknowledging these insights, we can further strengthen and enhance our employee experience, ultimately driving our collective success.

Board performance evaluation

The Board undertakes a formal evaluation of its performance, and that of each Director, on an annual basis. Such evaluations are conducted in accordance with the principles set out in the Code and include consideration of the skills, composition and performance of the Board, its Committees and individual Directors.

The following sets out the progress on key recommendations concluded in the 2021 Board evaluation, which was conducted by Dr Tracy Long of Boardroom Review, who has no connection to Tyman or its Directors:

Recommendations	Progress made in 2023
The Board should continually monitor its composition and succession planning alongside the development of its skills matrix and a formal appraisal process.	The Board's skillsets and a schedule for the Board's refreshment have been monitored by the Nominations Committee.
The Board should develop a forward agenda that combines both formal and informal time, including increased use of private meetings between the CEO and the Non-executive Directors during the year.	At each meeting, the draft agendas intended for the next meeting are published, and a schedule of sustainability topics for the year is published before the start of the year. The CEO and each of the Non-executive Directors have had one-to-one calls before each meeting.
The Board ought to continually review and ensure alignment of its appetite for risk against the changing business landscape and its strategic imperatives as the Group evolves.	This has been continually addressed through the Board and the Audit and Risk Committee's consideration of the Group's principal and emerging risks.

This year, the Board participated in an internal questionnaire-based assessment of the Board and its Committees, led by the Chair and each Committee's Chair. This assessment found that the Board had made good progress on the recommendations from 2021 and that there were opportunities to improve the diversity of the Board and to strengthen the talent pipeline. The actions that the Board has resolved to undertake in 2024 are set out in the Nominations Committee report on page 124.

The Board will continue to review its procedures, effectiveness and development and composition during 2024. The Board Chair will use the Board evaluation's output and the performance reviews of individual Directors to further develop the Board's performance in the year ahead. In 2024, the Board intends to undertake an externally facilitated Board effectiveness evaluation.

The Board review also concluded that the Non-executive Directors have sufficient time to meet their Board responsibilities. Separately, the Senior Independent Director led the Non-executive Directors to carry out a review of the Chair's performance. It was found that the Chair continues to effectively discharge his duties and demonstrates full commitment to the role as evidenced by the progress made in all areas of the Board's work.

Ensuring that policy, practices and behaviours align with Tyman's purpose, values and strategy

The Board recognises the importance of Tyman's culture to the fulfilment of its purpose, practising its values and executing its strategy. For Tyman, the hallmarks of a healthy corporate culture include: respect for the integrity of its business dealings by all its stakeholders; and working environments that are characterised by inclusivity, diversity, supportiveness and active engagement, inspiring employees to proactively make a positive difference every day.

In such an environment, Tyman's values would serve as a compass for responsible decision making and actions, and both attitudes and behaviours would align with the highest standards of conduct and integrity.

The tone from the top was set by the Board's approval of Tyman's Code of Business Ethics: Integrity in Action ("CoBE") in 2021, which enshrined Tyman's purpose and values and provided a baseline of accepted attitudes and behaviours. The CoBE was deployed across the entire Group through workshops in 2021 and 2022 and is now part of each division's employee onboarding process. In 2023, the Board approved four new policies and reviewed eight existing policies in support of the CoBE.

Furthermore, culture is embedded at Board-level through:

- Tyman's corporate governance framework (see page 111)
- Board decision making (see pages 98 to 103)
- Appointments and succession planning (see pages 121 to 124)
- Risk, controls and compliance (see pages 125 to 131)
- Remuneration framework (see pages 135 to 141)
- Tyman's commitment to health and safety and sustainability (see page 116)

The Board leverages a variety of sources to assess the robustness of Tyman's organisational culture. In 2023, the Board employed a blend of the following documented metrics, regular reports and channels for active listening:

- Reports from the Workforce Engagement Director and the Chair of the Remuneration Committee, and employee engagement survey results, for insights into employee sentiment (see page 52)
- Standing reports from the General Counsel & Company Secretary on Speak Up reports (see page 50)
- Quarterly reports from the General Counsel & Company Secretary on the progress of the Business Ethics & Compliance Programme (see page 50)
- Standing reports from the Group Head of Health & Safety and Sustainability on safety performance and progress on the Group's sustainability roadmap (see pages 23 to 27)

Investor relations programme

The Board is fully committed to maintaining good communications with the Company's shareholders through its investor relations programme.

Tyman operates a planned schedule of communications and investor relations activities throughout the year. The CEO and CFO have day-to-day responsibility for all investor relations matters and for contact with shareholders, as well as with financial analysts. They are assisted by the Head of Corporate Communications & Investor Relations. The CEO provides the Board with details of feedback received from institutional shareholders and any key issues raised.

Regular dialogue with institutional shareholders and financial analysts is principally maintained through:

- meetings and calls involving the CEO, the CFO and/or the Head of Corporate Communications & Investor Relations;
- four scheduled releases to the market of updates on the financial performance of the Group;
- the Chair of the Remuneration Committee contacting institutional shareholders to consult them on any proposals that may affect Tyman's remuneration policy;
- the Board Chair engaging with larger institutional shareholders to discuss matters including the Board, strategy, corporate governance and succession planning; and

A total of 139 separate meetings were held by members of the Board and/or the Head of Corporate Communications & Investor Relations in 2023 with shareholders and prospective shareholders, analysts and equity salesforce teams. In addition, the Company actively engages with individual shareholders who periodically contact the Company.

Copies of all announcements and presentations made at investor events are published on the Group's website to ensure that all shareholders, whether private or institutional, have equal access to information. It is currently envisaged that a similar shareholder engagement programme will be run during the 2024 financial year. A table setting out the Company's major shareholders can be found on page 160.

Statement of governance

2024 AGM

The AGM provides the Directors with the opportunity to meet with both private and institutional shareholders. In 2023, in line with the Financial Reporting Council's guidance, which was published in 'Corporate Governance AGMs: An Opportunity for Change', the Company organised a hybrid AGM that allowed for shareholders to attend in person or electronically via a live audio webcast. This AGM format allowed for shareholders to be counted in the quorum, ask questions of the Directors and cast live votes via the Lumi platform, whether or not they were able to travel to the venue.

Access to the Chair and Non-executive Directors

The Chair and Non-executive Directors make themselves available to attend meetings with major shareholders at their request. The Chair attended a number of such meetings during the year to cover areas such as the Board, strategy, corporate governance and succession planning. As face-to-face meetings were not always either practical nor possible, meetings were sometimes conducted online or by telephone.

Internal control and risk management

The Directors acknowledge that they are responsible for the Group's internal control and risk management systems and for reviewing their effectiveness. Details of this review process are set out in the Audit and Risk Committee report on pages 125 to 131.

Directors' insurance cover

The Company maintains, at its expense, a Directors' and Officers' liability insurance policy to afford an indemnity in certain circumstances for the benefit of Group personnel including, as recommended by the Code, the Directors. This insurance policy does not provide cover where the Director or Officer has acted fraudulently or dishonestly.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

English company law requires the Directors to prepare financial statements for each financial year. Accordingly, the Directors have prepared the Group's financial statements in accordance with IFRS as adopted by the European Union and the Company financial statements in accordance with UK GAAP. Under English company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

- state whether applicable IFRSs as adopted by the EU have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Group and the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are responsible for the maintenance and integrity of the Group'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 Accounts, 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 position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Annual Report and Accounts, confirms that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with UK GAAP, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union and applicable law, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that the Group faces.

By order of the Board

Peter Ho
General Counsel & Company Secretary

6 March 2024

Nominations Committee report



The Committee has continued its work to ensure that the Board and its committees have the skills required to deliver Tyman's long-term strategy and objectives."

Nicky Hartery
Chair of the Nominations Committee

Number of meetings:

6

Dear shareholder

I am pleased to present the Nominations Committee's report for the year ended 31 December 2023.

Role and responsibilities of the Committee

The Committee's role is to support the Board within the Group's governance framework by providing oversight of the business's leadership needs, spanning both Executive and Non-executive Directors and senior management, with a view to ensuring that the Group is able to implement its strategy, achieve its objectives and compete effectively. It ensures that the leadership is constructively supported and challenged by reviewing and making recommendations to the Board on the size, structure and composition of the Board and its Committees. In compliance with the Code, it also ensures that plans are in place for the orderly succession to both Board and senior management positions, including overseeing the development of a diverse succession pipeline for short- and long-term timescales.

The Committee's full terms of reference are available on our website at https://www.tymanplc.com/application/files/7017/0471/1327/Nominations_Committee_Terms_of_Reference_-_December_2023.pdf.

Committee membership and meetings

The Committee is comprised entirely of independent Non-executive Directors. The General Counsel & Company Secretary and Chief Executive Officer were invited to attend meetings as the Committee deemed necessary to enable full discussions.

The Committee had two scheduled meetings in 2023, but also met formally on four other occasions in connection with the respective departures of Jo Hallas and Helen Clatworthy, the Chief Executive Officer and the Chair of the Audit and Risk Committee, and their successions.

The following table presents the Committee member's dates of appointment and record of attendance at meetings during 2023. Attendance is expressed as the number of meetings each member was eligible to attend.

Nominations Committee member	Appointed to the Committee	Attendance at meetings in 2023
Nicky Hartery (Chair)	October 2020	6/6
Paul Withers	February 2020	6/6
Pamela Bingham	January 2018	6/6
Helen Clatworthy ¹	January 2017	2/2
Dave Randich	December 2021	6/6
Margaret Amos ²	June 2023	4/4

¹ Helen Clatworthy retired from the Board and the Nominations Committee from 21 July 2023.

² Margaret Amos joined the Board and the Nominations Committee with effect from 19 June 2023.

Key activities of the Committee in the last twelve months

The Committee considered the following in 2023:

- The performance, succession and contingency planning for the Executive Directors (including the search and appointment of the new Chief Executive Officer)
- The appointment of a new Chair of the Audit and Risk Committee
- Recommended re-election of the Board at the 2023 Annual General Meeting
- The size and composition of the Board, including the balance of skills, knowledge, independence, experience and diversity
- The recommendations to shareholders for the re-election of each member of the Board
- Progress on the Committee's 2023 objectives
- The results of the Committee's performance evaluation
- The Committee's terms of reference
- The Nominations Committee report for inclusion in the 2022 Annual report and Accounts
- The Committee's priorities for 2024
- The approach to the 2023 Board effectiveness evaluation process
- The renewal of the Chair of the Board's three-year term
- The renewal of a Non-executive Director's three-year term
- The Group's Organisational Capability Review

Nominations Committee report

Board skills

Our Board possesses a broad range of knowledge and experience from a variety of industries and sectors. The Nominations Committee seeks to ensure that the Board and its Committees have the skills required to deliver Tyman's strategy and objectives in the longer term, and to identify the potential skills and experience that may have been lost with the retirement of any Non-executive Directors.

Diversity

The Committee ensures all Board appointments are made in line with the Board's Diversity Policy, which is available to view on the Group's website. Particularly, this policy requires that:

- in reviewing Board composition, the Committee will consider the benefits of all aspects of diversity to enable it to discharge its duties and responsibilities effectively;
- in identifying suitable candidates for appointment to the Board, the Committee will consider candidates on a shared understanding of merit against objective criteria and with due regard for the benefits of diversity on the Board; and

- when recruiting Board candidates, the Committee will only engage search firms that have signed up to the Voluntary Code of Conduct for executive search firms. In 2023, to run the recruitment of the new Non-executive Director and Chief Executive Officer, Tyman retained such a firm in Russell Reynolds. Russell Reynolds has no other connection with the company or individual directors that might impact their independence.

How the Board's Diversity Policy relates to the Group's strategy

The Committee, the Board and Tyman as a whole fully regard the benefits of diversity when searching for candidates for the Board, the Executive Committee and other appointments. The Board believes that embracing diversity, in all its forms, enables the sharing of each individual's unique perspective, which promotes inclusivity and supports good decision making. Accordingly, all Board appointments are made on merit against a set of objective criteria informed by the skills and experience required for the Group's strategic success, as shown in the examples below.

Board recruitment and succession process



Role	Key search criteria	Search diversity	Description of process
Chief Executive Officer	<ul style="list-style-type: none"> • A leadership style based on influence rather than command and control, given Tyman's decentralised operating model • The ability to drive operational excellence and efficiencies across the Group • B2B industrial manufacturing experience • The ability to quickly earn the trust of investors and analysts, and comfort with presenting to the City as well as one-on-ones with shareholders • FTSE-experience was considered beneficial but not mandatory 	<ul style="list-style-type: none"> • 20% of longlisted candidates were women • 20% of longlisted candidates were from non-white ethnic minority backgrounds • Six nationalities were represented in the longlist 	<ul style="list-style-type: none"> • Stage 1. The Nominations Committee agreed on the qualities, skills and experiences desired in the new Chief Executive Officer. • Stage 2. Russell Reynolds emerged as the Nominations Committee's preferred executive search firm following a tender process, and a process for the recruitment was agreed. • Stage 3. Russell Reynolds provided a longlist drawn from a list of companies from building materials, FTSE-listed and other best in class B2B manufacturers. • Stage 4. The Chair of the Nominations Committee and the Senior Independent Director shortlisted and interviewed some candidates, keeping the Nominations Committee abreast on progress. • Stage 5. The other members of the Nominations Committee interviewed the candidates and, subsequently, recommended Rutger Helbing to the Board subject to customary checks.

Role	Key search criteria	Search diversity	Description of process
Chair of Audit and Risk Committee	<ul style="list-style-type: none"> Strong financial qualifications as serving or retired finance directors, former audit partners, bankers or other significant finance roles provided that they had strong operational experience A good understanding of the corporate governance of a Premium-listed company on the London Stock Exchange A strong business, operational and commercial background with a track record of growth, both organic and acquisitive International experience A style that is open and informal, pragmatic, low ego, intellectually curious High emotional intelligence, sound people judgment and good listening skills 	<ul style="list-style-type: none"> 100% of longlisted candidates were women 25% of longlisted candidates were from non-white ethnic minority backgrounds Two nationalities were represented in the longlist 	<ul style="list-style-type: none"> Stage 1. To succeed a retiring Chair of the Audit and Risk Committee, an objective search was agreed by the Committee. Stage 2. Russell Reynolds was engaged to support the process and identified search categories aligned to the key criteria. Stage 3. Focusing on current and former CFOs or broader finance leaders in FTSE-listed organisations, including serving and retired executives and Chairs of Audit Committees, and including 'left field' sectors including financial services, Russell Reynolds produced a longlist. Stage 4. Following a desktop screening, the Chair of the Nominations Committee and the Senior Independent Director met with each of the shortlisted candidates. Stage 5. The other members of the Nominations Committee, including the retiring Chair of the Audit and Risk Committee, interviewed the candidates and recommended Margaret Amos to the Board.

Non-executive Director induction

Upon her appointment to the Board, Margaret Amos received a tailored induction to help familiarise her thoroughly with Tyman's business and her roles as a Non-executive Director and Chair of the Audit and Risk Committee.

For an overview of Tyman, she was provided with an induction pack comprised of a broad range of key information, including papers of the Board and its committees, meeting minutes, details of operational and financial performance, explanations of key controls and the Group's risk management, as well as key policies and a recording of the Group's virtual conference.

Introductory meetings were held with each other member of the Board, the Executive Committee,

the General Counsel & Company Secretary, the Group Financial Controller, the Group Head of Internal Audit & Risk Management, the Director of Health & Safety and Sustainability and other key senior managers. As an incoming chair of the Audit and Risk Committee, and member of the Nominations and Remuneration Committees, additional time with the respective Committee Chairs and the Group's external and internal auditors, Deloitte and BDO, was scheduled to cover key issues.

In addition to the Board site visits in 2023, Margaret also attended the Group's plants in the UK and the USA and met with Tyman employees at its Head Office.

LR 9.8.6(9)R statement

As a constituent of the FTSE 350 index, the Board supports the FTSE Women Leaders Review (FWLR), which seeks to improve board and senior leadership gender diversity across FTSE 350 companies and submitted data to the FWLR in accordance with its reference date of 31 October 2023. To ensure the consistency of the Company's publicly disclosed information, the following tables that are prescribed by LR 9.8.6(10)R also use a reference date of 31 October 2023.

For the purposes of this statement, Tyman has applied the meaning of the term "Executive Management" as defined in the Listing Rules: it is the Executive Committee and the General Counsel & Company Secretary excluding administrative and support staff.

Nominations Committee report

Gender

	Number of Board members	Percentage of the Board %	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management %
Men	4	57.1	3	4	67.7
Women	3	42.9 ¹	1	2 ¹	33.3

¹ During 2023, the role of Chief Executive Officer was held by a woman from 1 January until 6 April and the role of Chief Financial Officer was held by a woman on an interim basis, and not as a statutory director of the Company, from 21 April until 31 December.

On 2 January 2024, when Rutger Helbing commenced his appointment as Chief Executive Officer, Jason Ashton resumed his role as Chief Financial Officer and Juliette Lowes stepped down from the Board and resumed her role as Group Financial Controller, the percentage of women on the Board and in Executive Management therefore reduced.

Ethnicity

	Number of Board members	Percentage of the Board %	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other white (including minority-white groups)	7	100	4	5	83.3
Mixed/multiple ethnic groups	0	0	0	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	1	16.7
Not specified/prefer not to say	0	0	0	0	0

Although Tyman's Board does not yet have a Director from an ethnic minority background, it will be seeking to do so with the Board's next Non-executive Director appointment, before 31 December 2024.

Tyman recognises that for some, gender identity can differ from that assigned at birth. Accordingly, Tyman has 100% voluntary completion of gender and ethnicity data at the Board and Executive Management levels. All diversity data reporting is conducted securely and in a way that protects each person's anonymity. All information is strictly confidential in accordance with Tyman's privacy notice, in line with applicable laws protecting personal data.

Review of findings from the 2023 internal Board and Committees evaluation

The Board's 2023 evaluation questionnaire (details of which can be found on pages 118 to 119) confirmed that the Directors believe that the Board: has a good mix of skills and backgrounds supported by solid experience and knowledge; and has committees that are well-run, with sufficient skills and expertise.

The Committee's own evaluation concluded that the Directors were, broadly, satisfied with its performance overall and that it had fulfilled its priorities for 2023. However, it was also found that the Nominations Committee could support the Board in 2024 by seeking opportunities to improve its ethnic diversity and adding to the North American and technological innovation experience of the Board.

Committee priorities for 2024

The Committee's priorities for 2024 are:

1. To oversee the induction of the new Chief Executive Officer.
2. To recruit a new Non-executive Director to bring North American and private equity experience and to improve the Board's diversity in terms of gender and REACH (race, ethnicity and cultural heritage).
3. Continued oversight of the establishment of the Group's talent excellence programme, including ensuring that the right organisation capability is in place for the Group to deliver on its strategic, diversity and inclusion priorities, including reviewing senior management succession planning and the strengthening of talent pipelines.
4. Development of the Board's skills matrix to support its succession planning.

On behalf of the Nominations Committee

Nicky Hartery

Chair, Nominations Committee

6 March 2024

Audit and Risk Committee report



The Committee has continued to focus on enhancing the Group's internal control framework in preparation for upcoming changes to the UK Corporate Governance Code."

Margaret Amos
Chair of the Audit and Risk Committee

Number of meetings:

4

Dear shareholder

On behalf of the Board, I am pleased to present my first report of the Audit and Risk Committee since joining the Board in June 2023 and becoming Chair of the Audit and Risk Committee in July 2023. I would like to thank Helen Clatworthy for her assistance in ensuring a smooth transition as I assumed responsibility for this Committee. I would also like to thank the finance teams across the Group for their continued hard work this year. The Committee has continued to support the Board in the development of the Group's risk management and internal control framework, as well as ensuring the integrity and quality of external financial reporting. This report sets out the activities of the Committee during 2023 and the Committee's priorities for the year ahead.

In 2023, the Committee continued to focus on the core aspects of governance within the Group. The Committee was pleased with progress made in enhancing the risk management and internal controls frameworks. The Committee has monitored the developments with corporate reporting reforms throughout the year, including the recent revisions to the UK Corporate Governance Code and has overseen the Group's preparation work. This included the appointment of a Group Controls Manager and engagement of a third-party firm to provide support and assist with the development of a roadmap to compliance. An initial scoping exercise was completed, and the Group and Committee will review the work plan following the release of the revised Corporate Governance Code in January 2024. Work continued in the year with embedding the Code of Business Ethics and the Group Minimum Standards of Financial Control framework, and the annual Controls Self-Assessment ("CSA") process, which was implemented in 2022, was undertaken across the Group's operations to assess compliance with key controls and identify any areas for improvement. Progress has been made with implementing improvement actions identified through the prior year CSA process.

The implementation of a programme of risk management activities, developed by the Group Head of Internal Audit and Risk Management, further enhances the Group's approach to enterprise risk management with further opportunities to develop in 2024. The updated structure and approach to internal audit has continued to develop well in the year, providing an increasingly risk-based approach to internal audit. The 2023 internal audit plan is complete with all reports reviewed by the Committee.

The Committee has also spent time understanding the requirements of climate-related financial disclosures (TCFD and CFD), and environmental, social and governance (ESG) reporting, including the impact on the Group's risk framework. The Committee is satisfied with progress made to date. The Committee has also reviewed the limited assurance statement prepared by Bureau Veritas over selected sustainability KPIs under the Group's RCF and is satisfied with the work performed.

Role of the Committee

The Board has delegated responsibility to the Committee for the oversight of the Company's financial reporting, monitoring the integrity of the financial statements and other financial communications of the Company. It is responsible for ensuring that effective governance and appropriate frameworks are in place for the oversight of the Company, major subsidiary undertakings and the Group as a whole, and for considering whether accounting policies are appropriate.

The Committee operates under terms of reference approved by the Board. These terms of reference have been reviewed by the Committee during the year and updated to include the Committee's responsibility for monitoring the integrity of climate-related reporting as well as to reflect the guidance included in the Audit Committees and External Audit Minimum Standard issued by the FRC in May 2023. A copy of the terms of reference can be found on the Group's website.

In 2023, the Committee met four times, with meetings timed to coincide with key dates in the financial reporting and audit cycles of the Group. To provide the appropriate focus on key priorities, an annual schedule of Committee activity is set out a year in advance.

Audit and Risk Committee report

In addition to the Committee members, the Board Chair, Chief Executive Officer and Chief Financial Officer attended Committee meetings at the invitation of the Committee Chair. Other attendees include the senior members of the finance team, senior representatives from the external auditors, Deloitte, and the Group Head of Internal Audit and Risk Management.

In advance of meetings, the Committee is provided with reports from the Chief Financial Officer, the Group's finance function, Deloitte and the Head of Internal Audit and Risk Management. These reports provide the Committee with detailed information on accounting and audit matters, and the progress the Group is making in respect of risk management activities and internal control-related matters.

The Committee meets separately with the external auditors and the Group Head of Internal Audit and Risk Management during the course of the year, without executive management being present. The Chair of the Committee has also met with Deloitte outside of Committee meetings to keep apprised of the year end audit process and audit matters in general.

The Committee is authorised to seek independent advice should it wish to do so; however, this was not required during the year.

Committee membership

The members of the Committee during the year ended 31 December 2023 were as follows:

Committee member	Appointed to the Committee
Margaret Amos (Chair) ¹	July 2023
Helen Clatworthy (Chair) ²	January 2017
Paul Withers	February 2020
Pamela Bingham	January 2018
David Randich	December 2021

¹ Appointed July 2023

² Resigned July 2023

All members are independent Non-executive Directors.

Under provisions of the UK's Corporate Governance Code 2018 (the Code), the Committee should have at least one member with recent and relevant financial experience and competence in accounting and/or auditing, and the Committee, as a whole, should have competence relevant to the sector in which the Company operates.

The Board considers that Margaret Amos (and before her, Helen Clatworthy) has such recent and relevant financial experience. Each member of the Committee has the requisite competence including significant international, commercial and operational skills and experience that are relevant to an international manufacturer and distributor of engineered components to the building industry.

Financial reporting

Key activities of the Committee in the last twelve months

- Reviewed the financial results for the half-year ended 30 June 2023 and recommendation of results announcement
- Reviewed the financial results for the full-year ended 31 December 2023, results announcement, and the Annual Report and Accounts. This included reviewing the TCFD and CFD disclosures
- Reviewed the significant judgements and estimates that impact the financial statements
- Considered the appropriateness of accounting policies

Key areas of focus in relation to the financial statements

The Committee is responsible for monitoring the integrity of the financial statements, including judgements and estimates. In undertaking this review, the below significant issues were discussed with management and the external auditors. As part of these discussions, the Committee provided challenge to management on the appropriateness of assumptions, and the areas of particular consideration outlined below, and sought clarification as necessary:

Following discussions with the auditors and considerations set out on the following page, the Committee was satisfied that the financial statements dealt appropriately with each of the areas of judgement and estimates. The Committee also discussed revenue recognition with Deloitte but did not consider this to be a significant issue. Deloitte also reported to the Committee on any misstatements and control deficiencies that they had found in the course of their work and confirmed that no material amounts remained unadjusted.



Area of focus	Audit and Risk Committee review	Conclusions
<p>Carrying value of goodwill and intangibles See note 10 to the Group financial statements</p>	<p>The Group has goodwill and intangible assets of £465.5 million. The assessment of the carrying value of intangible assets involves significant estimates related to drivers of future cash flows, long-term growth rates and discount rates.</p> <p>The Committee received a detailed report from management outlining the valuation methodology, key assumptions used, the level of headroom, comparison to external market information and sensitivity analysis.</p> <p>The Committee discussed the report with management and Deloitte, and considered whether the key assumptions were appropriate and the extent to which the valuation was sensitive to changes in these assumptions. Particular challenge was given to growth assumptions in light of wider macroeconomic uncertainty and consideration of the potential impact of climate change on longer-term cash flows and the terminal growth rate.</p> <p>The ongoing macroeconomic uncertainty has led to increases in the discount rate, which in turn reduced the level of headroom when compared to the previous year. The Committee is satisfied with the assumptions used in determining the discount rate, and that a sufficient level of headroom remains.</p>	<p>The Committee was satisfied that the methodology and assumptions used in the impairment testing were appropriate and that no impairment charge was required.</p>
<p>Going concern and viability assessment See note 2.2 to the Group financial statements and pages 94 to 96</p>	<p>The Board is required to satisfy itself that the Company will continue as a going concern for a period of at least twelve months from the date of the financial statements. It is also required to consider the longer-term viability of the Group.</p> <p>The Committee received a detailed report from management outlining key assumptions used in the going concern and viability assessments, along with analysis of liquidity headroom and covenant compliance under a base case scenario, two severe, but plausible, downside scenarios reflecting the potential impact of the crystallisation of certain principal risks, and a reverse stress test scenario.</p> <p>The Committee considered whether the key assumptions used were appropriate, including the assumed mitigating actions in the downside scenarios and likelihood of refinancing the RCF on similar terms in 2027, particularly in light of current macroeconomic uncertainty.</p>	<p>The Committee was satisfied that assumptions used were reasonable and it was appropriate to prepare the financial statements on a going concern basis. It was also satisfied that the viability statement was appropriate (see pages 94 to 96).</p>

Audit and Risk Committee report

Area of focus	Audit and Risk Committee review	Conclusions
<p>Alternative performance measures (APMs) and adjusting items Further information on APMs can be found on pages 234 to 241 and on adjusting items in note 6 to the Group financial statements</p>	<p>The Group uses a number of alternative performance measures and draws out certain significant non-trading items, as adjustments to operating profit. The selection of APMs and classification of items as exceptional is judgemental.</p> <p>The Committee considered the use of these measures as part of its assessment of whether the Annual Report is fair, balanced and understandable. This included considering whether the APMs are useful to users and present a faithful representation of underlying trading, the consistency of APMs used and their calculation, and the disclosure of reconciliations to GAAP numbers.</p> <p>The Committee challenged management on whether certain items were sufficiently material, both quantitatively and qualitatively, to warrant classification as adjusting items.</p>	<p>The Committee was satisfied that APMs are appropriate and provide useful information to users, and these are clearly reconciled to the nearest GAAP number where appropriate.</p> <p>The Committee considered that the adjusting items were in accordance with the Group's accounting policy and disclosures in the financial statements were appropriate.</p>
<p>Carrying value of inventory See note 13 to the Group financial statements</p>	<p>Inventories are stated at the lower of cost and net realisable value, with due allowance for excess, obsolete or slow-moving items. Management exercises judgement in assessing net realisable value and provisions required for slow-moving and obsolete inventory.</p> <p>The Committee considered the basis for the provisions made by management for obsolete and slow-moving inventory, which included consideration of the ageing of inventory, assessments of future demand, market conditions and new product development initiatives.</p>	<p>The Committee was satisfied that the inventory valuation was consistent with the Group's accounting policy and that the resultant valuation was reasonable.</p>
<p>Acquisition accounting See note 25 to the Group financial statements</p>	<p>During the year, the Group acquired Lawrence Industries. There is judgement and estimation in applying the requirements of IFRS 3, in particular, identifying and valuing assets and liabilities acquired and calculating the consideration, including the earn-out.</p> <p>The Committee received a detailed paper from management outlining the purchase price allocation exercise. The Committee discussed the significant judgements and estimates used with management and Deloitte, with particular challenge given on the assumptions used in valuing intangible assets, such as the expected useful lives, forecast growth rates and customer attrition rates.</p>	<p>The Committee was satisfied that the key assumptions used in valuing intangible assets were reasonable and that the acquisition accounting and purchase price allocation had been completed appropriately.</p>

Risk and control

Key activities of the Committee in the last twelve months

Risk

- Reviewed the risk management framework, the Group's risk philosophy, risk appetite and the principal risks and uncertainties facing the Group, including how those risks evolved during the year
- Participated in risk management discussions and received presentations on the Group's risk management process and key developments underway or planned for the year ahead

Going concern and viability

- Reviewed the going concern and viability assessments prepared by management, including key assumptions
- Reviewed the viability statement and recommendation of approval to the Board

Internal control and internal audit

- Assessed the effectiveness of Group's systems of internal control and risk management
- Reviewed and approved the Group's Fraud Risk Management Policy and Fraud Risk Assessment
- Reviewed the divisional internal control representations
- Approved the Group Internal Audit Charter
- Reviewed the key developments in Internal Audit
- Approved the internal audit plan for the year
- Reviewed the internal audit reports, recommendations and mitigating plans
- Reviewed the status of progress in compliance with the IIA's Code of Practice for Internal Audit
- Assessed the effectiveness of internal audit
- Reviewed and assessed the proposed amendments to the UK Corporate Governance Code (and other corporate reforms)

The Group's assessment of its principal risks and uncertainties is set out on pages 84 to 95. The key elements of risk management and internal controls are detailed on page 87 of the risk management section of this Annual Report.

Fair, balanced, and understandable assessment

In accordance with the Code, the Committee reviewed the Annual Report and was able to confirm to the Board that the Committee considered the Annual Report and Accounts, taken as a whole, was fair, balanced and understandable, and provided the information necessary for shareholders to assess the Group's performance, business model and strategy.

Risk

During the year, the Committee promoted continuous improvement in the Group's risk management system, which included reviewing the risk management structure and approach, the Group's risk appetite and principal risks and uncertainties facing the Group.

In line with the priorities set out in the 2022 Annual Report, the Committee has considered the Group's information security risks and emerging risks.

The Committee confirmed to the Board it had carried out a robust assessment of the principal risks, including emerging risks and developments throughout the year.

Internal control

The Committee receives regular reports throughout the year to monitor the Group's internal control systems, including reports from the Chief Financial Officer, Group Financial Controller and the Group Head of Internal Audit and Risk Management. The Committee has monitored updates in corporate governance and financial reporting requirements including those recommendations on corporate reform. The Group has continued to make progress with strengthening controls to work towards compliance with the proposed new requirements, including updating the Minimum Standards of Financial Control Framework, strengthening the Accounting Policies Manual, implementing a Control Self-Assessment (CSA) process to assess the status of compliance on financial and non-financial areas of risk across the Group, and rolling out new policies as required. The continued roll out of the Group's new ERP system further strengthens the Group's internal control environment. Throughout the year, opportunities to improve controls identified by management, Internal Audit and External Audit have been reviewed and actions to remediate are being implemented.

The Committee reviewed the bi-annual representations of compliance with the Group's Accounting Policies and Procedures and considered the impact of exceptions noted on the effectiveness of the Group's internal controls. In addition, the Committee reviewed the outcomes from the CSA process.

As outlined in the risk management section of this report on pages 84 to 95, risk management is embedded in many aspects of the Group's leadership model where key areas of risk are inherently considered. Key governance mechanisms for the management of risk include the Executive Committee,

the Finance Leadership Team, the strategic planning process, budgeting and forecasting and the BPR process.

The BPR process, which is undertaken every month for each division is chaired by the Group Chief Executive Officer and covers key aspects of strategic, financial, operational and compliance risks. This includes proactive monitoring of key actions from month to month, safety performance, business ethics, legal matters, financial performance, progress on strategic priorities, organisational developments and risk watchlist items. The BPR meetings include a review of organisational capabilities, and, twice a year, include a deep dive into divisional risk management. The key points arising from this process are then reviewed by the Board.

The Committee confirms it has carried out its annual review of the effectiveness of the system of internal control as operated throughout the year ended 31 December 2023 and up to the date of approval of the Annual Report and Accounts.

Internal audit and internal audit effectiveness

Having appointed the Group Head of Internal Audit and Risk Management in 2020, I am pleased to report that good progress has continued throughout 2023 in enhancing the Group internal audit and risk management function.

The internal audit function, led by the Group Head of Internal Audit and Risk Management is now well established and is increasingly risk-focused, whilst maintaining a good level of coverage over the Group operations, systems and processes.

Throughout the year, the Committee has reviewed progress in relation to the further development of the Group's risk framework, including its risk philosophy and appetite, an assessment of risk management maturity and proposals for further enhancing and embedding enterprise risk management. The Committee has also reviewed and approved the ongoing enhancements to the internal audit function and its key activities, including the Internal Audit Charter and compliance with the IIA's Code of Practice.

In the context of appointing the Group Head of Internal Audit and Risk Management, the Committee has reviewed and approved the resourcing and budget of the internal audit function more broadly. The Committee has considered the current co-sourcing relationship with BDO, led by the Group Head of Internal Audit and Risk Management. The relationship with BDO has operated well throughout 2023.

The Group Head of Internal Audit and Risk Management has attended every meeting of the Audit and Risk Committee in the year. He has had ongoing contact with the Audit and Risk Committee throughout the year, including meetings without management being present. The Group Head of Internal Audit and Risk has monthly meetings with the Chair of the Committee and has had access to the Chair of the Board as required. The Group Head of Internal Audit and Risk Management reports directly to the Chair of the Audit and Risk Committee with a functional reporting line to the Chief Financial Officer.

Audit and Risk Committee report

The 2023 internal audit plan was completed, and the number of audits has increased year on year. In 2023, there were a number of reviews in the Group's operations in the UK, Italy, Greece, India, Canada, China, the US and Mexico in addition to internal audit advisory work in supporting the Group and divisions on risk and control matters.

The Committee reviewed the activity of internal audit throughout the year, including progress in delivering the 2023 audit plan, audit reports, completion of audit recommendations, and approving the 2024 internal audit plan. The focus of internal audit in the year has been on a range of risk areas and included reviews of key Group policies, financial and IT controls. Regular review and tracking of internal audit recommendations takes place throughout the year, complemented by follow-up audits, as appropriate, based on risk.

The Audit and Risk Committee reviewed the effectiveness of internal audit for the financial year and the Committee concluded the function had performed well. No significant issues for improvement were noted. The Committee confirmed that it considered that the internal audit function had been effective in discharging its duties independently and objectively and was sufficiently resourced.

External audit

Key activities of the Committee in the last twelve months

- Reviewed and approved Deloitte's terms of engagement and audit plan, including audit fees, scope, risk assessment and the threshold levels of materiality for the Group's financial statements
- Considered the independence and objectivity of Deloitte
- Reviewed Deloitte's report following completion of the audit and the management representation letter
- Reviewed and approved the policy on the provision of non-audit services by the external auditors

The Committee is responsible for managing the relationship with, and the performance of, the external auditors, which includes making recommendations in respect of the appointment, reappointment and, if necessary, removal of the external auditors.

Appointment of the external auditors

As outlined in the 2021 Annual Report and Accounts, during 2021, the Audit and Risk Committee oversaw a formal tender process for external audit services for the financial year ending 31 December 2022 onwards. Following a robust process, the Board appointed Deloitte to succeed PwC and a resolution was passed to appoint Deloitte as external auditor at the 2022 AGM, with James Hunter taking the role of Group audit partner on appointment.

The Committee considers that during 2023, the Group complied with the mandatory audit processes and audit committee responsibility provisions of the Competition and Market Authority Statutory Audit Services Order 2014.

Scope of the audit

In reviewing the scope of the audit, the Committee considered specific risk areas and whether there were any areas of work not already addressed by the audit plan that the Committee would like the auditors to perform. The Committee concluded that the audit scope sufficiently addressed the key risk areas and there were no specific additional pieces of work that the Committee requested the auditors to perform.

External audit effectiveness

A key responsibility of the Committee is ensuring the continued effectiveness of the external audit.

The Committee has met regularly with Deloitte during the year and has reviewed reports prepared by Deloitte. A formal audit effectiveness assessment process was conducted, using a standard questionnaire completed by employees having involvement in the global audit, as well as members of the Audit and Risk Committee, covering areas such as audit quality, competency, planning, execution, and communication. Consideration was given to whether Deloitte had sufficiently demonstrated professional scepticism, with this being evident through Deloitte's challenge to management on key judgements and estimates, in particular adjusting items, assumptions used in valuing the Lawrence intangible assets, and assumptions used in impairment testing. The Committee also reviewed the FRC's Audit Quality and Supervision report on Deloitte and discussed its findings with the audit partner.

Having considered the effectiveness assessment results, the regulatory quality review results, observations through interactions and review of the quality of the reports on audit findings, as well as areas where Deloitte had challenged management and demonstrated professional scepticism, the Committee was satisfied that Deloitte has provided an effective audit.

Auditors' independence and objectivity

The Committee recognises the importance of auditors' independence and receives reports from Deloitte during the year in respect of their compliance with the fundamental principles of objectivity, integrity and professional behaviour, including independence. Deloitte has provided its annual independence confirmation to the Audit and Risk Committee in March 2024. The Committee reviews the policy on auditors' independence and non-audit services annually, and takes into consideration the nature, scope and appropriateness of non-audit services supplied by the external auditors, while taking into account that the provision of certain non-audit services can be most effectively provided by the Group's external auditors.

The policy on auditors' independence and non-audit services was reviewed and approved during the year, with no significant changes made. A copy of this policy may be found on the Group's website.

The Committee was satisfied with the external auditors' independence and objectivity.

Audit and non-audit fees

The Committee regularly reviews the audit fees to ensure these are appropriate to enable an effective and high-quality audit to be conducted. The fee for the 2023 Group audit is £1.3 million (2022: £1.1 million). The increase in the fee is primarily driven by an increase in audit market rates and additional scope in relation to the audit of the Lawrence acquisition, offset by a reduction in the number of legal entities requiring statutory audits. Further information in respect of the audit fee can be found in note 4 to the Group financial statements.

During 2023, non-audit fees paid to Deloitte were 5.4% (2022: 5.6%) of the annual Group audit fee. This work related entirely to the provision of compliance or regulatory services customarily performed by external auditors, including the interim review, which is classed as a non-audit service. Approval of the Audit and Risk Committee is required for all non-audit services.

The Committee is satisfied that the provision of such services does not, in any way, prejudice the objectivity and independence of the external auditors.

Governance and Committee effectiveness

Key activities of the Committee in the last twelve months

- Considered the effectiveness of the Group's cybersecurity controls
- Reviewed the Group's whistleblowing arrangements and reports
- Reviewed the fraud risk management processes and approved the fraud risk management policy
- Reviewed the sustainability and climate change reporting
- Considered the effectiveness of risk management and internal control systems
- Reviewed the Group's Principal Risks and Divisional Risk Registers

Governance

The Committee assessed the Group's compliance with the Code, which included receiving a report from management outlining how each of the requirements of the Code had been addressed.

The Committee also reviewed the Group's non-financial reporting practices and disclosures and assessed compliance with the s172 requirements. This included a review of the sustainability report, stakeholder engagement disclosures and s172(1) statement.

The Committee is satisfied that the Group has complied with the Code and non-financial reporting regulations.

Committee effectiveness

Committee effectiveness was included as part of the overall internally facilitated effectiveness evaluation of the Board and its committees, and the Committee was found to be effective. The report on the Board and Committees evaluation can be found on pages 118 to 119 and page 124.

Audit and Risk Committee priorities for 2024

The priorities for the Committee for 2024 are set out below:

- Continued focus on financial reporting and related internal controls including the Group's climate change and sustainability related disclosures
- Oversight of plans to prepare for, and respond to, forthcoming changes in corporate governance, including the updated UK Corporate Governance Code released in January 2024, and financial reporting requirements
- Development of the Group risk management processes, including the principal and emerging risks facing the Group. This will include tracking progress of cybersecurity risk management
- Oversight of the Group's ethics and compliance programme and related activities including fraud risk management and controls

On behalf of the Audit and Risk Committee.

Margaret Amos

Chair, Audit and Risk Committee

6 March 2024

Remuneration report



The Committee believes that Tyman's Remuneration Policy remains credible, effective and appropriately aligned to market best practice."

Paul Withers
Chair of the Remuneration Committee

Number of meetings:

6

Membership of the Committee as at 31 December 2023:

- Paul Withers (Chair) – appointed February 2020
- Nicky Hartery – appointed October 2020
- Pamela Bingham – appointed January 2018
- David Randich – appointed December 2021
- Margaret Amos – appointed 19 June 2023

Dear shareholder

On behalf of the Board, I am delighted to present the report of the Company's Remuneration Committee for the year ended 31 December 2023.

As in previous years, this report is set out in three sections:

- This Annual Statement, which summarises the key decisions made by the Remuneration Committee during the year and how they were arrived at
- Our proposed 2024 Remuneration Policy (pages 135 to 141), which is being submitted for approval by shareholders at the 2024 Annual General Meeting (AGM)
- The Annual Report on Directors' remuneration, which describes the implementation of our 2021 Remuneration Policy (the Policy) in 2023, and how we intend to implement our proposed 2024 Remuneration Policy this year. This section of the report will be put to shareholders, for an advisory vote, at the 2024 AGM (pages 143 to 158).

Leadership changes during the year

During the year, Tyman announced several changes to its Board and executive team for which the Committee was tasked with determining the remuneration arrangements in line with the Policy approved by shareholders.

On 6 April 2023, it was announced that Jo Hallas was stepping down as Chief Executive Officer after four years in that role. In accordance with her service contract and the Policy, Jo remains an employee and continues to receive base pay and contractual benefits over her twelve-month notice period. She remained eligible for an annual bonus in respect of the 2023 financial year, pro-rated to reflect her period of active service and with the timing and form of any payment consistent with normal practice. Jo was treated as a 'Good Leaver' for the purposes of her outstanding 2021, 2022 and 2023 LTIP awards, with full details of the time pro-rating and performance testing of these awards set out on page 148. Jo is also subject to a post-employment shareholding requirement in accordance with the Policy.

Effective from the same date, Jason Ashton, Chief Financial Officer, was appointed as Interim Chief Executive Officer to lead the execution of Tyman's strategy to deliver shareholder value until a permanent successor to Jo could be appointed. To recognise and reward this increased responsibility and workload, the Committee resolved that Jason would be eligible for a stepping-up allowance of £15,000 per month (equivalent to £180,000 per annum and a c.17% discount to the difference between the 2023 CEO and CFO salary levels). In addition, the Committee agreed that Jason's allowance should be bonusable at his normal opportunity (125%) with the payout of this additional opportunity linked to an assessment of his performance in leading the Group through his tenure as Interim CEO and effecting a smooth handover to a permanent successor at the appropriate time. Further details of this assessment and resulting payments are included on page 145. Jason returned to his role as Chief Financial Officer effective 2 January 2024.

Following a rigorous and extensive search process, Tyman was delighted to announce the appointment of Rutger Helbing as Chief Executive Officer with effect from 2 January 2024. With over seven years' experience as a FTSE Executive Director, most recently as CEO of Devro plc, Rutger brings a wealth of experience to the Tyman Board. Reflecting this background and recognising that pay for the Chief Executive role at Tyman is at an appropriate level, the Committee appointed Rutger on a base salary of £600,000 per annum (being equal to the salary of his predecessor plus an inflationary adjustment for 2024). In line with his predecessor, Rutger is eligible for a pension contribution of 7% of salary (in line with the majority of the wider workforce), a maximum bonus of 150% of salary (commencing in 2024) and an annual LTIP grant of 150% of salary.

Performance and reward in 2023

As outlined in the Chair's Statement on pages 4 to 5 and Chief Executive Officer's Review on pages 30 to 32, the Group's performance in 2023 was in line with expectations, despite a volatile and challenging external market environment. Financial and operational highlights this year included:

- an excellent adjusted operating cash conversion of 143%;
- the successful acquisition of Lawrence Industries to expand Tyman's market-leading hardware portfolio in North America;
- validation of the Group's ambitious carbon reduction targets by the Science Based Targets initiative;
- the Group's best ever health and safety performance, with a 29% year-on-year improvement in LTIFR and a 26% improvement in TRIR; and
- good progress against all pillars of the Group's 'Focus, Define, Grow' strategy.

As disclosed in last year's report, Executive Director salaries were increased by 5.0% with effect from 1 January 2023, which was in line with the increase awarded to other senior executives but below the UK workforce average increase of 7.3%. Both the CEO and CFO also continued to receive cash in lieu of pension contribution amounting to 7% of salary, in line with the rate available to the wider UK employee population.

The annual bonus was operated in line with the Policy for Executive Directors in 2023. 50% of the annual bonus was based on adjusted PBT, with Tyman's 2023 outturn of £75.0 million resulting in an above target payout under this element. As noted above, Tyman's in-year cash performance was strong, with the cash conversion of operating profit element of the bonus significantly exceeding the stretch target set at the start of the year, and the cash generation versus target coming in just below maximum payout for that element (each 15% of the bonus opportunity). Performance against the final bonus measure, inventory days (weighted 20%), resulted in a payout of around target for this element. Overall, this resulted in an annual bonus outturn of 68.5% of maximum for Jason Ashton and Jo Hallas (who, as noted above, was eligible for a pro-rated annual bonus to reflect her period of service during 2023). The Committee reviewed the formulaic outcome of the bonus in the context of underlying performance, concluding that the outcome appropriately reflected the Group's robust performance in challenging market conditions.

Additionally, and as also noted earlier in this report, Jason Ashton was eligible for an incremental step-up bonus opportunity determined by reference to his stepping-up allowance payable for serving as Interim CEO. Following year-end, the Committee assessed Jason's performance against the objectives set for him on assuming the Interim CEO role and concluded that he had met these in full. In making this determination, the Committee considered Jason's performance in leading the management team, leading the negotiation and successful integration of Lawrence Industries, and working effectively with the wider group of Tyman stakeholders in a period of transition. Accordingly, a step-up bonus amounting to £164,712 became payable to Jason, in addition to the annual bonus payment set out in the previous paragraph. 50% of the total bonus payouts earned by the Executive Directors will be converted to Tyman shares under the Deferred Share Bonus Plan (DSBP) and deferred for three years. Further details, including bonus targets and outcomes, are included on page 146.

The performance period for the LTIP awarded in 2021 ended on 31 December 2023. This award was based 40% on 3-year EPS growth, 25% on 2023 ROCE, 20% on relative TSR and 15% on a scorecard of four ESG measures. Actual adjusted EPS for 2023 was 3.4% per annum higher than the 2020 base year, whilst Tyman's 2023 ROCE was 11.7%. In both cases, outcomes were below the threshold targets set at the start of the performance period, and resulted in no vesting under these elements of the award. For the relative TSR element, Tyman's performance over the period was ranked at the 54th percentile vs. the constituents of the FTSE250 Index (excluding investment trusts), warranting 36.4% vesting for this element. The remainder of the LTIP was based on the ESG scorecard, against which Tyman performed strongly, resulting in 94.2% vesting for that element. In approving the overall vesting outcome of 21.4% for the Executive Directors, the Committee took into account the underlying performance of the Company over the period, concluding that this supported the overall formulaic outcome. Further details are included on page 147.

Overall, the Committee is satisfied that pay outcomes in respect of the year ended 31 December 2023 are appropriate and commensurate with the Company's underlying performance and, accordingly, we have not applied any discretion, either upwards or downwards.

Proposed revisions to the Remuneration Policy

In line with the reporting regulations, we are required to submit a new Remuneration Policy to shareholders for approval at the upcoming AGM. The Committee reviewed the current Policy during 2023 and concluded that it remains credible, effective, and appropriately aligned to market best practice. The Committee is also mindful that the implementation of the current Policy in the past two years has been strongly supported by shareholders, averaging more than 99% support. We are, therefore, submitting a substantially unchanged Policy to shareholders, save for minor wording updates to reflect prevailing investor and proxy advisor expectations.

Remuneration report

The main changes of note to highlight are to:

- make it clear that Executive Director salary increases will generally be *no higher than* the workforce rate in the relevant Director's country of residence (the current Policy refers to such salary increases being broadly in line with this rate);
- broaden the list of trigger events for our recovery and withholding provisions, to include: calculation error; corporate failure leading to the appointment of a liquidator or administrator; and serious reputational damage or breaches of applicable regulatory requirements due to management failure; and
- be more explicit that, in keeping with our approach to implementation, only Executive Directors deemed to be 'good leavers' would be eligible to receive an annual bonus relating to their year of cessation.

The Committee wrote to major shareholders in early 2024 to seek feedback on the proposed Policy and on remuneration at Tyman more broadly. No changes to the original proposals were made as a result of this consultation, with the feedback received being generally very positive and supportive of the Committee's approach.

Review of Chief Financial Officer remuneration

Towards the end of the year, the Committee undertook its periodic review of data for CFO positions in comparable FTSE companies. This review indicated that our current package for the role is positioned around the lower quartile of the market. Over the period since joining Tyman almost five years ago, Jason's performance has been consistently strong, including in stepping up to the Chief Executive role on an interim basis in 2023, during which time he led the successful acquisition of Lawrence Industries. Looking ahead to a new chapter in Tyman's leadership, the Board believes that Jason's expertise, contribution and in-depth knowledge of our business and the sector is of significant value to Tyman's stakeholders and will underpin further value creation going forward. In recognition of this, the Committee resolved that it would be appropriate to bring his remuneration more into line with competitive CFO market levels in 2024.

Following consideration of the range of factors outlined above, Jason's salary was set at £410,000 with effect from 1 January 2024. This represents a c.13% increase on 2023, comprising a 9.8% merit increase and a 3.5% inflationary increase to align with the budgeted level for Tyman's senior executive population. Additionally, and so that the increase in his total remuneration is delivered across both fixed and variable/at-risk elements linked to Tyman's performance, Jason's annual LTIP grant will increase from 125% of salary to 150% of salary. The remainder of his package will remain unchanged, with a pension contribution of 7% of salary (in line with the workforce) and a maximum bonus opportunity of 125% of salary.

Implementation of the new Policy in 2024

The Committee remains confident that its approach to incentivising and rewarding Executive Directors continues to effectively support Tyman's short- and long-term strategic objectives and promote management and shareholder alignment.

As noted in the sections above, Rutger Helbing's starting salary was set at £600,000, whilst Jason Ashton's salary as CFO was increased to £410,000 with effect from 1 January 2024. The average increase for UK employees for 2024 is 3.8%. In the UK, Tyman remains an accredited Living Wage Employer by the Living Wage Foundation and has implemented the rates set by the Living Wage Foundation for 2023, resulting in more significant increases for some of our entry level operations and customer services colleagues.

Executive Directors will continue to receive cash in lieu of pension at a rate of 7% of salary, in line with the UK workforce.

Maximum annual bonus opportunities will be 150% of salary for the CEO and 125% for the CFO, with targets continuing to be based 100% on financial performance. For 2024, the bonus scorecard will be simplified to comprise three measures that will be cascaded on a consistent basis into the organisation. The bonus will continue to be linked to measures of profit and cash performance, reflecting the key short-term operational priorities for the Group and its Divisions that underpin success longer-term: 60% of the bonus opportunity will be based on Adjusted operating profit, 20% on Operating cashflow "(OCF", measured post-capex but before major projects), and 20% on OCF conversion (as a % of Adjusted operating profit).

2024 LTIP award levels will be 150% of salary for the CEO and CFO, with the latter having been increased from 125% of salary, as noted above. Vesting will continue to be based on a blend of adjusted EPS, ROCE, relative TSR and a Sustainability Scorecard, with full details of the target ranges for each of these measures on page 156.

Employee engagement on executive remuneration

In 2023, I met with diverse groups of Tyman employees in the UK, the USA, Mexico and Italy in my capacity as Chair of the Remuneration Committee. At these meetings, amongst other things, we discussed how executive remuneration is structured. Such meetings have provided the Remuneration Committee with valuable insights into employee perceptions of executive remuneration and have informed the restructuring of the remuneration framework for the leaders of Tyman North America, to ensure that the business is better able to compete for talent.

Closing remarks

The Committee will continue to review the appropriateness of the remuneration arrangements for Tyman in the context of its strategy and culture, as well as wider market developments. The Committee looks forward to your continued support at the 2024 AGM, where I will be happy to answer questions or receive feedback on any aspect of the Group's remuneration.

Paul Withers

Chair, Remuneration Committee

6 March 2024

Remuneration policy report

This section sets out the Remuneration Policy for Executive and Non-executive Directors that will be submitted to shareholders for approval at the 2024 AGM on 16 May 2024. If approved, the new policy will be effective for a period of up to three years from that date (i.e. until the Group's 2027 AGM). Details of the minor proposed revisions to the policy are set out in the Annual Statement on pages 133 to 134.

The 2018 UK Corporate Governance Code sets out principles against which the Committee should determine the policy for executives. A summary of these principles, and how the proposed Policy reflects these, is set out below:

Principle	Our approach
Clarity	We remain committed to transparent Director pay decisions, with the rationale for decisions, awards and, in particular, incentive targets and outcomes, published in detail.
Simplicity	Our Policy consists of fixed remuneration, annual and long-term incentive components only. The share incentive and bonus schemes were designed with simplicity and shareholder preference in mind.
Risk	<p>The combination of reward for short-term business performance (50% deferred into shares for three years) and long-term, sustainable earnings performance and returns ensures the incentives drive the right behaviours for the Group, its shareholders, employees and customers.</p> <p>Formulaic outcomes produced by the performance conditions can be overridden where, in the Committee's opinion, they do not reflect the true performance of the business or individual Directors' contributions.</p> <p>Furthermore, all variable pay awards are subject to malus and clawback provisions.</p>
Predictability	There are defined threshold and maximum pay scenarios, which we have disclosed on page 142.
Proportionality	There is a clear and direct link between Group performance and individual rewards under the annual bonus and LTIP. No variable remuneration is payable for performance below a defined threshold level.
Alignment to culture	<p>The Remuneration Committee has worked hard to formulate a Policy and incentive plans that support a performance culture, driving sustainable growth, whilst also rewarding appropriate short-term business performance, without encouraging excessive risk taking or unsustainable Company performance.</p> <p>Financial and non-financial incentive measures reflect and support business strategy. Our assessment of annual performance considers both what is delivered and how the Executive Directors have delivered it.</p>

Remuneration report

Link to strategy	Operation	Maximum opportunity	Metrics
<h2>Base salary</h2>			
<p>To pay Executive Directors at a level commensurate with their contribution to the Company and appropriately based on skill, experience and performance achieved</p> <p>The level of salary paid is considered appropriate for motivation and retention of the calibre of executive required to ensure the successful formation and delivery of the Group's strategy and the management of its business in the international environment in which it operates</p>	<p>Base salary is paid monthly in cash.</p> <p>The Executive Directors' salaries are set having regard to typical pay levels at companies of a similar size, internationality and complexity.</p> <p>Salaries are normally reviewed annually and are, typically, effective from 1 January each year. When reviewing salaries, the Committee considers all relevant factors, including:</p> <ul style="list-style-type: none"> • prevailing market and economic conditions; • scope and responsibilities of the role; • the level of increase for other roles within the business; and • Company and individual performance. 	<p>There is no prescribed maximum salary.</p> <p>Salary increases for Executive Directors will generally be no higher than the general annual salary increase received by Group employees in the relevant Director's country of residence.</p> <p>The Committee retains the discretion to award larger increases, for example, to reflect a change in role, development and performance of a Director, or to reflect an increase in complexity of the Group.</p>	<p>Whilst there are no performance targets attached to the payment of salary, Company and individual performance are factors considered in the salary review process.</p>
<h2>Benefits</h2>			
<p>To provide a range of market competitive benefits to facilitate the recruitment of high-calibre individuals and encourage their retention</p>	<p>Executive Directors are eligible for a range of benefits, which may include</p> <ul style="list-style-type: none"> • life assurance cover; • critical illness cover; • private medical and dental cover; • car allowance; and • professional tax and financial advice. <p>Additional benefits may also be provided in certain circumstances, which may include relocation and associated expenses.</p> <p>Other benefits may be offered if considered appropriate, reasonable and necessary by the Committee and any reasonable business-related expenses can be reimbursed (including tax thereon if determined to be a taxable benefit).</p> <p>Executive Directors are eligible for other benefits introduced for the wider workforce on broadly similar terms.</p>	<p>No overall maximum level has been set since some costs may change in accordance with market conditions.</p> <p>Benefits are reviewed by the Committee on an annual basis and set at an appropriate market rate.</p>	<p>No performance metrics apply.</p>

Link to strategy	Operation	Maximum opportunity	Metrics
Pension			
<p>To provide a market-competitive benefit for retirement, to facilitate the recruitment of high-calibre individuals and encourage their retention</p>	<p>Executive Directors are eligible to participate in the relevant pension arrangements offered by the Group or to receive a cash salary supplement in lieu of pension entitlement.</p> <p>The Committee may amend the form of any Executive Director's pension arrangements in response to changes in legislation or similar developments, provided that the amendment does not materially increase the cost to the Company of the pension provision.</p>	<p>The maximum pension contribution/allowance for Executive Directors is set in line with the majority of the wider UK workforce (currently 7% of base salary).</p>	<p>No performance metrics apply.</p>
Annual bonus			
<p>To incentivise and reward achievement of annual goals consistent with the strategic direction of the business</p> <p>To create further alignment with shareholders' interests via the delivery and retention of deferred equity</p>	<p>Rewards annual performance against targets set and assessed by the Committee.</p> <p>Any bonus payable under the annual bonus scheme is paid 50% in cash and 50% in shares deferred for three years under the Deferred Share Bonus Plan (DSBP) and is not pensionable.</p> <p>Dividend equivalents may accrue on deferred bonus shares during the deferral period and be paid at the Committee's discretion on vested deferred bonus shares at the time of vesting.</p> <p>Three-year recovery and withholding provisions apply.</p> <p>The Committee has discretion to override formulaic outcomes (under both financial and non-financial metrics) if deemed appropriate.</p>	<p>The maximum annual bonus opportunity for the Executive Directors is 150% of salary.</p>	<p>Performance metrics are selected annually based on the objectives of the business at the time, with the majority of the bonus linked to financial metrics. Annual financial performance targets have, historically, been focused on profit and cash generation metrics.</p> <p>Performance below threshold results in zero payment. Payments normally rise from 0% to 100% of the maximum opportunity for performance between the threshold and maximum targets.</p>

Remuneration report

Link to strategy	Operation	Maximum opportunity	Metrics
Long Term Incentive Plan			
<p>To align the interests of senior executives to those of shareholders in developing the long-term growth of the business and execution and delivery of the Group's strategy</p> <p>To facilitate share ownership</p>	<p>Consists of awards of shares or nil-cost options that vest subject to the achievement of performance conditions.</p> <p>Participation and individual award levels will be determined at the discretion of the Committee and within the approved limits of the policy.</p> <p>The Committee reviews the LTIP performance measures in advance of each grant to ensure their ongoing appropriateness and, where material changes to performance measures are proposed, it consults with shareholders.</p> <p>Awards made under the LTIP are non-pensionable and will normally require Executive Directors to retain any awards that vest, net of tax, (whether held as shares or options) for a minimum of two further years from the date of vesting.</p> <p>Three-year recovery and withholding provisions apply.</p> <p>Dividend equivalents may accrue during the vesting period and be paid to the extent that awards vest.</p> <p>The Committee has discretion to override formulaic outcomes (under both financial and non-financial metrics) if deemed appropriate.</p>	150% of salary	<p>Awards are subject to the achievement of defined targets measured over three financial years, starting at the beginning of the financial year in which the award is made.</p> <p>In respect of each performance measure, performance below threshold results in zero vesting. The starting point for the vesting of each performance element will be no higher than 25% of the maximum opportunity and will rise in a straight-line basis to 100% of maximum opportunity for attainment of levels of performance between threshold and maximum.</p> <p>Awards will be granted subject to performance conditions that measure the long-term success of the Company. The Committee may introduce or re-weight performance measures so that they are directly aligned with the Company's strategic objectives for each performance period.</p>
Shareholding requirements			
<p>To motivate and reward the creation of long-term shareholder value. To ensure alignment with shareholders' interests</p>	<p>Executive Directors are required to build and maintain a minimum shareholding equivalent to 200% of basic salary, normally to be achieved within five years of appointment.</p> <p>Executive Directors are required to retain at least 50% of shares vesting (after any disposals necessary to pay associated tax charges) or such higher percentage (as the Committee may determine, in light of the extent to which the holding requirement has been met) under both the DSBP and the LTIP until the minimum shareholding is reached.</p>		No performance metrics apply.

Link to strategy	Operation	Maximum opportunity	Metrics
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Post-employment shareholding requirement

To further strengthen alignment with shareholders' interests in the long term	Executive Directors are required to retain a minimum number of shares for two years post-employment equivalent to the lower of 100% of basic salary or the actual shareholding at the time of departure. This is enforced by having such shares deposited in accounts that require the Company's approval for their release. Shares purchased by Executive Directors and shares under any buy-out awards are not included for the purpose of post-employment shareholding.		No performance metrics apply.
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Chair and Non-executive Director fees

To attract and retain high-calibre Non-executive Directors	<p>The Board's Chair fee is set by the Committee. Non-executive Director fees are set by the Board.</p> <p>Fees are normally reviewed annually, but not necessarily increased. Reviews take into account the time commitment, responsibilities and fees paid by companies of a similar size and complexity.</p> <p>Fee increases, if applicable, normally take effect from 1 January.</p> <p>Additional fees may be paid to Chairs of Board Committees, to the Senior Independent Director and to the Non-executive Director designated as being responsible for employee engagement.</p> <p>If there is a temporary, yet material, increase in the time commitments for Non-executive Directors, the Board may pay extra fees on a pro rata basis to recognise the additional workload.</p> <p>No eligibility to receive bonuses or retirement benefits or to participate in the Group's long-term incentive plans or employee share plans.</p> <p>Any reasonable business-related expenses can be reimbursed (including tax thereon if determined to be a taxable benefit).</p> <p>This may include a travel allowance to reflect the additional time commitment of intercontinental travel required of the Non-executive Directors, based on their home location and the location of the Board meeting.</p>	Aggregate annual fees to Directors are limited to £700,000 under the Company's Articles of Association.	No performance metrics apply.
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Remuneration report

Notes to the Remuneration policy table

1. Recovery and withholding provisions may be applied to cash bonuses, DSBP awards and LTIP awards in the circumstances of a material misstatement, gross misconduct, a material misjudgement of the performance of the Company, calculation error, corporate failure leading to the appointment of a liquidator or administrator, or either serious reputational damage or breaches of applicable regulatory requirements due to management failure.
2. For the avoidance of doubt, by approval of the policy, authority has been given to the Company to honour any commitments entered into with current or former Directors that have been disclosed to shareholders in previous Directors' Remuneration reports. Details of any payments to former Directors, where required by relevant regulations, will be set out in the Annual Report on Directors' Remuneration as they arise.
3. The Remuneration Committee retains discretion over the operation of certain elements of pay, particularly variable pay. This includes the overriding discretion to adjust either the annual bonus or LTIP if the formulaic outcome is not considered to be reflective of Company performance. In addition, the Committee may adjust elements of each plan including, but not limited to:
 - participation;
 - the timing of the grant and/or payment;
 - the size of an award (up to plan limits) and/or payment;
 - discretion relating to the measurement of performance in the event of a change of control;
 - determination of a good leaver for incentive plan purposes;
 - adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends);
 - in certain circumstances to grant and/or settle bonus or LTIP awards in cash; in practice, this will only be used in exceptional circumstances for Executive Directors;
 - the revision of any formulaic outcomes of bonus and LTIP awards downwards or upwards in the event that an exceptional negative or positive event occurs during the bonus year in question; however, in practice, the Committee would not normally expect to revise any formulaic outcomes upwards; and
 - the ability to recognise exceptional events within the existing performance conditions.
4. Annual bonus performance metrics are determined at the start of each year based on the key business priorities for the year. The majority will be based on clear financial targets that may include, but are not limited to, profit and cash generation as, when combined, these are considered to be strong indicators of sustainable growth. Targets for the annual bonus are set with reference to Tyman's strategy and internal budget, as well as taking into account relevant external reference points (e.g. broker consensus and market outlook). This approach aims to ensure that the target range set is appropriately challenging, without encouraging excessive risk-taking.

5. LTIP performance metrics are determined at the time of grant. Performance measures may include measures of profitability (such as EPS), measures of capital allocation discipline (such as ROCE), measures linked to other strategic priorities (such as ESG) and other measures of long-term success (such as relative TSR). These measures align with the Company's goal of value creation for shareholders through financial growth and above market returns. Performance against targets may also be subject to appropriate discretionary underpins. Target setting for the LTIP follows a similar approach to that used for the annual bonus, as detailed above

Executive Directors' service agreements and exit payment policy

The service agreements of the Executive Directors provide for a notice period of no more than twelve months from either party. On termination of their contract by Tyman, and during the period of notice, Executive Directors would be eligible to be paid their salary, pension contributions and other employment benefits (but not annual bonus or grants under long-term incentive plans) until the earlier of the end of the notice period or the Director obtaining full-time employment, with an obligation on the part of the Director to mitigate.

Payments will normally be made monthly, although the Committee retains discretion to agree settlement terms. These may include a pro rata bonus in respect of the period worked by the Executive Director up until the date of termination in cases where the individual is categorised as a 'good leaver' by the Committee. Bonuses in the final year of employment may also be settled in cash. The Committee may pay reasonable outplacement and legal fees where considered appropriate. The Committee may pay any statutory entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interests of the Company.

Executive Directors who are categorised as 'good leavers' by the Committee will, generally, be eligible to receive outstanding awards under the Executive Share Plans as they vest in future years. Awards that vest under the LTIP post-employment will normally be prorated to reflect the fact that the Executive Director was not employed for the entire period under measurement. The Committee retains discretion to waive the post-vesting holding period requirement for good leavers depending on circumstances. Similar provisions apply in the event of a change of control.

In the event that an Executive Director is dismissed for reasons constituting gross misconduct, all unvested awards under Executive Share Plans lapse and the Committee retains no discretion in this regard.

Non-executive Directors' letters of appointment and shareholding guidelines

The Chair and Non-executive Directors do not have service agreements but the terms of their appointment, including the time commitment expected, are recorded in letters of appointment. Non-executive Directors are employed for terms of three years' duration, terminable on a month's notice by the Company or the Director. All Non-executive Directors are required to undertake that they will submit themselves for re-election at each Annual General Meeting occurring during their term of office and no Non-executive Director will serve more than three terms of three years without prior shareholder approval.

Non-executive Directors do not have a minimum shareholding requirement; however, they are expected to acquire and retain a shareholding in the Group for the duration of their appointment.

Other policies

Recruitment of Executive Directors

The Committee's general policy on recruitment is that the structure of remuneration for new Executive Directors should be in line with the Policy in force at that time, with base salary set taking into account a range of factors, including the salary for the incumbent and the candidate's relative experience in role. The Committee may agree that the Company will meet certain relocation and associated expenses of a new Executive Director, subject to circumstances.

For a new Executive Director, their annual bonus framework and LTIP awards will be in line with the limits set out in the Remuneration Policy table. Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions to the current Executive Directors for the first year of appointment. An LTIP award can be made shortly following an appointment (assuming the Company is not in a Closed Period).

Where individuals are promoted to the Board from within the Group, their existing share grants or awards will be allowed to pay out on their original terms.

In certain circumstances, and in order to secure the services of an outstanding candidate, it may be necessary to make an award to a new Executive Director to buy out unvested share or cash awards forfeited on leaving their previous employment. Any such awards would be subject to independent confirmation of the existence, forfeiture on departure and probability of these historical awards vesting had the new Executive Director remained in post. In doing so, the Committee will seek to do no more than match the fair value of the awards forfeited, taking account of performance conditions attached to these awards, the likelihood of those conditions being met and the proportion of the vesting period remaining. Such awards may be made using existing arrangements or using the flexibility provided by the Listing Rules to make awards without prior shareholder approval.

Any such awards would be made in cash or in shares in Tyman plc and may be subject to performance conditions attached to Tyman.

Appointment of Non-executive Directors

New Non-executive Directors appointed to the Board will be paid in line with the fee rates applicable at that time. The Committee will review the fee for a new Chairman on appointment, taking into account a range of factors, including the fee for the incumbent and the candidate's relative experience in role. All Non-executive Director appointments will be subject to the same provisions concerning annual re-election and shareholdings as the then current Non-executive Directors.

Policy on external appointments

Executive Directors are allowed to accept external appointments as Non-executive Directors. In respect of quoted companies, this is limited to one other quoted company, subject to Board approval, provided that these are not with competing companies and are not likely to lead to conflicts of interest. Executive Directors would normally be allowed to retain the fees paid from these appointments. Executive Directors may not serve as the Non-executive Chair of another quoted company.

Other share plans

The Executive Directors may participate in any all-employee share plans on the same basis as other employees in their country of residence. The maximum level of participation is subject to the limits imposed by HMRC (or a lower cap set by the Company).

Employment conditions elsewhere in the Group

The Remuneration Policy for Executive Directors is consistent with that for other employees save lower levels of incentive opportunity based on seniority and market norms. All senior management employees of the Group participate in bonus arrangements, with all permanent UK, US and other international employees eligible to participate in one or more share schemes. Employees in certain other jurisdictions are also eligible to participate in all-employee share plans. Although the Committee does not consult directly with employees on the Directors' Remuneration Policy, the Committee considers any feedback gathered by management or the designated NED as well as the general basic salary increase, remuneration arrangements and employment conditions for the broader employee population when determining remuneration policy for the Executive Directors.

Consultation with shareholders and shareholder bodies

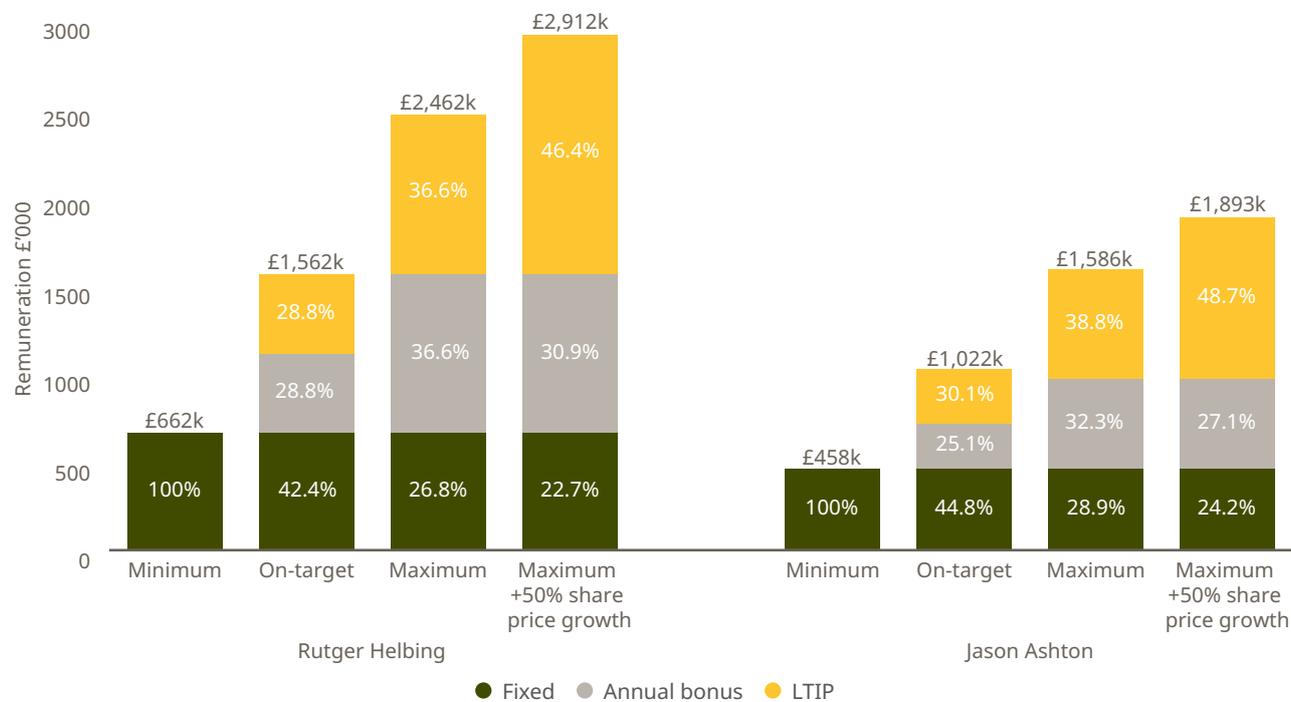
The Committee is committed to regular engagement with shareholders and governance bodies. In advance of implementing any material future changes to the Executive Directors' remuneration, the Committee would normally engage in consultation with shareholders.

All Committee members attend the Annual General Meeting and the Committee Chair may also be contacted through the Group's registered office or via email to the Group's Secretariat (cosec@tymanplc.com) to answer any questions shareholders or shareholder bodies may have in relation to the Group's remuneration policy.

Remuneration report

Illustrative performance scenarios

Performance scenarios for each Executive Director, for the financial year 2024, are set out below, showing an indication of the level of remuneration that would be received at minimum, on-target and maximum performance.



Four scenarios have been illustrated for each Executive Director:

Minimum performance	Fixed remuneration No annual bonus No vesting of LTIP awards
On-target performance	Fixed remuneration 50% annual bonus payout (CEO: 75.0% of salary, CFO: 62.5% of salary) 50% of LTIP awards vest (CEO: 75.0% of salary, CFO: 75.0% of salary)
Maximum performance	Fixed remuneration 100% annual bonus payout (CEO: 150% of salary, CFO: 125% of salary) 100% of LTIP awards vest (CEO: 150% of salary, CFO: 150% of salary)
Maximum + 50% share price growth	Fixed remuneration 100% annual bonus payout (CEO: 150% of salary, CFO: 125% of salary) 100% of LTIP awards vest (CEO: 150% of salary, CFO: 150% of salary) and 50% share price growth applied to the LTIP award

The fixed pay element is based on the following elements:

- Base salary is the base salary effective for Rutger Helbing and Jason Ashton for the year ending 31 December 2024, as set out on page 156.
- For Jason Ashton, benefits are the annualised value of benefits paid in the year ended 31 December 2023, as set out in the table of Directors' remuneration on page 145. For Rutger Helbing, the benefits figure reflects a current best estimate of the value of benefits payable in the year ending 31 December 2024.
- Cash contribution in lieu of pension of 7% of base salary.

Annual report on Directors' remuneration

The Annual Report on Directors' remuneration set out below (together with the Remuneration Committee Chair's Annual Statement) will be put to a single advisory shareholder vote at the 2024 AGM. This report sets out the pay outcomes in respect of the 2023 financial year and explains how the Committee intends to operate in 2024, under the proposed Remuneration Policy that is being submitted for binding shareholder approval at the AGM. The information from the single figures of total remuneration for Directors on page 145 to the end of the section on payments to past Directors on page 151 has been audited. The remainder of the Annual Report on Directors' remuneration is unaudited.

Role of the Remuneration Committee

The Remuneration Committee is responsible for setting and implementing the Remuneration Policy for the Executive Directors and the Company's Chair.

In addition, the Committee considers the remuneration arrangements for all senior executives in the Group and other relevant senior managers. This ensures a consistent application of Remuneration Policy across the Group and aligns all senior managers' remuneration to the Group's strategic objectives. Remuneration received reflects the contribution made by senior executives to the business, the performance of the Group, the size and complexity of the Group's operations and the need to attract, retain and incentivise executives of the highest quality.

Committee membership

The members of the Committee during the year ended 31 December 2023 were as follows:

Remuneration Committee member	Appointed to the Committee
Paul Withers (Chair)	February 2020 (Chair since end of March 2020)
Nicky Hartery	October 2020
Pamela Bingham	January 2018
Helen Clatworthy ¹	January 2017
Dave Randich	December 2021
Margaret Amos	June 2023

¹ Helen Clatworthy stepped down from the Board and Committee on 21 July 2023.

All members of the Committee are independent Non-executive Directors. The Chief Executive attends meetings at the invitation of the Committee Chair. The General Counsel & Company Secretary acts as secretary to the Committee. Other individuals such as external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary. None of these individuals were present for or participated in any discussion in respect of their own remuneration.

The Committee held four scheduled meetings during the year to coincide with the Company's reporting cycle, including the approval of the Annual Report, and the management of the Executive Directors' remuneration and incentive plans. The Committee also met formally on two other occasions, to consider remuneration arrangements for interim Executive Directors, CEO recruitment and other ad hoc matters. The meetings (members' attendance at which is summarised on page 116) were conducted in person, using secure online meeting technology to facilitate attendance on occasions when members and other attendees were unable to be physically present.

The Committee operates under the terms of reference approved by the Board. The terms of reference were reviewed by the Committee during the year to ensure they: remained relevant for the aims of the Committee; continued to meet the requirements of the business, the Group's shareholders and other stakeholders; and reflected changes in corporate governance best practice. The terms of reference may be found on the Group website.

Remuneration report

Committee activities during the year

The Committee considered the following matters during the past twelve months:

Leadership transition	<ul style="list-style-type: none">• Approved the leaver arrangements for Jo Hallas• Approved the remuneration arrangements for Jason Ashton as Interim CEO• Approved the remuneration arrangements for Rutger Helbing as the new CEO
CFO remuneration	<ul style="list-style-type: none">• Conducted a periodic review of the CFO's remuneration package• Approved increases to the salary and LTIP opportunity with effect from January 2024
Salaries and fees	<ul style="list-style-type: none">• Reviewed and approved the base salaries to be paid to senior managers from 1 January 2024, taking account of pay award trends across the Group• Reviewed the Board Chair's fee
Bonus	<ul style="list-style-type: none">• Approved the structure of the 2024 bonus for the Executive Directors and senior managers• Following the end of the year, reviewed and approved payouts under the 2023 bonus
Share plans	<ul style="list-style-type: none">• Approved the proposed participant list, award opportunities and targets for the 2023 LTIP• Following the end of the year, reviewed and approved the vesting outcome of the 2021 LTIP• Approved the terms of the UK, US and International Employee Sharesave plans
Remuneration Policy	<ul style="list-style-type: none">• Considered minor revisions to Policy to ensure it remains fit-for-purpose and aligned with our culture, strategy and stakeholder interests• Commenced a consultation with major shareholders on the proposed Policy
Governance	<ul style="list-style-type: none">• Ensured the Group complied with gender pay gap and CEO pay ratio reporting requirements• Reviewed the Committee's terms of reference, in line with the Code• Assessed the Committee's performance and monitored progress against its set objectives• Following the end of the year, reviewed and approved this 2023 Remuneration Report

Stakeholder engagement

The Committee considered feedback received in advance of the 2023 AGM during the year. As noted earlier in the report, the Committee also engaged with Tyman's largest shareholders on minor proposed changes to the Remuneration Policy, and on changes to the CFO's remuneration for 2024.

During the year, we had regular engagement with diverse groups of employees around the business covering the UK, USA, Mexico and Italy. This engagement was co-ordinated through the Committee Chair and the Non-executive Director responsible for employee engagement. Discussions included, among other matters, our approach to how executive remuneration is structured. We gained valuable insight around our employees' perception of executive remuneration, which were fed back to the Committee for further consideration. This resulted in the restructuring of the remuneration framework for the leaders of Tyman North America, which positions the Company more competitively in the US talent market.

External advisers

During 2023, the Committee was advised by Ellason LLP ("Ellason"). Ellason was appointed by the Committee as its independent remuneration adviser following a competitive tender process in 2020 and the transfer of the lead adviser from another practice to Ellason with effect from 1 January 2021. Total fees for Ellason's advice provided to the Committee during the year were £55,995, excluding VAT (and charged on a time and materials basis). Ellason provided advice to the Committee on all aspects of its agenda during the year, including remuneration policy and incentive design, target setting, benchmarking, aspects of remuneration governance, and the implications for remuneration of the leadership transition. Ellason reports to the Chair of the Committee and has provided no other service to the Group during the year. The Committee has also reconfirmed that the individuals providing remuneration advice to the Committee do not have any connections with the Company that may impact their independence.

During 2023, the Committee also commissioned a benchmarking report from Willis Towers Watson covering the pay of senior executives. Total fees payable in respect of this report amounted to £8,975.

Both Ellason and Willis Towers Watson are signatories of the Remuneration Consultants Group Code of Conduct and any advice received is governed by that Code, which sets out guidelines to ensure that advice provided is independent and free of undue influence.

Remuneration outcomes for 2023

Single figure of total remuneration (audited)

The following table sets out the single figure of total remuneration for Directors for the financial years ended 31 December 2022 and 2023 (all numbers shown have been rounded):

	Year ended 31 December	Salary/fees £'000	Benefits ¹ £'000	Annual bonus: cash £'000	Annual bonus: deferred ² £'000	Vested LTIP awards ³ £'000	Cash Payments in lieu of pension ⁴ £'000	Other £'000	Total remuneration £'000	Total fixed £'000	Total variable £'000
Executive Directors											
Jo Hallas ⁵	2023	151	4	78	78	82	11	-	404	166	238
	2022	550	20	91	91	352	39	-	1,143	609	534
Jason Ashton ⁶	2023	493	20	237	237	77	25	-	1,089	538	551
	2022	344	20	47	47	251	24	-	733	388	345
Non-executive Directors											
Nicky Hartery	2023	215	-	-	-	-	-	-	215	215	-
	2022	205	-	-	-	-	-	-	205	205	-
Paul Withers	2023	73	-	-	-	-	-	-	73	73	-
	2022	70	-	-	-	-	-	-	70	70	-
Pamela Bingham	2023	61	-	-	-	-	-	-	61	61	-
	2022	58	-	-	-	-	-	-	58	58	-
Helen Clatworthy ⁷	2023	36	-	-	-	-	-	-	36	36	-
	2022	62	-	-	-	-	-	-	62	62	-
Dave Randich ⁸	2023	70	-	-	-	-	-	-	70	70	-
	2022	67	-	-	-	-	-	-	67	67	-
Margaret Amos ⁹	2023	34	-	-	-	-	-	-	34	34	-
	2022	-	-	-	-	-	-	-	-	-	-

¹ The benefits provided to the Executive Directors included a car allowance (£17,500 per annum) and private medical insurance. There were no changes to the benefit policies or levels during the year.

² Deferred bonuses are not subject to further performance or service conditions.

³ 2023 figures: The LTIP value captured in the table above reflects an estimated value of 2021 LTIP awards that are due to vest in 2024, based on the average share price for the three months to 31 December 2023 of 270.1p, and will be trued up in next year's Remuneration report to reflect the share price on the vesting date. None of the value of the LTIP is attributable to share price appreciation; the share price declined by 22.7% since the grant date. 2022 figures: The LTIP figures shown are based on the market price on the date of vesting. These amounts have been revised upwards from last year's report to reflect the actual share price on the date of vesting (but which remained below the grant price).

⁴ Jo Hallas and Jason Ashton each received cash in lieu of pension amounting to 7% of earned base salary. The Executive Directors are not members of any of the Group pension schemes.

⁵ Jo Hallas stepped down as Chief Executive Officer on 6 April 2023. Figures shown in the table relate to the period 1 January 2023 to 6 April 2023. Details of Jo's other remuneration in connection with her cessation of employment are set out in the relevant section on page 151.

⁶ The 2023 base salary figure for Jason Ashton includes the non-pensionable stepping-up allowance payable in respect of his service as Interim CEO. Similarly, his annual bonus figures include the additional bonus opportunity payable on this stepping-up allowance, as detailed on page 146.

⁷ Helen Clatworthy stepped down from the Board and Committees on 21 July 2023.

⁸ Dave Randich's fees include a travel supplement of £15,000 per annum.

⁹ Margaret Amos was appointed to the Board on 19 June 2023 and assumed the role of Chair of the Audit and Risk Committee from 21 July 2023.

Remuneration report

Determination of the 2023 Group Bonus Plan (audited)

The maximum bonus opportunities for Executive Directors in respect of the 2023 financial year were 150% of base salary for Jo Hallas and 125% of base salary for Jason Ashton. Of any amounts payable, 50% is paid in cash and 50% is deferred in shares that vest after three years. The outcome of the 2023 bonus, alongside the performance targets set, is shown below: The maximum bonus opportunities for Executive Directors in respect of the 2023 financial year were 150% of base salary for the Chief Executive Officer, and 125% of base salary for the Chief Financial Officer. Of any amounts payable, 50% is paid in cash and 50% is deferred in shares that vest after three years. The outcome of the 2023 bonus, alongside the performance targets set, is shown below:

Measure	Threshold 0%	Target 50%	Exceeds 100%	Performance achieved	Payout as % of maximum ²
Profit ¹ performance versus target ³ (50% weighting)	£62.3m	£73.3m	£84.3m	£75.0m	28.8%
Cash conversion of operating profit (15% weighting)	90%	100%	110%	143%	15.0%
Cash generation versus target ⁴ (15% weighting)	£104.3m	£115.9m	£127.5m	£127.3m	14.8%
Inventory days ⁵ (20% weighting)	130	111	92	111	9.9%
Total bonus achieved					68.5%

Note: numbers displayed are rounded up to aid clarity. However, payouts are based on unrounded outturns.

- Profit is defined as Adjusted Profit before Tax.
- Calculation is performed on the basis of targets and performance in £'000 rounded to one decimal percentage place.
- Profit performance versus target is measured on a constant currency basis.
- Cash generation targets for the Group exclude the investment impact of major projects. The Group recorded an Adjusted Operating Cash Flow in the year of £120.5 million and the investment impact of major projects in the year was £6.8 million.
- Inventory days is calculated in line with standard OneStream methodology used for inventory reporting and is based on gross inventory and the last three months of cost of sales annualised.

The annual bonus for Jo Hallas was pro-rated to reflect her period of active service during the year.

As noted in the Annual Statement, to incentivise and reward Jason Ashton during his period serving as Interim CEO, the Committee resolved that his stepping-up allowance of £15,000 per month would be bonusable at his normal opportunity level. Following year end, the Committee reviewed Jason's performance in leading the Group between April 2023 and January 2024, and in effecting a smooth handover to the new CEO, Rutger Helbing. The Committee approved a bonus payout of £164,712, 50% of which will be deferred in shares for three years. In making this assessment, the Committee noted in particular Jason's strong performance in leading the management team, leading the negotiation and successful integration of Lawrence Industries, and working effectively with the wider group of Tyman stakeholders in a period of transition. The values shown in the single-figure table for Jason are based on the aggregated total of these two bonuses.

DSBP awards granted during the year (audited)

The table below details the deferred shares granted on 10 March 2023 in respect of the 2022 annual bonus award:

Director	Number of shares ¹	Share price - five-day average ²	Face value ³	Vesting date
Jo Hallas	36,875	£2.461	£90,749	March 2026
Jason Ashton	19,245	£2.461	£47,362	March 2026

- Shares are deferred for three years.
- Over the five trading days preceding the date of grant (five trading days ended 9 March 2023).
- The actual value will be the value at the vesting date and will include dividend equivalents awarded in shares.

LTIP awards vesting in March 2024 (audited)

LTIP awards were made to Jo Hallas and Jason Ashton on 21 May 2021, subject to performance measured over three years ended 31 December 2023. Vesting was based on performance against the targets outlined below, which linked to the Company's adjusted EPS, ROCE, relative TSR and ESG performance over the three-year performance period.

Measure	Weighting	Performance range ¹		Outturn ²	
		Threshold (25% vesting)	Stretch (100% vesting)	Actual performance	% vesting
Adjusted EPS growth (CAGR)	40.00%	4.5% p.a.	12.0% p.a.	3.4% p.a.	0.0%
2023 ROCE	25.00%	13.0%	14.2%	11.7%	0.0%
Relative TSR ranking vs FTSE250 Index (xIT)	20.00%	Median	Upper quartile	54th percentile	36.4%
Safety: 2023 TRIR	3.75%	5.5	4.0	4.2	90.0%
Environment: 2023 TCO ₂ per £m revenue	3.75%	64.0	48.0	48.7	96.7%
Impact: 2023 sustainable product revenues	3.75%	17%	20%	23.3%	100.0%
Culture: employee engagement	3.75%	See commentary below			90.0%
TOTAL LTIP vesting					21.4%

¹ Straight-line vesting between these points. No award is made if performance is below threshold.

² No adjustments have been made to reported adjusted EPS or ROCE for the purposes of the LTIP.

Assessment of the Culture element of the LTIP was based on a qualitative assessment of improvement by the Workforce Engagement NED, taking into account factors such as eNPS, ethics training and incidents, diversity and inclusion, and talent development. Following year end, the Committee invited Pamela Bingham to present her assessment of the Group's performance against these factors, also taking into account the feedback that she has received from employees more generally over the period, in her role as Workforce Engagement NED. Based on this assessment, and following a robust discussion by the Committee, it was resolved that the Culture element would vest as to 90% of maximum, due to the strong positive perception from employees of the Company's culture, as conveyed through analysis of the business-wide culture and ethics surveys, in addition to discussions at skip-level meetings. However, Pamela noted that diversity and inclusion was identified as an area for the Company to strengthen.

Director	Date of award	Normal vesting date ¹	Number of shares under award	Dividend Equivalent Shares	Number of shares vested	Number of shares lapsed	Estimated award value on vesting ²
Jo Hallas	21 May 2021	May 2024	128,194	14,760	30,592	112,362	£82,629
Jason Ashton	21 May 2021	May 2024	118,445	13,638	28,265	103,818	£76,344

¹ The awards are subject to a two-year holding period after vesting.

² The estimated award value on vesting is based on the shares vesting (including Dividend Equivalent Shares) and the average share price for the three months to 31 December 2023 (of 270.1p).

³ Reflecting her treatment as a 'good leaver', Jo's original 2021 LTIP award of 205,111 shares was time pro-rated to take account of the period elapsed between the date of grant and 6 April 2023.

Remuneration report

LTIP awards granted during the financial year (audited)

LTIP awards were granted to Jo Hallas and Jason Ashton on 10 March 2023, with face values of 150% of salary for Jo Hallas and 125% of salary for Jason Ashton.

Director	Award scheme	Date of award	Normal vesting date ¹	Number of shares awarded	Face value of award £'000	Share price ²	Share award receivable at lower threshold
Jo Hallas ³	LTIP – nil cost options	10 March 2023	March 2026	351,991	866	£2.461	87,997
Jason Ashton	LTIP – nil cost options	10 March 2023	March 2026	183,705	452	£2.461	45,926

¹ The awards are subject to a two-year holding period after vesting.

² Calculated by reference to the five-day average closing price prior to the grant date (five trading days ended 9 March 2023) of £2.461.

³ Reflecting her treatment as a 'good leaver', Jo's 2023 LTIP award was subsequently time pro-rated (to 8,671) to take account of the period elapsed between the date of grant and 6 April 2023.

Vesting of the 2023 awards is based on four measures over a three-year period commencing 1 January 2023. Any awards vesting for performance will be subject to an additional two-year holding period, during which time clawback provisions will apply.

Performance will be measured against the targets as set out below:

Measure	Weighting	Basis of measurement	Threshold (25% vesting)	Stretch (100% vesting)
Adjusted EPS	40%	2025 adjusted EPS	39.6p	48.7p
ROCE	25%	three-year average, 2023–25	12.8%	14.2%
Relative TSR	20%	Ranking vs constituents of the FTSE250 Index (xIT)	Median	Upper quartile
Sustainability Scorecard				
Safety	3.75%	2025 TRIR ³	4.5	3.5
Sustainable Operations	3.75%	2025 TCO ₂ e per £m revenue ⁴	49	36
Sustainable Solutions	3.75%	% revenue from sustainable products in-use ⁵	21.0%	24.0%
Sustainable Culture	3.75%	Employee engagement	Qualitative assessment ⁶	

¹ Due to a typographical error, the pence range set out in last year's report did not align with that approved by the Committee. The approved range represents a compound annual growth rate of 4.5% to 12.0% p.a. applied to 2022 Adjusted EPS outturn of 34.7p.

² ROCE is based on a three-year average to FY25. The reduction to the target range (vs 2022 awards) is considered by the Committee to appropriately reflect a challenging and uncertain macroeconomic environment, and its overarching aim to set stretching but achievable targets for participants. The maximum vesting requirement is set slightly above our medium-term target.

³ Total Recordable Incident Rate. Aligns with Tyman's stated ambition to achieve a TRIR of <3.0 by 2026.

⁴ Tonnes of carbon dioxide equivalents per £m revenue is a measure of operational carbon emissions. Aligns with Tyman's stated ambition to achieve a 50% reduction by 2026 (relative to a 2019 baseline).

⁵ Reflects the % of total revenues that meet the UN Sustainable Development Goals (SDGs) in use.

⁶ To be based on a qualitative assessment of improvement by the Workforce Engagement NED, taking into account factors such as eNPS, ethics training and incidents, diversity and inclusion, and talent development.

For performance between Threshold and Stretch, the % vesting increases on a straight-line sliding scale.

Directors' interests in shares (audited)

The interests of each person who was a Director of the Company during the year ended 31 December 2023 (together with interests held by his or her connected persons) were:

Director	Owned outright or vested		Shares		Options		% of salary required (2023) ²	% of salary achieved ³	Guidelines met?
	31 December 2023 ¹	31 December 2022	Unvested and not subject to performance conditions	Unvested and not subject to performance conditions	Vested but not exercised	Unvested and not subject to performance conditions			
Nicky Hartery	159,797	102,818	-	-	-	-	-	-	-
Jason Ashton	109,579	33,592	67,738	439,905	-	7,697	200%	95%	Building
Paul Withers	115,000	90,000	-	-	-	-	-	-	-
Pamela Bingham	11,718	11,178	-	-	-	-	-	-	-
Dave Randich	50,000	50,000	-	-	-	-	-	-	-
Margaret Amos	-	-	-	-	-	-	-	-	-
<i>Former Directors:</i>									
Jo Hallas	354,866	249,597	120,850	222,830	-	-	200%	139%	n/a
Helen Clatworthy	16,689	21,757	-	-	-	-	-	-	-

¹ From 31 December 2023 to 6 March 2024 there were no changes to the above stated interests.

² As at date of ceasing to be a Director in respect of Jo Hallas and Helen Clatworthy.

³ Annualised base salary as at 31 December 2023 (excluding the temporary stepping-up allowance for Jason Ashton).

⁴ Based on the closing price of Tyman plc ordinary shares of £3.145p on 31 December 2023 (or date of cessation, if earlier), and Executive Directors' beneficial shareholdings at that date (i.e. shares owned outright or vested).

Remuneration report

Directors' interests in shares under all share plans (LTIP, DSBP and SAYE) (audited)

Award scheme	Award date	Shares over which awards were					held at 31 Dec 2023	Exercise price	Earliest vesting date ¹
		held at 1 Jan 2023	granted during the year	exercised during the year	cancelled during the year	held at 31 Dec 2023			
Jo Hallas									
LTIP	25/03/20	204,353	-	137,325	67,028	-			Mar 2023
LTIP ³	21/05/21	205,111	-	-	76,917	128,194			May 2024
LTIP ^{2,3}	14/04/22	263,915	-	-	177,950	85,965			Mar 2025
LTIP ^{2,3}	10/03/23	-	351,991	-	343,320	8,671			Mar 2026
DSBP	11/03/20	29,740	-	29,740	-	-			Mar 2023
DSBP	14/04/22	83,975	-	-	-	83,975			Mar 2025
DSBP	10/03/23	-	36,875	-	-	36,875			Mar 2026
SAYE	30/09/19	4,066	-	4,066	-	-	£1.7706		Nov 2022
SAYE	30/09/20	6,727	-	6,727	-	-	£1.6054		Nov 2023
Jason Ashton									
LTIP	25/03/20	146,032	-	98,133	47,899	-			Mar 2023
LTIP	21/05/21	118,445	-	-	-	118,445			May 2024
LTIP ²	14/04/22	137,755	-	-	-	137,755			Mar 2025
LTIP ²	10/03/23	-	183,705	-	-	183,705			Mar 2026
DSBP	11/03/20	17,155	-	17,155	-	-			Mar 2023
DSBP	14/04/22	48,493	-	-	-	48,493			Mar 2025
DSBP	10/03/23	-	19,245	-	-	19,245			Mar 2026
SAYE	30/09/19	4,066	-	4,066	-	-	£1.7706		Nov 2022
SAYE	30/09/20	6,727	-	6,727	-	-	£1.6054		Nov 2023
SAYE	30/09/23	-	7,697	-	-	7,697	£2.4157		Nov 2026

Note: in respect of the 2020 LTIP award, in addition to the shares exercised, Jo Hallas and Jason Ashton received dividend equivalents of 9,528 and 6,807 shares respectively.

¹ All awards lapse ten years from the date of grant.

² Details of qualifying performance conditions in relation to outstanding LTIP awards are summarised on page 130 of the 2022 Annual Report and Accounts (in relation to the 2022 LTIP) and on page 147 of this report (in relation to the 2023 LTIP).

³ Reflecting her treatment as a 'good leaver', Jo's outstanding LTIP awards were time pro-rated to take account of the periods elapsed between the relevant dates of grant and 6 April 2023, with the balance lapsing with immediate effect.

⁴ Jo subsequently exercised this option after stepping down as a Director.

Payments for loss of office (audited)

Jo Hallas stepped down as Chief Executive Officer and from the Board on 6 April 2023. In accordance with her service contract and the Policy, Jo remains an employee and continues to receive base pay and contractual benefits over her twelve-month notice period to 6 April 2024. Over the period 6 April 2023 to 31 December 2023 covered by this report, amounts payable to Jo in respect of base pay and contractual benefits after her ceasing to be a Director amounted to £469,224.

As a 'good leaver', as determined by the Committee, Jo remained eligible for an annual bonus in respect of the 2023 financial year, pro-rated to reflect her period of active service and with the timing and form of any payment consistent with normal practice. Details of amounts payable to Jo in respect of the 2023 annual bonus are set out on pages 145 to 146, with this amount captured in the Single figure of total remuneration table. Jo will be granted a DSBP award reflecting 50% of this bonus in early 2024.

Outstanding DSBP shares granted in respect of previous years' annual bonuses will remain subject to the relevant deferral periods and will vest on the relevant normal vesting dates as set out in the Directors' interests in shares table on page 150. In each case, dividend equivalents will accrue over the vesting period on shares that vest. The terms of the DSBP will continue to govern all DSBP awards.

Jo was similarly treated as a 'good leaver' under the Company's LTIP. Awards made under the LTIP in 2021, 2022 and 2023 were time pro-rated to reflect the period elapsed from their date of grant to 6 April 2023, with the resulting number of outstanding awards shown in the Directors' interests in shares table on page 150. Each of these LTIP awards remains subject to the original performance conditions, vesting dates and to all provisions of the plan rules, including dividend accrual and malus and clawback provisions. Any shares vesting in respect of the LTIP will be subject to a mandatory two-year holding period.

Jo received a contribution of £13,000 (plus VAT) towards legal fees incurred in connection with her departure and the Company paid a total of £60,000 (plus VAT) for outplacement consultancy. Jo also received a severance payment of £30,000 shortly following the end of her employment and £15,648 for undertakings and accrued but untaken annual leave. Finally, Jo remains subject to the two-year post-employment shareholding requirement, detailed under the Remuneration Policy, which applies to 2021, 2022 and 2023 LTIP awards, and 2022 and 2023 DSBP awards.

Payments to past Directors (audited)

Details of payments to Jo Hallas are set out in the section above. There were no other payments to past Directors during 2023.

Service contracts

Service contracts were entered into between the Company and the Executive Directors currently in role, as follows:

Director	Commencement date	Notice period in months
Rutger Helbing	2 January 2024	Twelve
Jason Ashton	9 May 2019	Twelve

Details of the letters of appointment of the current Non-executives are shown below:

Non-executive Director	Commencement date	Latest date of appointment/reappointment	Expiry date	Notice period in months
Nicky Hartery	1 October 2020	15 December 2023	15 December 2026	One
Paul Withers	1 February 2020	1 February 2023	1 February 2026	One
Pamela Bingham	18 January 2018	15 December 2023	15 December 2024	One
Dave Randich	15 December 2021	15 December 2021	15 December 2024	One
Margaret Amos	19 June 2023	31 May 2023	19 June 2026	One

Copies of service contracts and letters of appointment are available to view at the Company's registered office.

Remuneration report

External appointments of Executive Directors

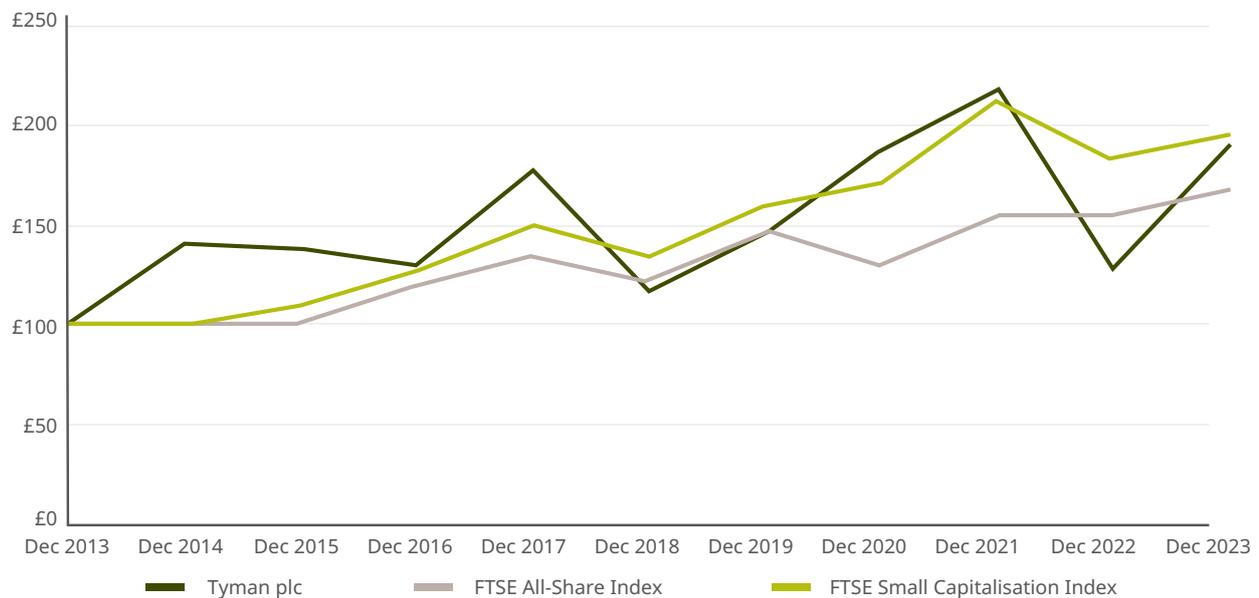
The Committee acknowledges that Executive Directors may be invited to become independent Non-executive Directors of other listed companies that have no business relationship with the Company, and that such roles may broaden their experience and knowledge to Tyman's benefit.

The Executive Directors are permitted to accept such external appointment with the prior approval of the Board, which would only be given if it does not present a conflict of interest with the Group's activities (including consideration of whether such individual has the capacity for the required time commitment) and the wider exposure gained will be beneficial to such Executive Director's development. Where fees are payable in respect of such appointment, they may be retained by the Executive Director.

In respect of positions at listed companies held by Executive Directors during the financial year ended 31 December 2023, Jason Ashton held no such positions and Jo Hallas served as an independent Non-executive Director of Smith & Nephew plc.

Performance graph and table

This graph shows the value, by 31 December 2023, of £100 invested in Tyman plc on 31 December 2013, compared with the value of £100 invested in the FTSE All-Share and FTSE SmallCap indices on the same date, these being two broad market indices of which Tyman has been a constituent for the majority of the period shown.



Historical Chief Executive remuneration outcomes

The table below sets out the single figure for the total remuneration paid to the Chief Executive Officer, together with the annual bonus payout (expressed as a percentage of the maximum opportunity) and the LTIP payout (expressed as a percentage of the maximum opportunity) for the current year and the previous nine years.

Year	CEO	Single figure of total remuneration £'000	Annual bonus payout %	LTIP payout %
2023	Jason Ashton ¹	897	79.0	21.4
	Jo Hallas	404	68.5	21.4
2022	Jo Hallas	1,143	22.0	67.2
2021	Jo Hallas	1,094	73.3	nil
2020	Jo Hallas	502	nil ²	n/e
2019	Jo Hallas	1,299 ³	30	n/e
	Louis Eperjesi	134	n/e	nil
2018	Louis Eperjesi	1,153	39.5	90
2017	Louis Eperjesi	876	51	42
2016	Louis Eperjesi	1,052	91	49
2015	Louis Eperjesi	1,026	58	100
2014	Louis Eperjesi	1,137	31	94

n/e = not eligible – individual was employed during the year but was not eligible to participate in the bonus or LTIP scheme as appropriate that year.

¹ Jason Ashton served as interim CEO between 6 April 2023 and 1 January 2024. Monetary figures shown in the table above relate only to this period of service, save that the full value of the 2021 LTIP is included. In respect of the annual bonus, the % shown reflects the aggregate of Jason's normal bonus and the additional bonus element of his temporary stepping-up allowance. The percentage shown for LTIP vesting reflects the 2021 LTIP award, which was granted in respect of his role as Chief Financial Officer.

² The 2020 Group bonus was cancelled in anticipation of the financial impact of COVID-19 on the business, the wider stakeholder experience and the societal impact of the pandemic.

³ The single figure shown for Jo Hallas for 2019 of £1,299k includes £775k in relation to the buy-out of the share awards at her previous employer, which she had forfeited by joining Tyman during the year. Consequently, the amount paid to Jo Hallas solely in respect to her Tyman employment during 2019 was £524k.

Remuneration report

Percentage change in remuneration of Directors and employees

In accordance with the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (applying to financial years commencing on or after 10 June 2019), the table below covers the percentage change in salary/fees, taxable benefits and annual bonus for each Executive Director and Non-executive Director; and will continue to be built up over time to display a five-year history.

Director ^{1,2,3}	Basic salary/total fee				Taxable benefits ⁴				Annual bonus ⁵			
	2023 vs	2022 vs	2021 vs	2020 vs	2023 vs	2022 vs	2021 vs	2020 vs	2023 vs	2022 vs	2021 vs	2020 vs
	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019
Nicky Hartery	4.9%	6.3%	1.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jo Hallas	5.0%	15.2%	14.0%	-5.9%	-12.5%	0.5%	1.7%	4.7%	226.9%	-65.4%	n/a	-100.0%
Jason Ashton	5.0%	4.1%	10.7%	-6.0%	0.0%	0.4%	1.3%	4.4%	226.9%	-68.3%	n/a	-100.0%
Paul Withers	4.3%	2.9%	11.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pamela Bingham	4.3%	3.6%	14.4%	1.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Helen Clatworthy	4.0%	8.4%	2.6%	-1.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dave Randich	3.7%	3.1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Margaret Amos	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average UK employee⁶	7.3%	11.0%	6.1%	1.9%	-1.0%	27.4%	17.9%	-1.6%	25.8%	-64.3%	n/a	-91.4%

¹ Relevant information about the Directors and their responsibilities in 2022 and 2023 include:

- ^a Jo Hallas stepped down from her role as CEO and from the Board on 6 April 2023.
- ^b Helen Clatworthy stepped down from the Board on 21 July 2023.
- ^c Margaret Amos was appointed to the Board on 19 June 2023 and assumed the role of Chair of the Audit and Risk Committee from 21 July 2023.

² All figures shown are based on a full-time equivalent basis to allow comparability where a Director was not in role for the entirety of a financial year. For similar reasons of comparability, figures for Jason Ashton exclude any payments in respect of his service as Interim CEO.

³ Note that Directors who were not a Director at any point during 2023 have not been included. The percentage changes in their remuneration for prior years (and in which they were a Director) are disclosed in relevant previous Annual Reports.

⁴ For Executive Directors, taxable benefits consist primarily of car allowance, private medical insurance, permanent health insurance and life assurance. Non-executive Directors do not receive taxable benefits.

⁵ The figures shown are reflective of any bonus earned in respect of the relevant financial year. The n/a for the % change in bonuses from 2020 to 2021 reflects the cancellation in 2020 (the base year) of the management bonus scheme following the onset of the COVID-19 pandemic. Non-executive Directors are not eligible to participate in the annual bonus scheme.

⁶ The average percentage change of employee FTE salary is calculated with reference to the UK workforce as at 31 December 2023. This definition is broader than all employees of Tyman plc (as required by the reporting regulations), reflecting that the Tyman plc employee population is very small (and limited largely to the Head Office) and therefore is considered by the Committee not to be sufficiently representative of our wider workforce. The increase in average UK employee pay of 7.3% from 2022 to 2023 reflects the implementation in January 2023 of the rates set by the Living Wage Foundation.

Relative spend on pay

The table below sets out, for the years ended 31 December 2023 and 31 December 2022, the total cost of employee remuneration for the Group together with the total distributions made to shareholders by way of dividends.

Relative spend on pay (£'000)	2023	2022	Year on year
Total employee remuneration for the Group (excluding share-based payments)	162,500	157,600	3.1%
Dividends paid in the financial year	26,612	25,374	4.9%

CEO pay ratio

The Regulations require certain companies 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 25th percentile, median and 75th percentile total remuneration of full-time equivalent UK employees.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	Option A	1:51	1:42	1:30
2022	Option A	1:50	1:44	1:31
2021	Option A	1:55	1:46	1:31
2020	Option A	1:26	1:22	1:14
2019	Option A	1:32	1:27	1:19

Salary	CEO pay (£)	P25 pay (£)	P50 pay (£)	P75 pay (£)
2023	547,587	24,150	28,023	42,000
2022	550,000	21,000	24,000	32,965
2021	477,500	18,595	22,440	34,066
2020	418,919	18,331	21,930	33,729
2019	441,750	19,550	23,335	33,598
Total pay				
2023	1,301,079	25,720	30,860	44,100
2022	1,100,061	21,840	24,943	35,275
2021	1,094,116	19,897	23,524	36,451
2020	501,409	19,064	23,027	36,090
2019	657,510	20,333	24,268	33,598

CEO remuneration for 2023 reflects a combination of Jo Hallas and Jason Ashton for the time they were active in that role during 2023 (1 January 2023 to 6 April 2023 for Jo Hallas, and 6 April 2023 to 31 December 2023 for Jason Ashton as Interim CEO).

The 25th percentile, median and 75th percentile figures used to determine the above ratios were selected from an analysis of the full-time equivalent annualised remuneration (comprising salary, benefits, pension, annual bonus and long-term incentives) of all the UK employees for the year ended 31 December 2023. This methodology is defined as Option A under the reporting regulations and is considered by the Committee to be the most accurate approach.

The Committee notes that the statutory CEO pay ratios have continued to fall slightly in 2023, with the ratio of CEO total remuneration to the median employee, for example, decreasing from 44:1 to 42:1. The trend observed is reflective of a year in which there was a change of CEO and an increase in the equivalent employee figure that in part reflects our focus on supporting our lower-paid employees during the ongoing cost-of-living crisis and our commitment to being an accredited Living Wage Employer.

In reviewing the pay ratio analysis, the Committee is satisfied that the individuals identified at each quartile reflect the pay profile across different levels at Tyman, and that the overall picture presented by the ratios is consistent with the Group's pay, reward and progression policies.

Remuneration report

Statement of implementation for the 2024 financial year

Details of the Directors' remuneration for the 2024 financial year are set out in the table below:

Salary	<ul style="list-style-type: none"> Rutger Helbing – £600,000 (2023: not applicable) Jason Ashton – £410,000 (2023: £361,679 – 13.4% increase) <p>The average increase awarded to the UK workforce for 2024 is 3.8%.</p>																																													
Pension allowance	7% of base salary																																													
Benefits	Life assurance cover, critical illness cover, private medical and dental cover, annual car allowance (of £17,000 for Rutger Helbing and £17,500 for Jason Ashton) and professional tax and financial advice.																																													
Annual bonus	<p>Maximum opportunities:</p> <ul style="list-style-type: none"> Rutger Helbing: 150% of base salary Jason Ashton: 125% of base salary <p>Bonuses will be based entirely on financial measures, with 60% of the bonus opportunity based on Adjusted operating profit, 20% on operating cashflow ("OCF", measured post-capex but before major projects) and 20% on OCF conversion (as a percentage of Adjusted operating profit). Consistent with prior years, the precise bonus targets will be disclosed in detail in the 2024 Annual Report and Accounts (these are considered currently to be commercially sensitive). Any bonus earned will be payable 50% in cash and 50% in shares deferred for three years.</p>																																													
LTIP	<p>Award opportunities:</p> <ul style="list-style-type: none"> Rutger Helbing: 150% of base salary Jason Ashton: 150% of base salary <p>LTIP awards comprise grants of nil-cost options, vesting three years after grant, subject to performance over a three-year period commencing 1 January 2024 against the measures shown below. For performance between Threshold and Stretch, the % vesting increases on a straight-line sliding scale. Vested LTIP awards have a two-year post-vesting holding period.</p> <table border="1"> <thead> <tr> <th>Measure</th> <th>Weighting</th> <th>Basis of measurement</th> <th>Threshold (25% vesting)</th> <th>Stretch (100% vesting)</th> </tr> </thead> <tbody> <tr> <td>Adjusted EPS¹</td> <td>40%</td> <td>2026 adjusted EPS</td> <td>33.4p</td> <td>40.6p</td> </tr> <tr> <td>ROCE²</td> <td>25%</td> <td>2026 Group ROCE</td> <td>12.8%</td> <td>14.2%</td> </tr> <tr> <td>Relative TSR</td> <td>20%</td> <td>Ranking vs constituents of the FTSE 250 Index (xIT)</td> <td>Median</td> <td>Upper quartile</td> </tr> </tbody> </table> <p>Sustainability Scorecard</p> <table border="1"> <thead> <tr> <th></th> <th>Four categories weighted equally</th> <th>2026 TRIR³</th> <th>4.0</th> <th>3.0</th> </tr> </thead> <tbody> <tr> <td>- Safety</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>-</td> <td></td> <td>2026 TCO₂e⁴</td> <td>36,890</td> <td>27,266</td> </tr> </tbody> </table> <p>Sustainable Operations</p> <p>-</p> <p>Sustainable Culture</p> <p>-</p> <p>Sustainable Solutions</p> <table border="1"> <thead> <tr> <th></th> <th>Employee engagement</th> <th></th> <th>23.3%</th> <th>26.3%</th> </tr> </thead> <tbody> <tr> <td>-</td> <td></td> <td>% revenue from sustainable products in-use⁵</td> <td></td> <td></td> </tr> </tbody> </table>	Measure	Weighting	Basis of measurement	Threshold (25% vesting)	Stretch (100% vesting)	Adjusted EPS ¹	40%	2026 adjusted EPS	33.4p	40.6p	ROCE ²	25%	2026 Group ROCE	12.8%	14.2%	Relative TSR	20%	Ranking vs constituents of the FTSE 250 Index (xIT)	Median	Upper quartile		Four categories weighted equally	2026 TRIR ³	4.0	3.0	- Safety					-		2026 TCO ₂ e ⁴	36,890	27,266		Employee engagement		23.3%	26.3%	-		% revenue from sustainable products in-use ⁵		
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<p>¹ Adjusted EPS targets have been set taking into account a range of relevant internal and external reference points.</p> <p>² The ROCE target has been set to be a final year measure to reflect the current stage of Tyman's business cycle, while the stretch target continues to be set slightly ahead of our externally-stated ambition.</p> <p>³ Total Recordable Incident Rate. Aligns with Tyman's stated ambition to achieve a TRIR of <3.0 by 2026.</p> <p>⁴ Absolute Scope 1 and 2 carbon emissions. The target range aligns with Tyman's externally-stated ambition to achieve a 46.2% reduction by 2030 (relative to a 2019 baseline). The change from an intensity target (i.e. per £m revenue) to an absolute target better follows the validation by SBTi of Tyman's Science Based Target, and reinforces our stated commitment to reduce the Group's absolute emissions by negating the impact of production growth and increased energy usage.</p> <p>⁵ Reflects the % of total revenues that meet the UN Sustainable Development Goals (SDGs) in use.</p> <p>⁶ To be based on a qualitative assessment of improvement by the Workforce Engagement NED, taking into account factors such as eNPS, ethics training and incidents, diversity and inclusion, and talent development.</p>																																														

Non-executive Director fees

The Chair is paid an annual basic fee (determined by the Remuneration Committee), with no additional fee for chairing the Nominations Committee. For 2024, the Chairman's annual fee will be increased to £222,525 (a 3.5% increase, in line with the budgeted increase for Tyman's senior executive population; and below the average increase awarded to the UK workforce) to reflect his ongoing valued contribution to the Group.

Non-executive Directors are paid an annual basic fee, plus an additional fee for chairing a Board Committee. These fees are determined by the Chairman, CEO and CFO. In line with the budgeted increase for Tyman's senior executives (but below the average increases awarded to the wider UK workforce), the annual base fee payable to NEDs will be increased by 3.5% (to £56,408) for 2024. Fees payable to NEDs for other additional responsibilities remain unchanged from 2023, as set out below. However, the travel supplement for NEDs based outside of Europe was increased by 4% to £15,600.

Position	Annual fee	Annual fee
	2024	2023
	£	£
Chair	222,525	215,000
Non-executive Director	56,408	54,500
Annual fee for the Chair of the Audit or Remuneration Committees	10,000	10,000
Annual fee for the Senior Independent Director	8,500	8,500
Annual fee for the Workforce Engagement Director	6,000	6,000
Intercontinental travel supplement for NEDs based outside of Europe	15,600	15,000

Other items

Details of share plans

During the year, awards were made under the following plans:

- Tyman Sharesave Plans: in the form of options totalling 188,753 shares at a price of £2.40 to £2.41, vesting over a one or three-year period, depending on jurisdiction. The total number of awards outstanding as at 31 December 2023 is 415,071.
- Deferred Share Bonus Plan: in the form of deferred share awards totalling 73,759 shares. Awarded as a nil-cost option in respect of deferred bonus, vesting over a three-year period. The total number of share awards outstanding as at 31 December 2023 is 260,945.
- Tyman Long Term Incentive Plan: awards totalling 1,332,559 shares were made in the year. Awarded with performance conditions, vesting over a three-year period, with a further two-year holding period for Executive Directors. The total number of LTIP awards outstanding as at 31 December 2023 is 2,483,728.

The total number of shares outstanding under all share plans as at 31 December 2023 is 3,159,744.

Dilution

As at 31 December 2023, shares equivalent to 1.61% of the Group's issued share capital (excluding treasury shares) would be required to settle all outstanding awards under Executive and employee share plans, assuming maximum vesting.

However, the Group operates the general principle that the vesting of share awards under Executive and employee share plans should be satisfied either by the issue of shares out of treasury or, subject to Trustee consent, through shares acquired on the market by the Tyman Employee Benefit Trust.

Certain jurisdictions require that new shares are issued to employees to settle vesting under share arrangements. Where new shares are issued in these circumstances, it is the Group's intention to match the new shares issued with an equal purchase of shares on the market, either into treasury or into the Tyman Employee Benefit Trust.

In accordance with the Investment Association's Principles of Remuneration, the Company can satisfy awards to employees under all its share plans with new issue shares or shares issued from treasury up to a maximum of 10% of its issued share capital (adjusted for share issuance and cancellation) in a rolling ten-year period. Within this 10% limit, the Company can only issue (as newly issued shares or from treasury) 5% of its issued share capital (adjusted for share issuance and cancellation) to satisfy awards under Executive (discretionary) plans.

As well as the LTIP and DSBP, the Company operates various all-employee share schemes as described on page 141. Subject to Trustee consent, shares acquired on the market have been used to satisfy the exercise of options under the Sharesave Scheme and the International Sharesave Plans.

Remuneration report

Statement of voting at Annual General Meetings

The table below sets out the results of the 2021 AGM in respect of the Remuneration Policy and the 2023 AGM in respect of the Annual Report on Directors' Remuneration, respectively:

Director	Votes for	Votes at discretion	Votes against	Total number of votes cast	Total number of votes withheld
Remuneration policy	152,491,342 (90.31%)	0 (0%)	16,362,020 (9.69%)	168,853,362 (100%)	6,895
Annual report on Directors' remuneration	171,392,155 (99.85%)	0 (0%)	262,398 (0.15%)	171,654,553 (100%)	4,355

The Committee is grateful to the Group's shareholders for their support as shown in the voting levels at the 2021 and 2023 AGMs, and looks forward to receiving their continued support in 2024.

This Annual Report on Directors' remuneration has been approved by the Remuneration Committee and is signed on its behalf by:

Paul Withers

Chair, Remuneration Committee

6 March 2024

Directors' report

Principal activities

The Group is a leading international supplier of engineered fenestration components and access solutions to the construction industry. These activities remain unchanged from the previous year. The Company is the ultimate holding company of the Tyman Group of companies. A full list of subsidiaries may be found on pages 223 to 226.

Share capital

The Company's shares are listed in the premium segment of the Official List and are traded on the Main Market of the London Stock Exchange (LSE: TYMN). The Company's share capital consists of ordinary shares of 5.00 pence each, carrying the right to attend, vote and speak at general meetings of the Company. The ordinary shares also have the right to profits of the Company, which are available for distribution and the return of capital on a winding up.

The issued share capital of the Company as at 31 December 2023 was 196,762,059 ordinary shares of 5.00 pence each, of which 439,810 shares are held in Treasury.

Further information on the Company's share capital may be found in note 22 to the Group financial statements.

Directors

The names and biographical details of the Directors are on pages 106 to 109 of this report. Further information regarding the Directors who served during the year to 31 December 2023 may be found on page 145 in the Remuneration report.

Appointment and removal of Directors

Directors may be appointed by ordinary resolution of the Company or by the Board. In addition to any powers of removal conferred by the Companies Act 2006, the Directors, or any committee authorised by the Directors, may terminate the appointment of any Executive Director.

Each Director of the Board will stand for re-election or election at the AGM. Accordingly, Nicky Hartery, Jason Ashton, Paul Withers, Pamela Bingham and David Randich will offer themselves for re-election at the 2024 AGM. Rutger Helbing and Margaret Amos will offer themselves for election at the 2024 AGM.

Qualifying indemnity provisions

The Company does not have a qualifying third-party indemnity provision or a qualifying pension scheme indemnity provision in place.

Directors' and Officers' insurance

Details of the Group's Directors' and Officers' insurance arrangements may be found on page 120.

Annual General Meeting

At the Company's 2023 AGM, the Directors were authorised to allot shares equal to, approximately, one-third of the issued share capital of the Company as at 17 March 2023, or a further one-third of the issued share capital in connection with a pre-emptive offer by way of a rights issue.

The Directors were also given the authority to allot shares for cash, representing up to 5.0% of the Company's issued share capital as at 17 March 2023, without first offering these shares to existing shareholders in proportion to their existing holding. The Directors confirmed there was no intention to issue more than 7.5% of the issued share capital of the Company on a non-pre-emptive basis in any rolling three-year period without prior consultation with the relevant investor groups (except in connection with an acquisition or specified capital investment as contemplated by the Pre-Emption Group's Statement of Principles).

Shareholders also approved an additional authority for the Directors to issue ordinary shares, or sell treasury shares, for cash in connection with an acquisition or capital investment of the kind contemplated by the Pre-Emption Group's Statement of Principles, up to an additional aggregate amount being, approximately, 5.0% of the issued ordinary share capital as at 17 March 2023.

At the 2023 AGM, the Company was also authorised to make market purchases of its own shares of up to, approximately, 14.99% of the shares in issue as at 17 March 2023. The Board had no immediate intention of exercising this authority, but wished to retain the flexibility to do so should it be needed in the future. This authority was not used during the year and, therefore, remained in full at the year end.

The Directors believe that it is in the best interests of the Company that these powers are renewed, subject to such changes in value as have been supported by the Pre-Emption Group and the Investment Association. Accordingly, resolutions to renew such authorities will be put to shareholders at the Company's AGM, to be held on 16 May 2024.

The Notice of the Company's 2024 AGM, and related explanatory notes, accompany this Annual Report and Accounts, which may also be found with further information on these resolutions on the Group's website. The special business at the 2024 AGM will include resolutions dealing with the authority to allot shares, to purchase its own shares and call General Meetings on not less than 14 clear days' notice.

Directors' report

Results and dividend

The Group's results for the year are shown in the Consolidated statement of comprehensive income on page 173.

An interim dividend of 4.2 pence per share was paid to shareholders on 8 September 2023 and the Directors are recommending a final dividend in respect of the financial year ended 31 December 2023 of 9.5 pence per share. If approved, the final dividend will be paid on 29 May 2024 to shareholders on the register at the close of business on 26 April 2024. The total dividend paid and proposed for the year amounts to 13.7 pence per share.

As at 31 December 2023, the Tyman Employee Benefit Trust held 1,805,352 ordinary shares in Tyman plc. Further information on the Employee Benefit Trust may be found on page 44. Dividend waivers are in place from Tyman plc in respect of the 439,810 shares held in Treasury as at 31 December 2023, and all but £0.01 of the total dividend to the Tyman Employee Benefit Trust.

Strategic report

Pages 2 to 161 of this Annual Report comprise the Strategic report, Governance and Directors' report and the Remuneration report. These reports have been written and presented in accordance with English law and the liabilities of the Directors in connection with this report shall be subject to the limitations and restrictions provided accordingly.

Substantial shareholders

The Company has been notified of, or has identified, the following direct or indirect interests comprising 3% or more of its voting share capital (the issued share capital less shares held by the Company in Treasury) in accordance with DTR 5. The Company's substantial shareholders do not have different voting rights from those of other shareholders.

	Ordinary shares held as at 31 December 2023	%	Ordinary shares notified as at 6 March 2024	%
Teleios Capital Partners	32,337,067	16.47	32,337,067	16.47
Alantra Asset Management	19,096,962	9.73	19,198,912	9.78
Jupiter Asset Management	10,237,666	5.21	10,637,666	5.42
Allianz Global Investors	9,087,901	4.63	8,897,901	4.53
Artemis Investment Management	8,637,412	4.40	9,443,214	4.81
Columbia Threadneedle Investments	8,090,950	4.12	7,374,727	3.76
BlackRock	7,352,052	3.74	7,360,183	3.75
Janus Henderson Investors	7,154,866	3.64	7,097,888	3.62
Aviva Investors	6,586,615	3.36	6,593,714	3.36
Chelverton Asset Management	6,387,673	3.25	5,937,673	3.02
abrdn	6,020,622	3.07	6,047,795	3.08

The Directors are required under the Disclosure Guidance and Transparency Rules to include a Management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group and the Company. The Management report disclosures can be found in the Strategic report on pages 84 to 95.

A description of the main features of the Group's internal control and risk management systems in relation to the process for preparing the consolidated accounts continues further on page 87 of the Strategic report.

Pursuant to Section 414c of the Companies Act 2006 the Strategic report on pages 2 to 103 contains disclosures in relation to future developments, dividends, finance and financial risk management, and disclosures relating to the Group's greenhouse gas emissions and environmental policy and performance.

A full description of the Group's activities relating to our employees, their involvement with the Company and our employment and health and safety practices and policies (including the Group's policies on ensuring the fair treatment of disabled job applicants and the development and promotion of disabled employees) may be found on page 51 of the Strategic report.

Share transfer restrictions

There are no restrictions on the transfer of fully paid-up shares in the Company.

Financing

The Group finances its operations through a mixture of retained profits, equity and borrowings. The Group does not trade in financial instruments. Full details of the Group's borrowing facilities are set out in note 18 to the financial statements.

The main risks arising from the Group's borrowings are market risk, interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks, and the policies, which have been applied throughout the year, are set out in note 19 to the financial statements.

Financial reporting

The Annual Report and Accounts are intended to provide a balanced and clear assessment of the Group's past performance, present position and future prospects. A statement by the Directors on their responsibility for preparing the financial statements is given on page 120 and a statement by the auditors on their responsibilities is given on page 169.

Employee engagement and policies

This information is included in the sustainability performance section of the Strategic report on page 52.

Other stakeholder engagement and policies

Information summarising how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, is included in the s172 statement on pages 98 to 103.

Going concern

Because of the work undertaken to support the viability statement, which may be found on pages 94 to 96, the Directors have continued to adopt the going concern basis in preparing the financial statements (see note 2 to the financial statements).

Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, Deloitte LLP have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the 2024 AGM.

Political donations

The Company did not make any political donations during the year (2022 and 2021: £nil). Tyman's policy is that it does not make political donations in any form.

Disclosure of information under Listing Rule 9.8.4

Reporting requirements under LR 9.8.4R (4), (5) and (6) and LR 9.8.6 (1), if applicable, have been included in the Remuneration report on pages 132 to 158. All other information required to be disclosed, under LR 9.8.4R (1), (2) and (7) to (14), if applicable, is covered in this report. There is no further information to disclose.

Events after the reporting year

None.

By order of the Board

Peter Ho

General Counsel & Company Secretary

6 March 2024

Company registration number: 02806007



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Independent Auditor's report

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Tyman plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and Company balance sheets;
- the consolidated and Company statements of changes in equity;
- the consolidated cash flow statement; and
- the consolidated notes 1 to 31 and Company notes 1 to 14, including the associated accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 provided to the Group and Company for the year are disclosed in note 4 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none">• Revenue recognition; and• Acquisition accounting for Lawrence Industries.
Materiality	The materiality that we used for the Group financial statements was £3,590,000 which was determined on the basis of profit before tax, adjusted for amortisation of acquired intangibles and adjusting items.
Scoping	Sixteen components were subject to audit procedures. Of these, twelve were subject to a full-scope audit. The remaining four components were subject to an audit of specified account balances. The components which were subject to a full-scope audit or audit of specified account balances, in addition to work performed at a Group level, contribute 86% of revenue and 91% of adjusted profit before tax.
Significant changes in our approach	Given the acquisition of Lawrence Industries during 2023, the acquisition accounting, specifically the methodology used and the valuation of the customer relationship intangible asset, was identified as a new key audit matter.

4. 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's and Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the financing facilities available to the Group including the nature of facilities, repayment terms and covenants;
- challenging the assumptions used in the forecasts by reference to historical performance, trading run rate, current macroeconomic indicators, one-off cash items and other supporting evidence;
- recalculation and assessment of the amount of cash and covenant headroom in the forecasts;
- performing a sensitivity analysis to consider specific scenarios, including a reverse stress test based on a reduction in revenue and associated margin; and
- assessing the appropriateness of the going concern disclosures in the financial statements.

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's and Company's ability to continue as a going

concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has 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.

5. 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Revenue recognition

Key audit matter description	<p>The Group recognised revenue of £657.6 million (2022: £715.5 million) solely through the sale of goods to customers accounted for under IFRS 15.</p> <p>We have identified a key audit matter relating to a risk of material misstatement, whether due to fraud or error, in relation to manual adjustments impacting revenue at the year-end, as manual adjustments could have a material impact on the recognition of revenue at the year-end.</p> <p>At the year end, manual adjustments are made by management for sales in transit where control has yet to pass to the customer. In addition, volume rebate discounts are provided to customers and these are calculated as a percentage of revenue recognised in the relevant period and the percentage applied may vary depending on the total value of revenue in that period. These rebates are typically paid or settled once a year and therefore manual adjustments are made by management to accrue for these at year-end.</p> <p>Note 2.7 to the consolidated financial statements sets out the Group's accounting policy for revenue recognition and note 3 includes details of the Group's revenue by segment and timing of revenue recognition.</p>
How the scope of our audit responded to the key audit matter	<p>In response to the identified key audit matter we have performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the relevant controls over the revenue recognition process specifically in relation to manual adjustments to revenue; • Obtained a schedule of adjusting and manual journals posted in December 2023 with an impact on revenue and traced a sample to appropriate evidence in support of the adjustment; • Obtained a schedule of adjusting and manual journals posted in January 2024 with an impact on revenue and traced a sample to appropriate evidence in support of the adjustment and the period to which it relates; and • Tested the completeness of the manual journals schedule.
Key observations	<p>From the work performed we are satisfied that revenue is appropriately stated in the financial statements.</p>

Independent Auditor's report

5.2 Acquisition accounting of Lawrence Industries

Key audit matter description	<p>On 12 July 2023, the Group completed the acquisition of 100% of the shares in Lawrence Industries for an initial consideration of £43.8 million, with up to £9.8 million of further contingent consideration.</p> <p>As part of the accounting for the acquisition, the Directors performed an internal valuation of the assets and liabilities acquired and as a result identified total intangible assets of £22.1 million, which included £20.6 million in relation to a customer relationship intangible asset. The goodwill arising from the acquisition is £17.6 million. There is a level of judgement involved in selecting and applying the valuation methodologies used as part of the acquisition accounting.</p> <p>Additionally, the valuation of this customer relationship intangible asset is based on certain assumptions and estimates which require judgement and therefore increases the risk of possible misstatement. We have identified the valuation methodologies used as part of the acquisition accounting and key assumptions and estimates, namely the discount rate and revenue growth rate, used to value the customer relationship intangible asset as a key audit matter. This is due to the inherent uncertainty in estimating these assumptions which require a higher degree of judgement and auditor effort, including the use of valuation specialists.</p> <p>The Audit and Risk Committee Report on page 128 refers to the acquisition accounting for Lawrence Industries as an area considered by the Audit and Risk Committee. Note 25 to the Consolidated Financial Statements sets out the Group's accounting policy for business combinations and also includes details of the fair values of the acquired assets at the acquisition date.</p>
How the scope of our audit responded to the key audit matter	<p>We have performed the following procedures in respect of this key audit matter:</p> <ul style="list-style-type: none">• Obtained an understanding of relevant controls in relation to management's identification and valuation of acquired intangible assets;• Inquired of management to understand the assumptions underpinning management's forecast revenue growth and challenged these by reference to past actual performance and available third-party evidence;• With the involvement of our internal valuation specialists, we assessed the appropriateness and application of management's valuation methodology, including the discount rate applied to forecast cashflows;• Assessed the integrity of the model through testing mechanical accuracy, formulae and inputs;• Tested the accuracy and completeness of the underlying data used in the calculation of the customer attrition rate by reference to past performance;• Calculated independent sensitivity analysis on the model; and• Performed a stand-back test on the overall valuation of the customer intangible asset.
Key observations	<p>As part of our work we identified control observations, however, our audit procedures did not identify any material misstatement within the acquisition accounting of Lawrence Industries.</p>

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£3,590,000 (2022: £4,000,000)	£1,795,000 (2022: £2,000,000)
Basis for determining materiality	<p>4.9% of adjusted profit before tax (2022: 4.7% of adjusted profit before tax)</p> <p>Adjusted profit before tax represents profit before tax, adjusted for amortisation of acquired intangibles and adjusting items.</p>	<p>Company materiality equates to 2% of net assets, which is capped at 50% of Group materiality (2022: 2% of net assets, capped at 50% of Group materiality).</p>
Rationale for the benchmark applied	<p>Adjusted profit before tax is a key performance measure for management, investors and the analyst community. This metric is important to the users of the financial statements because it portrays the performance of the business and hence its ability to pay a return on investment to the investors. This is consistent with our benchmark applied in the prior year.</p> <p>Refer to the appendix to the consolidated financial statements for the Group's definition and calculation of alternative performance measures.</p>	<p>We consider net assets to be the most appropriate benchmark as the Company is a non-trading entity, whose primary function within the Group is to act as a holding company. This is consistent with our benchmark applied in the prior year.</p>

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% of Group materiality (2022: 70%).	65% of Company materiality (2022: 70%).
Basis and rationale for determining performance materiality	<p>In determining performance materiality, we considered the following factors:</p> <ul style="list-style-type: none"> our risk assessment, including our assessment of the Group's overall control environment and control findings arising in the previous audit; the disaggregated nature of the Group; and the nature, volume and size of uncorrected misstatements arising in the previous audit. 	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £179,500 (2022: £200,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Independent Auditor's report

7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work at sixteen (2022: fifteen) components, which includes the Company as one component. Twelve (2022: ten) of these were subject to a full audit, whilst the remaining four components (2022: five) were subject to an audit of specified account balances.

These components, in addition to work performed at a Group-level, represent the principal business units and account for 86% (2022: 85%) of the Group's revenue and 91% the Group's adjusted profit before tax (2022: 82%). They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified. Our audit work at the components was executed at levels of materiality applicable to each individual entity which were lower than Group materiality; component materiality ranged between £1.8m to £2.0m (2022: set at £2.0m for all components).

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full audit or audit of specified account balances.

7.2 Our consideration of the control environment

The Group currently operates a range of IT systems which underpin the financial reporting processes, and which vary by geography and/or component.

As outlined in the Audit and Risk Committee report on page 128 and in the Internal control section of the annual report on page 129, the Group continues to invest in the overall control environment, including by appointing a new Group controls manager and by implementing actions to address areas for improvement identified through the controls self-assessment process and internal audit findings against compliance with the Group minimum standards of financial control framework. In addition, significant IT investment has taken place in 2023 in relation to the continuation of rolling out a new cloud-based operating system, which commenced in the North American division in 2022.

For certain components subject to full scope audits we identified relevant IT systems for the purpose of our audit work. These were typically the principal Enterprise Resource Planning (ERP) systems that govern the general ledger and transaction accounting balances and also included the Group's consolidation system. Our approach was principally designed to inform our risk assessment and, as such, we obtained an understanding of relevant IT controls and tested the general IT controls for some components with the involvement of our IT audit specialists.

For all components we have gained an understanding of relevant controls relating to financial reporting, areas of significant risk and significant accounting estimates.

Given the disaggregated nature of the Group, and certain control deficiencies identified, we adopted a substantive audit approach. Where control deficiencies and improvements are identified, these are reported to management and the Audit and Risk Committee as appropriate. Alongside the IT investment, the Group continues to invest time in responding to, and addressing, our observations.

7.3 Our consideration of climate-related risks

In planning our audit, we considered the potential impact of climate change on the Group's business and its financial statements.

The Group has assessed the risks and opportunities associated with various future climate-related scenarios and its own commitment to transition to an operating model that has a reduced level of GHG emissions. While management has acknowledged that the transition and physical risks posed by climate change have the potential to impact the medium to long term success of the business, they have assessed that there is no material impact arising from climate change on the judgements and estimates made in the financial statements as at 31 December 2023, as explained in note 2.3 on page 178 of the financial statements.

As a part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transaction and did not identify any additional risks of material misstatement.

We have evaluated the appropriateness of disclosures included in the financial statements and we also read, in conjunction with our climate specialists, the climate-related narrative in the Sustainability Report, on pages 58 to 83 of the annual report, to consider whether it is materially consistent with the financial statements and our knowledge obtained in the audit.

7.4 Working with other auditors

The Group audit was conducted exclusively by a global network of Deloitte member firms under the direction and supervision of the UK Group audit team.

Our oversight of component auditors focussed on the planning of their audit work and understanding of their risk assessment process to identify key areas of estimates and judgements, as well as the execution of their audit work. We sent our component teams detailed instructions, reviewed and challenged the related component inter-office reporting and findings from their work, reviewed relevant documents in underlying audit files, attended component audit closing conference calls and held regular remote communication to interact on any related audit and accounting matters which arose.

8. Other information

The other information comprises the information included in the annual report (including the Strategic Report, Governance Report, Alternative Performance Measure Reconciliations, GRI Standard Content Index, Limited assurance statement, Definitions and glossary of terms, Roundings and exchange rates and Five year summary), other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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's and the 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 Company or to cease operations, or have no realistic alternative but to do so.

10. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board;
- results of our enquiries of management, internal audit, the Directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, including significant component audit teams, and relevant internal specialists, including tax, valuation, pension and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Independent Auditor's report

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's compliance with environmental, health and safety, and anti-bribery and corruption legislation; as well as considering the Group's monitoring of changes in legislation including sanctions.

11.2 Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with tax authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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 and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 94;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 94 to 96;
- the Directors' statement on fair, balanced and understandable set out on page 129;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 129;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 128; and
- the section describing the work of the Audit and Risk Committee set out on pages 125 to 131.

14. Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by shareholders at its annual general meeting on 19 May 2022 to audit the financial statements for the year ending 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 31 December 2022 to 31 December 2023.

15.2 Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. 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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

James Hunter, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
6 March 2024

Consolidated income statement

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Revenue	3	657.6	715.5
Cost of sales	3	(439.5)	(493.2)
Gross profit		218.1	222.3
Selling, general and administrative expenses		(157.1)	(151.2)
Net impairment losses on financial assets	14	(0.8)	(0.4)
Operating profit	4	60.2	70.7
Finance income	7	3.4	1.0
Finance costs	7	(13.6)	(10.3)
Net finance costs	7	(10.2)	(9.3)
Profit before taxation	3	50.0	61.4
Income tax charge	8	(11.8)	(13.6)
Profit for the year		38.2	47.8
Basic earnings per share	9	19.6p	24.6p
Diluted earnings per share	9	19.5p	24.5p

The notes on pages 177 to 226 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Profit for the year		38.2	47.8
Other comprehensive (expense)/income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	21	(1.7)	-
Total items that will not be reclassified to profit or loss		(1.7)	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(31.9)	54.1
Change in fair value of net investment hedge	17	5.4	(11.7)
Effective portion of changes in value of fair value hedges	17	(0.5)	0.2
Total items that may be reclassified (from)/to profit or loss		(27.0)	42.6
Other comprehensive (expense)/income for the year		(28.7)	42.6
Total comprehensive income for the year		9.5	90.4

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 8.

The notes on pages 177 to 226 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2023

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Note	Share capital £m	Share premium £m	Treasury reserve ³ £m	Hedging reserve £m	Translation reserve ² £m	Retained earnings £m	Total equity £m
At 1 January 2022	9.8	-	(2.6)	-	49.2	426.0	482.4
Profit for the year	-	-	-	-	-	47.8	47.8
Other comprehensive income	-	-	-	0.2	42.4	-	42.6
Total comprehensive income	-	-	-	0.2	42.4	47.8	90.4
Transactions with owners in their capacity as owners							
Share-based payments ¹	-	-	-	-	-	0.8	0.8
Dividends paid	24	-	-	-	-	(25.4)	(25.4)
Issue of own shares from Employee Benefit Trust	23	-	0.5	-	-	(0.5)	-
Purchase of own shares for Employee Benefit Trust	23	-	(6.6)	-	-	-	(6.6)
Total transactions with owners	-	-	(6.1)	-	-	(25.1)	(31.2)
At 31 December 2022	9.8	-	(8.7)	0.2	91.6	448.7	541.6
Profit for the year	-	-	-	-	-	38.2	38.2
Other comprehensive expense	-	-	-	(0.5)	(26.5)	(1.7)	(28.7)
Total comprehensive income/(expense)	-	-	-	(0.5)	(26.5)	36.5	9.5
Transactions with owners in their capacity as owners							
Share-based payments ¹	-	-	-	-	-	1.2	1.2
Dividends paid	24	-	-	-	-	(26.6)	(26.6)
Issue of own shares from Employee Benefit Trust	23	-	0.1	2.2	-	(1.9)	0.4
Purchase of own shares for Employee Benefit Trust	23	-	(0.5)	-	-	-	(0.5)
Total transactions with owners	-	0.1	1.7	-	-	(27.3)	(25.5)
At 31 December 2023	9.8	0.1	(7.0)	(0.3)	65.1	457.9	525.6

¹ Share-based payments include a tax charge of £0 million (2022: tax charge of £0.2 million) and a credit due to issuance of shares under the deferred share bonus plan of £0.1 million (2022: £0.2 million).

² The Translation reserve is used to record the difference arising from the retranslation of the financial statements of foreign operations, offset by net investment hedges.

³ The Treasury reserve reflects ordinary shares in Tyman plc held by the Company and the EBT to fulfil obligations under the Group's share plans.

The notes on pages 177 to 226 are an integral part of these consolidated financial statements.

Consolidated balance sheet

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
ASSETS			
Non-current assets			
Goodwill	10	399.3	399.3
Intangible assets	10	66.2	57.7
Property, plant and equipment	11	71.1	74.6
Right-of-use assets	12	55.4	57.3
Financial assets at fair value through profit or loss	14	1.2	1.2
Derivative financial instruments	17	-	0.2
Deferred tax assets	8	1.4	1.7
		594.6	592.0
Current assets			
Inventories	13	119.0	153.1
Trade and other receivables	14	85.6	81.4
Cash and cash equivalents	15	63.7	74.6
Current tax asset		2.3	-
		270.6	309.1
Assets classified as held for sale	11	2.4	-
		273.0	309.1
TOTAL ASSETS		867.6	901.1
LIABILITIES			
Current liabilities			
Trade and other payables	16	(94.8)	(88.3)
Derivative financial instruments	17	(0.5)	(0.2)
Borrowings	18	(60.2)	(15.9)
Lease liabilities	12	(7.1)	(6.8)
Current tax liabilities		(2.0)	(1.8)
Provisions	20	(2.1)	(5.0)
		(166.7)	(118.0)
Non-current liabilities			
Borrowings	18	(111.5)	(172.5)
Lease liabilities	12	(52.6)	(54.9)
Deferred tax liabilities	8	(4.9)	(6.9)
Derivative financial instruments	17	(0.3)	-
Retirement benefit obligations	21	(2.6)	(4.3)
Provisions	20	(3.4)	(2.9)
		(175.3)	(241.5)
TOTAL LIABILITIES		(342.0)	(359.5)
NET ASSETS		525.6	541.6
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	22	9.8	9.8
Share premium	22	0.1	-
Treasury reserve		(7.0)	(8.7)
Hedging reserve	17	(0.3)	0.2
Translation reserve		65.1	91.6
Retained earnings		457.9	448.7
TOTAL EQUITY		525.6	541.6

The notes on pages 177 to 226 are an integral part of these consolidated financial statements.

The financial statements on pages 172 to 176 were approved by the Board on 6 March 2024 and signed on its behalf by:

Jason Ashton **Peter Ho**
Chief Executive Officer General Counsel & Company Secretary

Tyman plc

Company registration number: 02806007

Consolidated cash flow statement

For the year ended 31 December 2023

TYMAN PLC

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	Note	2023 £m	2022 £m
Cash flow from operating activities			
Profit before taxation	3	50.0	61.4
Adjustments	26	51.3	53.0
Changes in working capital:			
Inventories		28.7	(4.8)
Trade and other receivables		(6.7)	5.6
Trade and other payables		7.8	(32.2)
Provisions utilised		(4.2)	(0.7)
Pension contributions		(2.6)	(0.2)
Income tax paid		(15.5)	(21.5)
Net cash generated from operating activities		108.8	60.6
Cash flow from investing activities			
Purchases of property, plant and equipment	11	(11.1)	(19.2)
Purchases of intangible assets	10	(4.5)	(4.9)
Proceeds on disposal of property, plant and equipment		0.1	0.1
Acquisition of subsidiary undertakings, net of cash acquired	25	(43.8)	-
Interest received		3.4	0.9
Net cash used in investing activities		(55.9)	(23.1)
Cash flow from financing activities			
Interest paid		(11.7)	(9.5)
Dividends paid	24	(26.6)	(25.4)
Proceeds from issue of own shares from Employee Benefit Trust		0.4	-
Purchase of own shares for Employee Benefit Trust		(0.5)	(6.6)
Refinancing costs paid		(0.6)	(2.1)
Proceeds from drawdown of borrowings		84.7	122.3
Repayments of borrowings		(103.7)	(113.0)
Principal element of lease payments		(7.1)	(6.2)
Net cash used in financing activities		(65.1)	(40.5)
Net decrease in cash and cash equivalents and bank overdrafts			
Exchange (loss)/gain on cash and cash equivalents and bank overdrafts		(7.7)	3.1
Cash and cash equivalents and bank overdrafts at beginning of year		58.2	58.1
Cash and cash equivalents and bank overdrafts at end of year	15	38.3	58.2

The notes on pages 177 to 226 are an integral part of these consolidated financial statements.

Notes to the financial statements

For the year ended 31 December 2023

1. General information

Tyman plc is a leading international supplier of engineered fenestration and access solutions to the construction industry. The Group designs and manufactures products that enhance the comfort, sustainability, security, safety and aesthetics of residential homes and commercial buildings. Tyman serves its markets through three regional divisions. Headquartered in London, the Group employs approximately 3,600 people with facilities in 15 countries.

Tyman plc is a public limited company listed on the London Stock Exchange, incorporated and domiciled in the United Kingdom. The Company is registered in England & Wales and the address of the Company's registered office is 29 Queen Anne's Gate, London SW1H 9BU.

2. Accounting policies and basis of preparation

The accounting policies in this section relate to the financial statements in their entirety. Accounting policies, including critical accounting judgements and estimates used in the preparation of the financial statements, that relate to a particular note, are described in the specific note to which they relate. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for items that are required by International Financial Reporting Standards (IFRS) to be measured at fair value, principally certain financial instruments. The consolidated financial statements have been prepared in accordance with IFRS, which includes the standards and interpretations issued by the International Accounting Standards Board (IASB), which have been adopted by the United Kingdom (UK) as well as the Companies Act 2006.

These consolidated financial statements are presented in millions of sterling rounded to the nearest one decimal place.

2.2 Going concern

The Group's business activities, financial performance and position, together with factors likely to affect its future development and performance, are described in the Chief Executive Officer's review on pages 30 to 32. Changes to principal risks and uncertainties are described on pages 84 to 93.

As at 31 December 2023, the Group had net cash and cash equivalents of £38.3 million, and an undrawn RCF available of £144.8 million, giving liquidity headroom of £183.1 million. The Group also has potential access to an uncommitted accordion facility of £100 million. The RCF matures in December 2027.

The Group is subject to leverage and interest cover covenants tested in June and December and had significant headroom on both covenants at 31 December 2023, with £65.4 million (65%) of EBITDA headroom on the leverage covenant and £68.0 million (70%) of EBITDA headroom on the interest cover covenant.

The Group has performed an assessment of going concern through reviewing liquidity headroom and covenant compliance under the Board approved financial forecast and modelling several downside scenarios, as outlined in the viability statement on pages 94 to 96. In all scenarios modelled, the Group would retain significant liquidity and covenant headroom throughout the going concern period.

Reverse stress-testing has also been performed to model a scenario that would result in the elimination of covenant headroom within the going concern assessment period. Revenue would need to decrease significantly, to an extent not considered reasonably possible, for the covenants to be breached. As part of this assessment, the Group has considered the risks relating to climate change. As this risk relates to the medium-to-long term, there is no impact on the short-term going concern assessment and, as a result, management have not included any impact in either the base case or any of the downside scenarios of the going concern assessment. For further details on how management have analysed any potential climate risks into the financial process, please refer to note 2.3 and note 10.3.1.

Having reviewed the various scenario models, available liquidity and taking into account current trading, the Directors are satisfied that the Group has sufficient financial resources to continue in operation for the foreseeable future, which is considered to be a period of not less than twelve months from the date of this report. Accordingly, the consolidated and Company financial information has been prepared on a going concern basis.

The Group's viability statement is set out on pages 94 to 96 of the Annual Report and Accounts.

Notes to the financial statements

For the year ended 31 December 2023

2. Accounting policies and basis of preparation *continued*

2.3 Accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any affected future periods.

There are no areas representing critical judgements made by management and no key sources of estimation uncertainty in the Group's financial statements.

The Group has considered the impact of climate change in preparing these financial statements, in line with the risks identified as part of the TCFD and CFD work outlined on pages 58 to 82. Climate change considerations have been described further in the relevant notes; however, there are no risks identified that would materially impact the financial statements.

2.4 Changes in accounting policies and disclosures

2.4.1 *New, revised and amended standards and interpretations adopted by the Group*

The accounting standards and interpretations that became applicable in the year did not materially impact the Group's accounting policies and did not require retrospective adjustments.

Title	Subject	Effective date per UKEB
IFRS 17	Insurance Contracts	1 Jan 2023
Amendments to IFRS 17	IFRS 17	1 Jan 2023
Amendments to IAS 1	Presentation of Financial Statements and IFRS practice statement 2 making materiality judgements – disclosure of accounting policies	1 Jan 2023
Amendments to IAS 12	Income taxes – Deferred tax related to assets and liabilities arising from a single transaction	1 Jan 2023
Amendments to IAS 12	Incomes taxes – International tax reform – Pillar two model rules	1 Jan 2023
Amendments to IAS 8	Accounting policies, changes in accounting policies, estimates and errors – Definition of accounting estimates	1 Jan 2023

2.4.2 *New, revised and amended accounting standards not yet adopted*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods. These standards, amendments or interpretations are listed below:

Title	Subject	Effective date per UKEB
Amendments to IAS 1	Classification of liabilities as current or non-current	1 Jan 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	1 Jan 2024
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 Jan 2024

2.5 Consolidation

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

2.6 Foreign exchange

2.6.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in sterling, which is the functional currency of the Company and the presentation currency of the Group.

2.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying net investment hedges. Other than the ineffective element, these are recognised directly in equity until the disposal of the net investment, at which time they are recognised in the income statement.

2.6.3 Group companies

On consolidation, assets and liabilities of Group companies denominated in foreign currencies are translated into sterling at the exchange rate prevailing at the balance sheet date. Income and expense items are translated into sterling at the average rates throughout the year, unless the average rate is not a representative rate for any significant transactions, in which case the rate prevailing at the date of the transaction is used.

Exchange differences arising on the translation of opening net assets of Group companies, together with differences arising from the translation of the net results at average or actual rates to the exchange rate prevailing at the balance sheet date, are taken to other comprehensive income. On disposal of a foreign entity, the cumulative translation differences recognised in other comprehensive income relating to that particular foreign operation are recognised in the income statement as part of the gain or loss on disposal.

2.7 Revenue recognition

The Group derives revenue solely from the sale of goods to customers. This revenue recognition policy applies to all product types and sales channels. Revenue from the sale of goods is recognised when control of the goods has been transferred to the buyer. Control transfers when the customer has the ability to direct the use of, and obtain substantially all of, the benefits of the goods. This is either on dispatch of the goods or on receipt of goods by the customer, depending on the terms of shipment.

Where the Group is responsible for arranging shipping services, an evaluation is made to determine whether the shipping services are a separate performance obligation. Where these are considered to be a separate performance obligation, the revenue recognition criteria are applied to the performance obligations of sale of goods and shipping services separately. Revenue is allocated to each performance obligation based on its standalone selling price.

The Group is considered to be acting as the principal in shipping arrangements when it has discretion over setting prices, has primary responsibility for fulfilling the obligation, and retains inventory risk. In these circumstances, the cost of freight to customers is considered a distribution expense. The cost of freight is recorded within selling, general and administrative expenses.

Revenue is measured at the fair value of the consideration received or receivable. Revenue represents the amounts receivable for goods supplied, stated net of discounts, returns, rebates and value-added taxes. Where customers have a right to return goods, a refund liability is recognised (included in trade and other payables) for the expected value of refunds to be provided to customers. A corresponding contract asset is recognised reflecting the value of goods expected to be returned (included in other receivables). Accumulated experience is used to estimate and provide for expected returns using the expected value method.

Volume rebates are estimated with reference to customer agreements, which typically, have tiered volume thresholds based on the level of sales expected to be achieved over the period of the agreement using the expected value method. Early settlement discounts are known shortly after the sale and can therefore be reliably estimated. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Incremental costs of obtaining a contract, such as sales commissions, are expensed as incurred, as the period over which the Group obtains benefit from these is less than twelve months.

Notes to the financial statements

For the year ended 31 December 2023

3. Segment reporting

3.1 Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, defined as the Board of Directors of the Group, is responsible for allocating resources and assessing performance of the operating segments.

3.2 Segment information

The reporting segments reflect the manner in which performance is evaluated and resources are allocated. The Group operates through three clearly defined divisions: Tyman North America, Tyman UK & Ireland and Tyman International.

North America comprises all the Group's operations within the US, Canada and Mexico. UK & Ireland comprises the Group's UK and Ireland hardware business, together with Access 360 and Tyman Sourcing Asia. International comprises the Group's remaining businesses outside the US, Canada, Mexico and the UK (although it includes the two UK seal manufacturing plants that are managed by the Tyman International leadership team). Centrally incurred functional costs that are directly attributable to a division are allocated or recharged to the division. All other centrally incurred costs and eliminations are disclosed as a separate line item in the segment analysis.

In the opinion of the Board, there is no material difference between the Group's operating segments and segments based on geographical splits. Accordingly, the Board does not consider geographically defined segments to be reportable.

The following tables present revenue and profit information for the Group's reporting segments, which have been generated using the Group's accounting policies, with no differences of measurement applied, other than those noted above.

3.2.1 Revenue by division

	2023			2022		
	Segment revenue £m	Inter-segment revenue £m	External revenue £m	Segment revenue £m	Inter-segment revenue £m	External revenue £m
North America	434.5	(2.2)	432.3	474.9	(3.0)	471.9
UK & Ireland	97.5	(0.2)	97.3	103.5	(0.2)	103.3
International	129.8	(1.8)	128.0	143.4	(3.1)	140.3
Total revenue	661.8	(4.2)	657.6	721.8	(6.3)	715.5

Included within the Tyman International segment is revenue generated from the UK of £26.4 million (2022: £24.7 million).

3.2.2 Revenue by product line

	2023 £m	2022 £m
Window and door hardware	472.7	512.4
Seals and extrusions	106.4	126.3
Commercial access solutions	76.3	74.7
Other products	2.2	2.1
Total revenue from products	657.6	715.5

3.2.3 Profit before taxation

	Note	2023 £m	2022 £m
North America		67.1	66.8
UK & Ireland		12.0	14.5
International		13.5	21.3
Operating segment profit		92.6	102.6
Centrally incurred costs		(8.2)	(8.0)
Adjusted operating profit		84.4	94.6
Adjusting items	6	(10.6)	(6.3)
Amortisation of acquired intangible assets	10	(13.6)	(17.6)
Operating profit		60.2	70.7
Net finance costs	7	(10.2)	(9.3)
Profit before taxation		50.0	61.4

3.2.4 Operating profit disclosures

	Cost of sales		Depreciation		Amortisation	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
North America	(300.8)	(345.5)	(12.6)	(12.6)	(11.9)	(13.7)
UK & Ireland	(62.0)	(65.3)	(2.2)	(1.9)	(1.2)	(2.8)
International	(76.7)	(82.4)	(4.9)	(4.8)	(3.2)	(3.1)
Unallocated	-	-	(0.2)	(0.2)	-	-
Total	(439.5)	(493.2)	(19.9)	(19.5)	(16.3)	(19.6)

3.2.5 Segment assets and liabilities

	Segment assets		Segment liabilities ¹		Non-current assets ²	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
North America	564.8	598.3	(89.2)	(114.4)	429.5	421.6
UK & Ireland	139.4	131.3	(38.6)	(32.8)	88.3	86.5
International	158.8	160.6	(52.0)	(45.5)	78.5	83.6
Unallocated	4.6	10.9	(162.2)	(166.8)	(1.7)	0.3
Total	867.6	901.1	(342.0)	(359.5)	594.6	592.0

¹ Included within unallocated segment liabilities are centrally held borrowings of £156.9 million (2022: £163.0 million) and other liabilities of £5.3 million (2022: £3.8 million). Where borrowings can be directly attributed to segments, these have been allocated.

² Non-current assets exclude non-current assets held for sale.

Non-current assets of the International segment include £14.4 million (2022: £12.4 million) attributable to the UK.

Notes to the financial statements

For the year ended 31 December 2023

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3. Segment reporting continued

3.2.6 Capital expenditure

	Property, plant and equipment		Intangible assets	
	2023 £m	2022 £m	2023 £m	2022 £m
North America	6.3	9.7	4.2	4.1
UK & Ireland	1.1	4.2	0.1	0.2
International	3.7	5.3	0.2	0.6
Total	11.1	19.2	4.5	4.9

3.2.7 Other disclosures

	Goodwill		Intangible assets		Retirement benefit obligations	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
North America	304.2	302.7	51.8	38.9	-	(1.3)
UK & Ireland	60.2	60.2	1.0	2.2	-	-
International	34.9	36.4	13.4	16.6	(2.6)	(3.0)
Total	399.3	399.3	66.2	57.7	(2.6)	(4.3)

4. Operating profit

Operating profit is stated after charging the following:

	Note	2023 £m	2022 £m
Depreciation of property, plant and equipment	11	(12.0)	(12.4)
Depreciation of right-of-use assets	12	(7.9)	(7.1)
Amortisation of acquired intangible assets	10	(13.6)	(17.6)
Amortisation of other intangible assets	10	(2.7)	(2.0)
Impairment of other intangible assets	10	-	(0.1)
Write off of goodwill	10	(1.0)	-
Research and development costs		(5.2)	(5.1)
Foreign exchange loss		(1.9)	(0.7)
Loss on disposal of property, plant and equipment		(0.2)	(0.1)
Employee costs	5	(164.0)	(158.6)

Analysis of auditor's remuneration:

	2023 £m	2022 £m
Audit of Parent Company and consolidated financial statements	(0.4)	(0.3)
Audit of subsidiaries	(0.8)	(0.8)
Total audit	(1.2)	(1.1)
Audit-related assurance services	(0.1)	(0.1)
Total fees	(1.3)	(1.2)
Total audit fees	(1.2)	(1.1)
Total non-audit fees	(0.1)	(0.1)
Total fees	(1.3)	(1.2)

Audit-related assurance services were in respect of the interim review and were £67,839 (2022: £64,000).

5. Employees and employee costs

5.1 Accounting policy

5.1.1 Wages and salaries

Wages and salaries are recognised in the income statement as the employees' services are rendered.

5.1.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- When the Group can no longer withdraw the offer of those benefits; or
- When the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

5.1.3 Bonus plans

The Group recognises a liability and an expense for bonuses based on the expected level of payment to employees in respect of the relevant financial year. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

5.2 Number of employees

The average monthly number of employees during the financial year and as at 31 December 2023 was:

	Average		As at 31 December	
	2023	2022	2023	2022
Administration	670	693	681	692
Operations	2,675	3,146	2,692	2,742
Sales	278	296	268	283
Total number of employees	3,623	4,135	3,641	3,717

The analysis above includes Directors.

5.3 Employment costs

Employment costs of employees, including Directors' remuneration, during the year were as follows:

	Note	2023 £m	2022 £m
Wages and salaries		(145.8)	(141.2)
Social security costs		(12.2)	(12.1)
Share-based payments – equity settled	23	(1.1)	(0.8)
Share-based payments – cash settled	23	(0.4)	(0.2)
Pension costs – defined contribution schemes	21	(4.2)	(4.0)
Pension costs – defined benefit schemes	21	(0.3)	(0.3)
Total employment costs		(164.0)	(158.6)

Details of Directors' remuneration are set out in the Remuneration report on pages 132 to 158.

Notes to the financial statements

For the year ended 31 December 2023

6. Adjusting items

6.1 Accounting policy

The Group excludes from adjusted performance metrics certain items that are considered to be significant in nature and/or quantum and where treatment as an adjusted item provides stakeholders with additional useful information to assess the trading performance of the Group compared with prior periods. Under the Group's policy, such items include costs of major redundancy and restructuring programmes, transaction and integration costs associated with merger and acquisition activity, significant impairment charges, gains or losses on the disposal of businesses and releases of provisions associated with acquisitions that had initially been recognised as part of a purchase price allocation.

These adjusted performance metrics are used by management internally to monitor performance of the business, and the Group aims to be both consistent and clear in its recognition and disclosure of adjusting items. Management judgement is required in assessing the nature and amounts of transactions that satisfy the conditions for classification as an adjusted item. See APMs section on pages 234 to 241.

6.2 Adjusting items

	2023 £m	2022 £m
Restructuring costs	(6.7)	(6.3)
CEO transition costs	(1.3)	-
M&A costs	(1.4)	-
Argentina devaluation charge	(1.2)	-
Total adjusting items	(10.6)	(6.3)

The restructuring costs of £6.7 million comprise costs related to the consolidation of the three UK access solutions businesses into a single site, costs related to a targeted reduction in workforce in North America, and costs associated with the international fixed cost base optimisation, which include the final costs relating to the closure of the Hamburg facility and transfer of production to the UK, cessation of manufacturing in Brazil and closure of the Chinese operation.

The CEO transition costs of £1.3 million include exit costs for the former CEO, as well as recruitment costs for the new CEO.

M&A costs of £1.4 million comprise costs associated with the Lawrence acquisition, including due diligence, legal fees, and other acquisition-related costs, as well as a charge associated with the estimated earn-out, which under accounting standards, is treated as post-combination remuneration rather than consideration due to it being conditional on continuing employment of a key employee.

The Argentina devaluation charge of £1.2 million relates to the impact of the action taken by the new government in Argentina to significantly devalue the Peso in December 2023 on retranslating a Euro-denominated payable held by the Group's Argentinian business.

7. Finance income and costs

	2023 £m	2022 £m
Finance income		
Interest income from short-term bank deposits	3.4	0.9
Gain on revaluation of derivative instruments	-	0.1
	3.4	1.0
Finance costs		
Interest payable on bank loans, private placement notes and overdrafts	(10.8)	(6.9)
Foreign exchange on borrowings	0.8	0.2
Interest payable on leases	(2.6)	(3.0)
Amortisation of borrowing costs	(0.5)	(0.6)
Pension interest cost	(0.2)	-
Loss on revaluation of derivative instruments	(0.3)	-
	(13.6)	(10.3)
Net finance costs	(10.2)	(9.3)

8. Taxation

8.1 Accounting policy

The income tax charge comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the relevant statement.

The Group's liability for current tax is calculated using tax rates that have been enacted, or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

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. No deferred tax liabilities are recognised if they arise from the initial recognition of:

- goodwill; or
- an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. Offset may be applied, either within the same tax entity or different taxable entities, where there is an intention to settle tax balances on a net basis.

The Group has made provisions for uncertain tax positions in accordance with IFRIC 23. At any point in time, the Group has open tax returns across the jurisdictions in which it operates, which, may give rise to different amounts of tax due. Judgement is required in making an assessment of whether it is probable a tax authority will accept an uncertain tax treatment. If it is not probable the position will be accepted, estimation is required in making a provision using either the expected value approach or the most likely outcome approach. The amounts at which tax liabilities are finally settled may differ from the amounts provided.

Notes to the financial statements

For the year ended 31 December 2023

8. Taxation continued

8.2 Taxation – income statement and other comprehensive income

8.2.1 Tax on profit

	Note	2023 £m	2022 £m
Current taxation			
Current tax on profit for the year		(16.5)	(19.1)
Prior year adjustments		2.0	1.5
Total current taxation		(14.5)	(17.6)
Deferred taxation			
Origination and reversal of temporary differences		3.4	4.6
Rate change adjustment		-	0.1
Foreign exchange difference		0.1	-
Prior year adjustments		(0.8)	(0.7)
Total deferred taxation	8.3	2.7	4.0
Income tax charge in the income statement		(11.8)	(13.6)
Total charge relating to components of other comprehensive income			
Current tax credit/(charge) on translation		0.1	(0.3)
Deferred tax charge on defined benefit obligations	8.3	(1.3)	-
Deferred tax charge on share-based payments	8.3	-	(0.2)
Income tax charge in the statement of other comprehensive income		(1.2)	(0.5)
Total current taxation		(14.4)	(17.9)
Total deferred taxation		1.4	3.8
Total taxation		(13.0)	(14.1)

The standard rate of corporation tax in the UK changed from 19.0% to 25.0% with effect from 1 April 2023. Accordingly, the Group's UK profits for this financial year are taxed at a weighted average rate of 23.5% (2022: 19.0%). The deferred tax balances have been measured using the applicable enacted rates they are expected to unwind at in their respective territories.

Taxation for other jurisdictions is calculated at rates prevailing in those respective jurisdictions.

8.2.2 Reconciliation of the total tax charge

The tax assessed for the year differs from the weighted average rate of 23.5% (2022: 19.0%). The differences are explained below:

	2023 £m	2022 £m
Profit before taxation	50.0	61.4
Profit before taxation multiplied by the weighted average rate of corporation tax in the UK of 23.5% (2022: 19.0%)	(11.8)	(11.7)
Effects of:		
Expenses not deductible for tax purposes	(0.1)	(0.2)
Overseas tax rate differences	(1.2)	(2.5)
Rate change adjustment	-	0.1
Foreign exchange difference	0.1	-
Prior year adjustments	1.2	0.7
Income tax charge in the income statement	(11.8)	(13.6)

8.3 Taxation – balance sheet

The net movement in deferred tax is as follows:

	Accelerated tax depreciation £m	Post- retirement benefit provisions £m	Intangible assets on acquisition £m	Purchased goodwill £m	Other timing differences £m	Total £m
At 1 January 2022	(4.6)	0.3	(13.8)	4.0	6.2	(7.9)
Income statement credit/(charge)	0.1	-	4.5	(1.9)	1.3	4.0
Tax charge relating to components of other comprehensive income	-	-	-	-	(0.5)	(0.5)
Exchange difference	-	-	(0.8)	-	-	(0.8)
At 31 December 2022	(4.5)	0.3	(10.1)	2.1	7.0	(5.2)
Income statement credit/(charge)	(0.1)	1.0	3.3	(0.6)	(0.9)	2.7
Tax credit/(charge) relating to components of other comprehensive income	-	(1.3)	-	-	0.1	(1.2)
Exchange difference	-	-	-	-	0.2	0.2
At 31 December 2023	(4.6)	-	(6.8)	1.5	6.4	(3.5)

Comprised of:

	2023 £m	2022 £m
Deferred tax assets	1.4	1.7
Deferred tax liabilities	(4.9)	(6.9)
Net deferred tax liabilities	(3.5)	(5.2)

The deferred tax asset arises from temporary differences arising in various tax jurisdictions, predominantly the US and UK. Given both recent and forecast trading, the Directors are of the opinion that the level of profits in the foreseeable future is more likely than not to be sufficient to recover these assets.

Deferred tax liabilities of £8.7 million (2022: £7.0 million) are expected to fall due after more than one year and deferred tax assets of £1.5 million (2022: £1.1 million) are expected to be recovered after more than one year.

8.3.1 Factors that may affect future tax charges

The estimated tax losses within the Group are as follows:

	Gross losses		Tax effect of losses	
	2023 £m	2022 £m	2023 £m	2022 £m
Estimated tax losses:				
Capital losses	10.8	10.8	(2.5)	(2.7)
Trading losses	14.3	14.1	(3.2)	(4.2)
Total estimated tax losses	25.1	24.9	(5.7)	(6.9)

In accordance with the Group's accounting policy, as the future use of these losses is uncertain, none of these losses have been recognised as a deferred tax asset.

In respect of unremitted earnings of overseas subsidiaries, an assessable temporary difference exists, but no deferred tax liability has been recognised because the Group is able to control the timing of any distributions from these subsidiaries and, hence, any tax consequences that may arise.

Notes to the financial statements

For the year ended 31 December 2023

8. Taxation continued

8.4 OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the United Kingdom, the jurisdiction in which the Company is incorporated, and came into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group would be liable to pay a top-up tax for any difference between its Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation in conjunction with its tax specialists for when it comes into effect. There are complexities in applying the legislation and calculating GloBE income which the Group is working through; however, based on analysis performed to date, it is unlikely that the Group will have a material exposure as a result of the new legislation.

9. Earnings per share

9.1 Earnings per share

	2023 £m	2022 £m
Profit for the year	38.2	47.8
Basic earnings per share (p)	19.6p	24.6p
Diluted earnings per share (p)	19.5p	24.5p

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the diluted potential ordinary shares into ordinary shares.

9.2 Weighted average number of shares

	2023 'm	2022 'm
Weighted average number of shares (including treasury shares)	196.8	196.8
Treasury shares	(0.4)	(0.5)
Employee Benefit Trust shares	(1.4)	(2.1)
Weighted average number of shares – basic	195.0	194.2
Effect of dilutive potential ordinary shares – LTIP awards and options	1.4	1.0
Weighted average number of shares – diluted	196.4	195.2

10. Goodwill and intangible assets

10.1 Accounting policy

10.1.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units ("CGU") that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

10.1.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The estimated useful lives of acquired intangible assets are reviewed whenever events or circumstances indicate that there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset. Any amendments to the estimated useful lives of intangible assets are recorded as a change in estimate in the period the change occurred.

i. Intangible assets arising on business combinations

On acquisition of businesses by the Group, the Group recognises any separately identifiable intangible assets separately from goodwill. This includes acquired brands, customer relationships, trademarks and licences. These intangible assets are initially measured at fair value and amortised on a straight-line basis over their estimated useful economic lives, being:

- Acquired brands – 5 to 20 years
- Customer relationships – 7 to 15 years

ii. Computer software

Computer software which the Group has control over, is initially recognised at the purchase price of the software, plus directly attributable costs of preparing the software for use. Directly attributable costs include configuration and customisation costs, including both external consultancy and employee costs. Configuration and customisation costs associated with Software as a Services ("SaaS") arrangements are capitalised only if they create an intangible asset that the Group controls. If these costs do not meet the definition of an intangible asset but are considered to be an integral part of the service provided by the software provider, they are capitalised as a prepayment and expensed as the service is provided. In other cases, these costs are expensed as incurred. Computer software is subsequently amortised on a straight-line basis over its estimated useful economic lives, being:

- Computer software – 3 to 7 years

iii. Research and development costs

Research costs are expensed to the income statement as incurred. Development costs are capitalised when all of the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The Group's intention to complete the intangible asset and use or sell it
- The Group's ability to use the intangible asset or to sell it
- That the intangible asset will generate probable future economic benefits. This includes the ability to demonstrate the existence of a market for the intangible asset's output or for the intangible asset itself; or, if the asset is to be used internally, the Group must be able to demonstrate the usefulness of the intangible asset
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The Group's ability to measure reliably the expenditure attributable to the intangible asset during its development

The Group does not currently capitalise any development costs, as for new products, the incremental costs from the point at which technical feasibility is demonstrated, and there is enough certainty that sufficient future economic benefits will be derived are not material.

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10. Goodwill and intangible assets continued

10.1.3 Impairment of goodwill and intangible assets

Intangible assets, including goodwill, that have an indefinite useful life or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Goodwill previously impaired cannot be reversed at a later date.

10.2 Cash generating units

The Group's CGUs have been defined as each of the Group's three operating divisions. Each division has its own senior management and leadership team, which holds the overall responsibility for the key decision making of each operating unit within that division. In the opinion of the Directors, the divisions represent the smallest groups of assets that independently generate cash flows for the Group and to which goodwill is allocated. This conclusion is consistent with the approach adopted in previous years. Lawrence is identified as a separate CGU, however it was included in the North America division for the purpose of monitoring goodwill.

10.3 Carrying amount of goodwill

	Note	£m
Net carrying value		
At 1 January 2022		363.3
Exchange difference		36.0
At 31 December 2022		399.3
Acquisition of subsidiary	25	17.6
Write off of goodwill	4	(1.0)
Exchange difference		(16.6)
At 31 December 2023		399.3

The write off of goodwill of £1.0 million relates to the closure of the business in China. This has been classified as an adjusting item. See note 6.

Goodwill is monitored, principally, on an operating segment basis and the net book value of goodwill is allocated by CGU as follows:

	2023 £m	2022 £m
North America	304.2	302.7
UK & Ireland	60.2	60.2
International	34.9	36.4
Total goodwill	399.3	399.3

10.3.1 Impairment tests for goodwill

The recoverable amounts of CGUs are estimated from value in use ("VIU") calculations. VIU is determined by discounting the future pre-tax cash flows generated from the continuing use of the CGU, using a pre-tax discount rate.

Assumptions

Cash flow projections

Cash flow projections, including EBITDA margins, which have been reviewed and approved by the Board, are derived from the bottom-up budget for 2024 and the strategic plan for 2025–2026, extrapolated for a further two years at an estimated medium-term growth rate for each CGU. The five-year cash flows were extrapolated using a long-term growth rate of 2.0% (2022: 1.75%) in order to calculate the terminal recoverable amount. The forecasts were derived using assumptions based on market growth expectations, estimated share gains, and margin expansion from executing of strategic initiatives.

Climate change

The Group has considered the potential impact of climate change on future cash flows and the terminal growth rate used in the impairment test. This took into consideration the quantification of the risks and opportunities identified in the sustainability disclosures outlined in the sustainability report on pages 66 to 67, as well as the commitments made in the sustainability roadmap. This included overlaying the impact of the quantified NPV impact for both the physical and transition risk as disclosed in the sustainability report. After taking into account the potential impact of climate change, significant headroom remained in the model.

In addition, there have been no factors identified that would be expected to limit the useful lives of any major assets or parts of the business that would suggest the current terminal growth rate is not appropriate.

Discount rates

Discount rates are estimated using a weighted average cost of capital calculation as a base for each CGU. This uses observable information such as market risk premiums, comparable company information, and country-specific interest rates to align with the risk profiles of the CGUs. This is then adjusted to derive a pre-tax rate.

The key assumptions used in the VIU calculations in each of the Group's CGUs at 31 December are as follows:

	Average pre-tax discount rate		Average EBITDA margin: years one to five	
	2023	2022	2023	2022
North America	13.8%	12.8%	20.8%	21.9%
UK & Ireland	12.8%	12.7%	14.1%	17.5%
International	16.5%	15.3%	17.7%	19.2%

Impairment review results: 2023

A review of the carrying amount of goodwill and intangible assets across the Group has been carried out at year end taking into account the current trading conditions and future prospects. The assumptions have been subjected to sensitivity analyses, including sensitising revenue, EBITDA margin and the discount rate. The annual impairment review did not result in any impairment losses being recognised in 2023. The results are summarised as follows:

UK & Ireland: Relative to the base case scenario, revenue would need to decline by over 4.5% on average in each of the five years from 2024 to 2028, or the average EBITDA margin for the next five years would need to decrease from 14.1% to 11.1%, or the post-tax discount rate would need to increase from 10.4% to 13.2% to reduce VIU headroom to zero. None of these scenarios are considered reasonably possible changes in assumptions.

North America: Relative to the base case scenario, revenue would need to decline by over 2.2% on average in each of the five years from 2024 to 2028, or the average EBITDA margin for the next five years would need to decrease from 20.8% to 17.4%, or the post-tax discount rate would need to increase from 11.1% to 13.9% to reduce VIU headroom to zero. None of these scenarios are considered reasonably possible changes in assumptions.

International: Relative to the base case scenario, revenue would need to decline by over 5.6% on average in each of the five years from 2024 to 2028, or the average EBITDA margin for the next five years would need to decrease from 17.7% to 15.3%, or the post-tax discount rate would need to increase from 12.8% to 15.3% to reduce VIU headroom to zero. None of these scenarios are considered reasonably possible changes in assumptions.

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10. Goodwill and intangible assets continued

10.4 Carrying amount of intangible assets

	Note	Computer software £m	Acquired brands £m	Customer relationships £m	Other Intangibles £m	Total £m
Cost						
At 1 January 2022		15.5	82.1	252.5	-	350.1
Additions		4.7	-	-	0.2	4.9
Disposals		(0.4)	-	-	-	(0.4)
Transfer between categories		0.1	(0.1)	-	-	-
Exchange difference		1.8	7.8	24.3	-	33.9
At 31 December 2022		21.7	89.8	276.8	0.2	388.5
Additions		4.4	0.1	-	-	4.5
Disposals		(1.1)	(0.1)	-	-	(1.2)
Acquisition of subsidiary	25	-	1.5	20.6	-	22.1
Transfer between categories		(0.1)	0.1	-	-	-
Exchange difference		(1.1)	(3.7)	(11.0)	-	(15.8)
At 31 December 2023		23.8	87.7	286.4	0.2	398.1
Accumulated amortisation						
At 1 January 2022		(8.4)	(59.4)	(215.5)	-	(283.3)
Amortisation charge for the year	4	(2.0)	(5.4)	(12.2)	-	(19.6)
Disposals		0.4	-	-	-	0.4
Impairment		(0.1)	(0.1)	-	-	(0.2)
Exchange difference		(0.9)	(5.9)	(21.3)	-	(28.1)
At 31 December 2022		(11.0)	(70.8)	(249.0)	-	(330.8)
Amortisation charge for the year	4	(2.7)	(4.2)	(9.4)	-	(16.3)
Disposals		1.1	0.1	-	-	1.2
Exchange difference		0.6	3.0	10.4	-	14.0
At 31 December 2023		(12.0)	(71.9)	(248.0)	-	(331.9)
Net carrying value						
At 1 January 2022		7.1	22.7	37.0	-	66.8
At 31 December 2022		10.7	19.0	27.8	0.2	57.7
At 31 December 2023		11.8	15.8	38.4	0.2	66.2

Included in computer software are assets under construction of £2.7 million (2022: £3.4 million) for which amortisation has not yet commenced.

The amortisation charge for the year has been included in selling, general and administrative expenses in the income statement and comprises £13.6 million (2022: £17.6 million) relating to amortisation of acquired intangible assets and £2.7 million (2022: £2.0 million) relating to amortisation of other intangible assets.

11. Property, plant and equipment

11.1 Accounting policy

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the Group and the cost of the subsequent item can be measured reliably. The carrying amount of the replaced part is derecognised from the date of replacement. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation is provided on all other property, plant and equipment at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life, at the following annual rates:

- Freehold buildings – 2.0% to 5.0%
- Plant and machinery – 7.5% to 33.0%

The carrying amounts of property, plant and equipment are reviewed for impairment periodically if events or changes in circumstances indicate that the carrying amount may not be recoverable. The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Non-current assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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11. Property, plant and equipment continued

11.2 Carrying amount of property, plant and equipment

	Note	Freehold land and buildings £m	Plant and machinery £m	Total £m
Cost				
At 1 January 2022		25.0	108.5	133.5
Additions		0.3	18.9	19.2
Disposals		-	(8.6)	(8.6)
Transfers between asset categories		1.0	(1.0)	-
Exchange difference		3.3	20.9	24.2
At 31 December 2022		29.6	138.7	168.3
Additions		-	11.1	11.1
Acquisition of subsidiary	25	-	2.7	2.7
Disposals		(0.5)	(11.7)	(12.2)
Assets classified as held for sale	11.3	(6.6)	(1.0)	(7.6)
Transfers between asset categories		0.6	(0.6)	-
Exchange difference		(1.4)	(9.6)	(11.0)
At 31 December 2023		21.7	129.6	151.3
Accumulated depreciation				
At 1 January 2022		(7.8)	(62.2)	(70.0)
Depreciation charge for the year	4	(1.0)	(11.4)	(12.4)
Disposals		-	8.3	8.3
Impairment		-	(0.7)	(0.7)
Transfers between asset categories		(0.2)	0.2	-
Exchange difference		(1.9)	(17.0)	(18.9)
At 31 December 2022		(10.9)	(82.8)	(93.7)
Depreciation charge for the year	4	(1.0)	(11.0)	(12.0)
Disposals		0.4	11.5	11.9
Assets classified as held for sale	11.3	4.3	0.9	5.2
Exchange difference		0.7	7.7	8.4
At 31 December 2023		(6.5)	(73.7)	(80.2)
Net carrying value				
At 1 January 2022		17.2	46.3	63.5
At 31 December 2022		18.7	55.9	74.6
At 31 December 2023		15.2	55.9	71.1

Depreciation on property, plant, and equipment is included in the income statement as follows:

	2023 £m	2022 £m
Cost of sales	10.5	10.1
Selling, general and administrative expenses	1.5	2.3
Total depreciation charge	12.0	12.4

The carrying amounts of property, plant and equipment have been reviewed for impairment, with a charge of £nil (2022: charge of £0.7 million) recognised. As part of this review, the Group has considered the impact of physical risk hazards arising from climate change on significant asset locations, the risk of obsolescence or impairment of equipment due to the introduction of climate-related technologies, and additional costs of transitioning to energy-efficient technology. There were no assets identified where this would significantly reduce the useful economic life and no impairment charge has been recognised in relation to climate change. Refer to the climate-related financial disclosures on pages 66 to 67 for further detail on climate risks and opportunities.

11.3 Assets classified as held for sale

In October 2023, the Directors approved the sale of a warehouse located in Italy and entered into active discussions regarding the sale. The sale is expected to be concluded in 2024. The carrying value of £2.4 million has been classified as an asset held for sale. Any gain or loss will be recognised in the income statement once the property is sold.

12. Leases

12.1 Accounting policy

Recognition

At inception, the Group assesses whether a contract is or contains, a lease. This assessment involves the exercise of judgement about each specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset. The Group recognises a right-of-use ("ROU") asset and a lease liability at the commencement of the lease.

Short-term and low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases where the total lease term is less than, or equal to, twelve months, or for leases of assets with a value of less than £5,000. The payments for such leases are recognised in the income statement on a straight-line basis over the lease term.

Non-lease components

Fees for components such as property taxes, maintenance, repairs and other services that are either variable or transfer benefits separate to the Group's right to use the asset are separated from lease components based on their relative stand-alone selling price. These components are expensed in the income statement as incurred.

Measurement

Lease liabilities

Lease liabilities are initially measured at the present value of future lease payments at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, or where this cannot be readily determined, the lessee's incremental borrowing rate. Lease payments include the following payments due within the non-cancellable term of the lease, as well as the term of any extension options where these are considered reasonably certain to be exercised:

- Fixed payments
- Variable payments that depend on an index or rate
- The exercise price of purchase or termination options if it is considered reasonably certain these will be exercised

Subsequent to the commencement date, the lease liability is measured at the initial value, plus an interest charge determined using the incremental borrowing rate, less lease payments made. The interest expense is recorded in finance costs in the income statement. The liability is remeasured when future lease payments change, when the exercise of extension or termination options becomes reasonably certain, or when the lease is modified.

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For the year ended 31 December 2023

12. Leases continued

Right-of-use assets

The ROU asset is initially measured at cost, being the value of the lease liability, plus the value of any lease payments made at, or before, the commencement date, initial direct costs and the cost of any restoration obligations, less any incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is adjusted for any remeasurement of the lease liability. The ROU asset is subject to testing for impairment where there are any impairment indicators.

12.2 The Group's leasing arrangements

The Group leases manufacturing and warehousing facilities, offices, and various items of plant, machinery, and vehicles used in its operations.

Leases of manufacturing and warehousing facilities and offices generally have lease terms between five and 25 years, whilst plant, machinery, and vehicles generally have lease terms between six months and five years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

12.3 Carrying value of right-of-use assets

Set out below are the carrying amounts of ROU assets recognised and the movements during the year:

	Land and buildings £m	Plant and machinery £m	Total £m
At 1 January 2022	50.2	1.8	52.0
Additions	6.8	1.5	8.3
Change in indexation	0.1	-	0.1
Disposals	(0.1)	-	(0.1)
Depreciation charge	(6.1)	(1.0)	(7.1)
Revaluation impairment	(0.2)	-	(0.2)
Exchange difference	4.3	-	4.3
At 31 December 2022	55.0	2.3	57.3
Additions	2.8	0.8	3.6
Change in indexation	3.7	-	3.7
Depreciation charge	(6.9)	(1.0)	(7.9)
Exchange difference	(1.2)	(0.1)	(1.3)
At 31 December 2023	53.4	2.0	55.4

12.4 Carrying value of lease liabilities

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

	2023 £m	2022 £m
At 1 January	(61.7)	(54.8)
New leases	(3.6)	(8.3)
Change in indexation	(3.7)	(0.1)
Disposals	0.1	0.1
Interest charge	(2.6)	(3.0)
Lease payments	9.7	9.2
Exchange difference	2.1	(4.8)
At 31 December	(59.7)	(61.7)
	2023 £m	2022 £m
Current liabilities	(7.1)	(6.8)
Non-current liabilities	(52.6)	(54.9)
At 31 December	(59.7)	(61.7)

12.5 Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	2023 £m	2022 £m
Depreciation of ROU assets	(7.9)	(7.1)
Interest expense (included in finance cost)	(2.6)	(3.0)
Expense relating to short-term and low-value assets not included in lease liabilities (included in cost of sales and selling, general and administration expenses)	(1.6)	(2.3)
Expense relating to variable lease payments not included in lease liabilities (included in cost of sales and selling, general and administration expenses)	(0.7)	(0.7)
At 31 December	(12.8)	(13.1)

12.6 Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management applied judgement in determining whether these options were reasonably certain to be exercised when determining the lease term. In making this judgement, management considered the remaining lease term, future business plans and other relevant economic factors.

As at 31 December 2023, potential future cash outflows of £74.9 million (2022: £60.7 million) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

Notes to the financial statements

For the year ended 31 December 2023

13. Inventories

13.1 Accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost is determined in accordance with the first-in, first-out method. Cost includes the cost of materials determined on a purchase cost basis, direct labour and an appropriate proportion of manufacturing overheads based on normal levels of activity. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The carrying amounts of inventories are stated with due allowance for excess, obsolete or slow-moving items. Management exercises judgement in assessing net realisable value. In estimating provisions for slow-moving and obsolete inventory management assesses of the nature and condition of the inventory, including assumptions around demand, market conditions and new product development initiatives. To provide a consistent basis of estimation, the Group defines a methodology for estimating the provision required to bring inventory to net realisable value. This methodology calculates a provision for obsolete inventory at 100% of the value of inventory with no movement in the last 12 months and for slow-moving inventory at 75% of the value of inventory holdings in excess of the last 24 months sales. Adjustments are then made where appropriate, such as for new products without sales history or where inventory holdings are higher for strategic reasons. In 2022, the slow-moving inventory provision for North America was amended to consider the excess over 24 months sales rather than 12 months. This change was made as a result of having abnormally high levels of stock following the significant supply chain disruption experienced. This change in estimate was extended to the rest of the Group in 2023, the effect of which was not material.

13.2 Carrying amount of inventories

	2023 £m	2022 £m
Raw materials and consumables	34.0	45.4
Work in progress	23.3	25.0
Finished goods	61.7	82.7
At 31 December	119.0	153.1

The cost of materials charged to cost of sales in the income statement during the year was £272.6 million (2022: £320.7 million).

Inventories are stated net of an allowance for excess, obsolete or slow-moving items of £13.8 million (2022: £18.5 million).

A charge in respect of obsolete and slow-moving inventory of £1.2 million (2022: £0.2 million) was recognised during the year.

There were no borrowings secured on the inventories of the Group (2022: £nil).

14. Trade and other receivables

14.1 Accounting policy

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year, or less they are classified as current assets; otherwise, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method, less appropriate allowances for estimated credit losses (provision for impairment).

The Group assesses, on a forward-looking basis, the expected credit losses associated with its trade receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the length of time overdue. An estimate is made of the expected credit loss based on the Group's history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

The trade receivables impairment provision requires the use of estimation techniques by Group management. The estimate is made based on the assessments of the creditworthiness of customers, the ageing profile of receivables, historical experience, and expectations about future market conditions.

14.2 Carrying amounts of trade and other receivables

	2023 £m	2022 £m
Trade receivables	71.9	70.5
Less: Provision for impairment of trade receivables	(3.7)	(3.0)
Trade receivables – net	68.2	67.5
Other receivables	10.5	6.4
Prepayments	6.9	7.5
At 31 December	85.6	81.4

All trade and other receivables are current. Trade receivables is net of an expected credit loss provision of £3.7 million (2022: £3.0 million). The net carrying amounts of trade and other receivables are considered to be a reasonable approximation of their fair values.

Impairment of trade receivables

An expected credit loss of £3.7 million has been recognised at 31 December 2023 (2022: £3.0 million).

The impairment loss allowance was determined as follows:

31 December 2023	Not yet due	0–3 months overdue	3–12 months overdue	> 12 months overdue	Total
Expected credit loss rate	1.0%	10.4%	91.7%	100.0%	5.1%
Gross trade receivables (£m)	58.4	11.5	1.2	0.8	71.9
Loss allowance (£m)	0.6	1.2	1.1	0.8	3.7

31 December 2022	Not yet due	0–3 months overdue	3–12 months overdue	> 12 months overdue	Total
Expected credit loss rate	0.3%	15.7%	45.5%	100.0%	4.2%
Gross trade receivables (£m)	58.5	10.2	1.1	0.7	70.5
Loss allowance (£m)	0.2	1.6	0.5	0.7	3.0

Movement in the allowance for impairment of trade receivables is as follows:

	2023 £m	2022 £m
At 1 January	(3.0)	(3.0)
Net impairment losses on financial assets	(0.8)	(0.4)
Receivables written off during the year	0.2	0.6
Unused amounts reversed	(0.1)	–
Exchange difference	–	(0.2)
At 31 December	(3.7)	(3.0)

Movements in the impairment allowance are recognised in selling, general and administrative expenses in the income statement.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2023 £m	2022 £m
US dollars	35.1	36.5
Sterling	15.4	16.1
Euros	23.2	19.9
Other currencies	11.9	8.9
At 31 December	85.6	81.4

Notes to the financial statements

For the year ended 31 December 2023

14. Trade and other receivables continued

14.3 Financial assets at fair value through profit or loss

The Group classifies equity investments as assets held at fair value through profit or loss ("FVPL"). See note 19.1 for financial instruments accounting policy.

Financial assets measured at FVPL are as follows:

	2023 £m	2022 £m
Unlisted shares	1.2	1.2

15. Cash and cash equivalents

15.1 Accounting policy

In the consolidated statement of cash flows and balance sheet, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts are included in cash and cash equivalents only when there is a legal right of offset and an intention to settle net. Otherwise, these are classified as borrowings.

Although the Group's current bank overdrafts form part of cash pooling arrangements and the Group monitors cash net of overdrafts, these do not meet the definition of cash under accounting standards and have therefore been classified as borrowings. Please see below for reconciliation and refer to note 18 for bank overdrafts included in borrowings.

15.2 Carrying amounts of cash and cash equivalents

	2023 £m	2022 £m
Cash at bank and in hand	60.6	71.4
Short-term deposits	3.1	3.2
Cash at bank and on deposit	63.7	74.6

Reconciliation of cash and cash equivalents and bank overdrafts at the year end:

	2023 £m	2022 £m
Cash at bank and on deposit	63.7	74.6
Bank overdrafts disclosed in borrowings (note 18)	(25.4)	(16.4)
Net cash and cash equivalents and bank overdrafts at 31 December	38.3	58.2

Included in cash and cash equivalents is £3.2 million (2022: £3.6 million) of cash held in a foreign subsidiary that is not available for use by the Group as a result of exchange control restrictions.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2023 £m	2022 £m
Sterling	23.6	21.7
US dollars	17.0	29.5
Euros	10.5	8.1
Other currencies	12.6	15.3
Cash at bank and on deposit at 31 December	63.7	74.6

16. Trade and other payables

16.1 Accounting policy

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

16.2 Carrying amounts of trade and other payables

	2023 £m	2022 £m
Trade payables	(56.7)	(55.8)
Other taxes and social security costs	(4.8)	(3.7)
Accruals	(31.8)	(27.4)
Deferred income	(1.5)	(1.4)
At 31 December	(94.8)	(88.3)
Analysed as:		
Current liabilities	(94.8)	(88.3)
At 31 December	(94.8)	(88.3)

The carrying amounts of trade and other payables are considered to be a reasonable approximation of their fair values.

The carrying amounts of trade and other payables are denominated in the following currencies:

	2023 £m	2022 £m
US dollars	(48.6)	(49.9)
Sterling	(16.3)	(13.9)
Euros	(23.0)	(17.7)
Other currencies	(6.9)	(6.8)
Trade and other payables at 31 December	(94.8)	(88.3)

17. Derivative financial instruments

17.1 Accounting policy

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 assets when fair value is positive and as liabilities when fair value is negative.

The Group designates certain derivatives as:

- fair value hedge: hedges of the fair value of recognised assets or liabilities or a firm commitment;
- cash flow hedge: hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; or
- net investment hedge: hedges of a net investment in a foreign operation.

For those instruments designated as hedges, the Group documents at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as non-current and current asset/liabilities based on the contractual maturity of the derivative. If the contractual maturity of the derivative is more than twelve months then it is classified as a non-current asset or liability and as a current asset or liability when the contractual maturity of the derivative is less than twelve months.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recognised immediately in the income statement.

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17. Derivative financial instruments continued

17.1.1 Fair value hedges

Changes in the fair value of derivatives designated and qualifying as fair value hedges are recorded in other comprehensive income, together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk.

17.1.2 Cash flow hedges

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the period in which the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

17.1.3 Net investment hedge

Hedges of net investments in foreign operations are accounted for in a similar manner to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

	2023		2022	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Forward exchange contracts – not designated as hedges	-	(0.5)	-	(0.2)
Cross currency interest rate swaps – fair value hedges	-	(0.3)	0.2	-
At 31 December	-	(0.8)	0.2	(0.2)
Analysed as:				
Current	-	(0.5)	-	(0.2)
Non-current	-	(0.3)	0.2	-
At 31 December	-	(0.8)	0.2	(0.2)

The carrying amounts of derivative financial instruments are denominated in the following currencies:

	2023		2022	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Sterling	-	(0.5)	0.2	-
US dollars	-	(0.3)	-	(0.2)
At 31 December	-	(0.8)	0.2	(0.2)

17.2 Forward exchange contracts

The notional principal amount of the outstanding forward foreign exchange contracts at 31 December 2023 was £34.8 million (2022: £19.8 million). The contracts have a range of maturities up to 15 January 2025. Hedge accounting is not applied to forward exchange contracts and gains or losses are recognised in the income statement.

During the year a loss of £0.3 million (2022: gain of £0.1 million) was recognised in the income statement for the changes in value of the forward exchange contracts.

17.2.1 Cross-currency interest rate swaps

In April 2022, the Group entered into a fixed to fixed cross-currency interest rate swap, swapping US\$10 million of the proceeds from the private placement notes into sterling and euros to fund the Group's UK and International operations. The notional principal amounts of the outstanding interest rate swap at 31 December 2023 were £8.0 million (2022: £7.2 million). The swap instrument has been designated as a fair value hedge against the coupon payments due on the US\$10 million of US dollar denominated private placement debt. The hedge ratio is 1:1 as the underlying value of the hedging instrument matches the underlying value of the hedged item. There was no hedge ineffectiveness.

During the year a loss of £0.5 million (2022: gain of £0.2 million) was recognised in other comprehensive income.

17.2.2 Net investment hedges

The Group uses foreign currency-denominated debt to hedge the value of its US dollar and euro-denominated net assets, which may change due to respective movements in US dollar and euro exchange rates. At 31 December 2023, the value of the net investment hedges was £126.8 million (2022: £133.5 million). These hedges are considered highly effective, and no ineffective portion has been recognised in the income statement.

The hedge ratio of each net investment hedge was 1:1, holding all other variables constant. The weighted average hedged rate of the US net investment hedge was 1.244 (2022: 1.237) and of the EUR net investment hedge was 1.150 (2022: 1.173).

The effect of the net investment hedges on the Group's financial statements is summarised as follows:

	2023 US net investment hedge	2023 EUR net investment hedge	2022 US net investment hedge	2022 EUR net investment hedge
Loan carrying amount (£m)	(86.4)	(40.4)	(90.9)	(42.6)
Loan carrying amount (\$m/€m)	(110.0)	(46.6)	(110.0)	(48.1)
Hedge ratio (holding all other variables constant)	1:1	1:1	1:1	1:1
Change in carrying amount of loans as a result of foreign currency movements recognised in OCI	4.5	0.9	(9.5)	(2.2)
Change in value of hedged item used to determine hedge effectiveness	(4.5)	(0.9)	9.5	2.2

18. Borrowings

18.1 Accounting policy

Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing loans and borrowings are subsequently carried at amortised cost using the effective interest method. Bank overdrafts have been included in borrowings. Please refer to note 15 for reconciliation of cash and cash equivalents and bank overdrafts.

18.2 Carrying amounts of borrowings

	Note	2023 £m	2022 £m
Unsecured borrowings at amortised cost:			
Bank borrowings		(54.3)	(74.9)
Bank overdrafts	15	(25.4)	(16.4)
Senior notes		(94.3)	(99.2)
Capitalised borrowing costs		2.3	2.1
At 31 December		(171.7)	(188.4)
Analysed as:			
Current liabilities		(60.2)	(15.9)
Non-current liabilities		(111.5)	(172.5)
At 31 December		(171.7)	(188.4)

There were no defaults in interest payments in the year under the terms of the existing loan agreements.

Non-cash movements in the carrying amount of interest-bearing loans and borrowings relate to the amortisation of borrowing costs (see note 7).

Notes to the financial statements

For the year ended 31 December 2023

18. Borrowings continued

The carrying amounts of borrowings are denominated in the following currencies:

	2023 £m	2022 £m
Sterling ¹	(31.2)	(24.2)
US dollars	(100.1)	(121.5)
Euros	(40.4)	(42.7)
At 31 December	(171.7)	(188.4)

¹ Includes capitalised borrowing costs.

18.2.1 Bank borrowings

Multi-currency revolving credit facility

In December 2022, the Group refinanced its revolving credit facility, securing a new £210 million sustainability-linked Revolving Credit Facility, which may be increased through an accordion option of up to £100 million. During the current year, the Group exercised its option to extend the RCF by an additional year to December 2027. The banking facility is unsecured and is guaranteed by Tyman plc and its principal subsidiary undertakings. A portion of the loan margin is now linked to the performance of the Group on three sustainability metrics, which align with Tyman's immediate sustainability priorities and its 2030 sustainability roadmap:

1. Reduction in Scope 1 and 2 emissions from the 2019 baseline
2. Year on year increase in percentage of revenue from positive-impact solutions that contribute to the United Nations Sustainable Development Goals
3. Reduction in the Total Recordable Incident Rate per one million hours worked (excluding the impact of COVID-19)

Progress against these sustainability metrics will be independently verified on an annual basis. If Tyman achieves some, or all, of these metrics, then the loan pricing will be reduced for the following year; a shortfall against the metrics will result in Tyman paying a similar premium to a nominated charity.

As at 31 December 2023, the Group has undrawn amounts committed under the multi-currency revolving credit facility of £144.8 million (2022: £125.8 million). These amounts are floating rate commitments, which expire beyond twelve months.

18.2.2 Private placement notes

The Group's private placement notes of US\$120 million are notes issued to US financial institutions. These comprise:

- US\$45.0 million issued in November 2014, with a ten-year maturity from inception at a coupon of 5.37%, due for repayment in November 2024
- US\$75 million issued in April 2022. US\$40 million of these notes have a term of seven years maturing in April 2029, with a coupon rate of 3.51%, and US\$35 million have a term of ten years maturing in April 2032, with a coupon rate of 3.62%. These notes incorporate three sustainability performance targets, which align with Tyman's sustainability roadmap. This incentive mechanism results in a modest reduction or increase in the coupon rate depending on performance against these targets. The targets are:
 - Reduction in Tyman's Scope 1 and 2 emissions by a series of milestones, including a reduction of 50% by 2026 and carbon neutrality by 2030 (relative to 2019 baseline)
 - Submission of Tyman's Scope 3 target to the Science Based Target initiative (SBTi) for verification by February 2023
 - Participation in CDP in 2022 and annually thereafter

18.3 Net debt

18.3.1 Net debt summary

	2023 £m	2022 £m
Borrowings	(171.7)	(188.4)
Lease liabilities	(59.7)	(61.7)
Cash	63.7	74.6
At 31 December	(167.7)	(175.5)

18.3.2 Net debt reconciliation

	Liabilities from financing activities			Other assets	
	Borrowings ¹ £m	Lease liabilities £m	Subtotal £m	Net cash and bank overdrafts £m	Total £m
At 1 January 2022	(149.1)	(54.8)	(203.9)	58.1	(145.8)
Financing cash flows (excluding interest)	(9.3)	6.2	(3.1)	(2.9)	(6.0)
Interest expense	(6.9)	(3.0)	(9.9)	-	(9.9)
Interest payments	6.5	3.0	9.5	-	9.5
Disposals	-	0.1	0.1	-	0.1
New leases	-	(8.3)	(8.3)	-	(8.3)
Lease modifications	-	(0.1)	(0.1)	-	(0.1)
Foreign exchange adjustments	(14.7)	(4.8)	(19.5)	3.0	(16.5)
Capitalised borrowing costs	2.1	-	2.1	-	2.1
Amortisation of borrowing costs	(0.6)	-	(0.6)	-	(0.6)
At 31 December 2022	(172.0)	(61.7)	(233.7)	58.2	(175.5)
Financing cash flows (excluding interest)	19.0	7.1	26.1	(12.2)	13.9
Interest expense	(10.8)	(2.6)	(13.4)	-	(13.4)
Interest payments	9.1	2.6	11.7	-	11.7
Accrued interest	1.7	-	1.7	-	1.7
Disposals	-	0.1	0.1	-	0.1
New leases	-	(3.6)	(3.6)	-	(3.6)
Lease modifications	-	(3.7)	(3.7)	-	(3.7)
Foreign exchange adjustments	6.6	2.1	8.7	(7.7)	1.0
Capitalised borrowing costs	0.6	-	0.6	-	0.6
Amortisation of borrowing costs	(0.5)	-	(0.5)	-	(0.5)
At 31 December 2023	(146.3)	(59.7)	(206.0)	38.3	(167.7)

¹ Borrowings exclude bank overdrafts of £25.4 million (2022: £16.4 million).

19. Financial risk management and financial instruments

19.1 Accounting policy

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument and are generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

19.1.1 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss
- Those to be measured subsequently at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.

Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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19. Financial risk management and financial instruments continued

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows that represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in selling, general and administrative expenses in the income statement, together with foreign exchange gains and losses.
- **FVPL:** Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value, with any gains or losses recorded in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For policy on impairment of trade receivables, see note 14.

19.1.2 Financial liabilities held at amortised cost

Financial liabilities held at amortised cost comprise "trade and other payables" (see note 16) and "interest-bearing loans and borrowings" (see note 18).

19.2 Financial instruments: by category

Assets as per balance sheet:

	31 December 2023				31 December 2022			
	Financial assets at amortised cost £m	Financial assets at fair value through profit or loss £m	Derivatives used for hedging £m	Total £m	Financial assets at amortised cost £m	Financial assets at fair value through profit or loss £m	Derivatives used for hedging £m	Total £m
Trade and other receivables ¹	68.2	-	-	68.2	67.5	-	-	67.5
Financial assets at FVPL	-	1.2	-	1.2	-	1.2	-	1.2
Cash and cash equivalents	63.7	-	-	63.7	74.6	-	-	74.6
Derivative financial instruments	-	-	-	-	-	-	0.2	0.2
Total financial assets	131.9	1.2	-	133.1	142.1	1.2	0.2	143.5

¹ Excludes non-financial assets, including other receivables and prepayments.

	31 December 2023			31 December 2022		
	Derivatives used for hedging £m	Other financial liabilities at cost £m	Total £m	Derivatives used for hedging £m	Other financial liabilities at cost £m	Total £m
Borrowings ¹	-	(174.0)	(174.0)	-	(190.5)	(190.5)
Lease liabilities	-	(59.7)	(59.7)	-	(61.7)	(61.7)
Derivative financial instruments	(0.8)	-	(0.8)	(0.2)	-	(0.2)
Trade and other payables ²	-	(71.4)	(71.4)	-	(69.0)	(69.0)
Total financial liabilities	(0.8)	(305.1)	(305.9)	(0.2)	(321.2)	(321.4)

¹ Excludes capitalised borrowing costs of £2.3 million (2022: £2.1 million) and includes bank overdrafts £25.4 million (2022: £16.4 million).

² Excludes non-financial liabilities, including employee cost accruals, deferred income and tax liabilities.

19.3 Financial instruments: risk profile

19.3.1 Capital risk management

The Group manages its capital structure to ensure that it will be able to continue as a going concern. The capital structure of the Group consists of cash and cash equivalents (note 15), interest-bearing loans and borrowings (see note 18) and equity attributable to the shareholders of the Company as disclosed in the consolidated statement of changes in equity.

19.3.2 Financial management

The Group's principal financial instruments comprise bank loans, private debt and cash and short-term deposits. The Group has various other financial instruments, such as trade receivables and trade payables that arise directly from its operations. No trading in financial instruments is undertaken.

The Board reviews and agrees policies for managing each financial instrument risk and they are summarised below.

19.3.3 Liquidity and credit risk

The Group maintains sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities. Management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow.

The Group manages liquidity risk by the pooling of cash resources and depositing funds available for investment in approved financial instruments with financial institutions. Counterparty risk with respect to cash and cash equivalents is managed by only investing in banks and financial instruments with independently assessed credit ratings of at least A2 as published by Standard and Poor's. Individual risk limits are assessed by management based on the external ratings. Management does not expect any losses from the non-performance of these counterparties.

Credit risk is also attributable to the Group's exposure to trade receivables due from customers. Management assesses the credit quality of customers taking into account their financial position, past experience and other factors. In order to mitigate credit risk, the Group utilises credit insurance in those areas of its operations where such insurance is available. In areas where such insurance is not available or it is uneconomical to purchase, management monitors the utilisation of credit limits by customers, identified either individually or by Group, and incorporates this information in credit risk controls. The diverse nature of the Group's customer base means that the Group has no significant concentrations of credit risk.

Trade receivables are presented in the balance sheet net of allowances for doubtful receivables.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

During the year ended 31 December 2023, the Group operated within its borrowing facilities and has sufficient headroom under its leverage covenant of 3.0x adjusted EBITDA and interest cover covenant of greater than 4x EBITDA.

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19. Financial risk management and financial instruments continued

The table below analyses the contractual undiscounted cash flows of the Group's financial liabilities into relevant maturity groupings based on the contractual maturity date.

	Not later than one year £m	Later than one year but not later than five years £m	Later than five years £m	Total £m
Borrowings ¹	(64.6)	(96.6)	(29.8)	(191.0)
Lease liabilities	(9.6)	(25.8)	(42.7)	(78.1)
Derivative financial instruments	(34.8)	(0.3)	-	(35.1)
Trade and other payables ²	(71.3)	-	-	(71.3)
At 31 December 2023	(180.3)	(122.7)	(72.5)	(375.5)
Borrowings ¹	(20.6)	(127.0)	(65.9)	(213.5)
Lease liabilities	(6.6)	(19.4)	(34.7)	(60.7)
Derivative financial instruments ³	(19.8)	-	-	(19.8)
Trade and other payables ²	(69.0)	-	-	(69.0)
At 31 December 2022	(116.0)	(146.4)	(100.6)	(363.0)

¹ Excludes capitalised borrowing costs of £2.3 million (2022: £2.1 million) and includes bank overdrafts £25.4 million (2022: £16.4 million).

² Excludes non-financial liabilities.

³ Restated to reflect the gross undiscounted amount.

19.3.4 Interest rate risk

The interest rate profile of the Group's borrowings as at 31 December 2023 was as follows:

	Floating rate borrowings ¹ £m	Fixed rate borrowings ² £m	Fixed rate lease liabilities £m	Total £m
Sterling	(33.5)	-	(21.7)	(55.2)
US dollars	(5.8)	(94.3)	(28.7)	(128.8)
Euros	(40.4)	-	(1.1)	(41.5)
Other	-	-	(8.2)	(8.2)
At 31 December 2023	(79.7)	(94.3)	(59.7)	(233.7)
Sterling	(26.0)	-	(18.4)	(44.4)
US dollars	(22.5)	(99.2)	(32.0)	(153.7)
Euros	(42.8)	-	(1.1)	(43.9)
Other	-	-	(10.2)	(10.2)
At 31 December 2022	(91.3)	(99.2)	(61.7)	(252.2)

¹ Excludes capitalised borrowing costs of £2.3 million (2022: £2.1 million) and includes bank overdrafts £25.4 million (2022: £16.4 million).

² Excludes capitalised borrowing costs of £nil (2022: £nil).

The interest rate on the floating bank loans is linked to the inter-bank rates relevant to each currency of borrowing. The Board periodically reviews any exposure the Group may have to interest rate fluctuations, and, where appropriate, considers use of interest rate swaps to fix the cost of a proportion of these floating rate borrowings.

Interest rate sensitivity

The impact of a 200-basis point movement in floating interest rates on borrowings would have a c.£1.8 million (2022: c.£1.9 million) impact on profits. This impact would be reduced by the tax effect on such a change.

Interest rate risk of financial assets

The weighted average interest rate received on deposited funds was 4.1% during the year (2022: 0.8%).

19.3.5 Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the euro. Foreign exchange risk arises from future commercial and financing transactions, recognised assets and liabilities denominated in a currency that is not the Group's functional currency and net investments in overseas entities.

The Group includes entities that transact in currencies other than sterling and that have functional currencies other than sterling, whose net assets are, therefore, subject to currency translation risk. The Group borrows in local currencies as appropriate to minimise the impact of this risk on the balance sheet. See details of net investment hedges in note 17.

Foreign currency exchange rate sensitivity

Foreign currency financial assets and liabilities, translated into sterling at the closing rate, are as follows:

At 31 December 2023	Sterling £m	US dollars £m	Euros £m	Other £m	Total £m
Financial assets					
Trade and other receivables ¹	14.2	28.3	18.9	6.8	68.2
Financial assets at FVPL	-	1.2	-	-	1.2
Cash and cash equivalents	23.6	17.0	10.5	12.7	63.8
Derivative financial instruments	-	-	-	-	-
Total financial assets	37.8	46.5	29.4	19.5	133.2
Financial liabilities					
Borrowings ²	(33.5)	(100.1)	(40.4)	-	(174.0)
Lease liabilities	(21.7)	(28.7)	(1.1)	(8.2)	(59.7)
Derivative financial instruments	(0.3)	(0.5)	-	-	(0.8)
Trade and other payables ³	(12.6)	(37.4)	(18.7)	(2.6)	(71.3)
Total financial liabilities	(68.1)	(166.7)	(60.2)	(10.8)	(305.8)
Potential impact on profit or loss - (loss)/gain					
10% increase in functional currency	-	(2.2)	(0.1)	(0.7)	(3.0)
10% decrease in functional currency	-	2.7	0.1	0.8	3.6
Potential impact on other comprehensive income - gain/(loss)					
10% increase in functional currency	-	10.9	2.8	(0.7)	13.0
10% decrease in functional currency	-	(13.4)	(3.4)	0.9	(15.9)

¹ Excludes non-financial assets.

² Excludes capitalised borrowing costs of £2.3 million (2022: £2.1 million) and includes bank overdrafts £25.4 million (2022: £16.4 million).

³ Excludes non-financial liabilities.

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19. Financial risk management and financial instruments continued

At 31 December 2022	Sterling £m	US dollars £m	Euros £m	Other £m	Total £m
Financial assets					
Trade and other receivables ¹	14.5	29.2	18.2	5.6	67.5
Financial assets at FVPL	-	1.2	-	-	1.2
Cash and cash equivalents	21.7	29.5	8.1	15.3	74.6
Derivative financial instruments	0.2	-	-	-	0.2
Total financial assets	36.4	59.9	26.3	20.9	143.5
Financial liabilities					
Borrowings ²	(26.0)	(121.7)	(42.8)	-	(190.5)
Lease liabilities	(18.3)	(32.1)	(1.1)	(10.2)	(61.7)
Derivative financial instruments	-	(0.2)	-	-	(0.2)
Trade and other payables ³	(11.3)	(40.5)	(13.9)	(3.3)	(69.0)
Total financial liabilities	(55.6)	(194.5)	(57.8)	(13.5)	(321.4)
Potential impact on profit or loss – (loss)/gain					
10% increase in functional currency	-	(2.2)	(0.3)	(1.1)	(3.6)
10% decrease in functional currency	-	2.6	0.4	1.4	4.4
Potential impact on other comprehensive income – gain/(loss)					
10% increase in functional currency	-	12.2	2.9	(0.6)	14.5
10% decrease in functional currency	-	(14.9)	(3.5)	0.8	(17.6)

¹ Excludes non-financial assets.

² Excludes capitalised borrowing costs of £2.3 million (2022: £2.1 million) and includes bank overdrafts £25.4 million (2022: £16.4 million).

³ Excludes non-financial liabilities.

The 10% movements in exchange rates are considered to be indicative of a reasonable annual movement, based on historical average movements in exchange rates.

19.3.6 Capital management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern so as to provide returns to shareholders and benefits to stakeholders. The Group defines its capital as total equity plus net debt.

In maintaining the capital structure, the Group may adjust the amount paid as dividends to shareholders, issue new shares or dispose of assets to reduce debt.

The Group monitors its financial capacity by reference to its financial covenant ratios, including leverage and interest cover. If the Group fails to meet its key financial covenant ratios required by its lenders, this could impact the Group's average interest rate of borrowings and the future availability of credit to the Group.

The Group is in compliance with the financial covenants contained within its credit facilities and has been in compliance throughout the financial year.

	Note	2023 £m	2022 £m
Borrowings (including lease liabilities) ¹	18	233.7	252.2
Less: Cash and cash equivalents	15	(63.7)	(74.6)
Total equity		525.6	541.6
Total capital		695.6	719.2

¹ Excludes capitalised borrowing costs of £2.3 million (2022: £2.1 million) and includes bank overdrafts £25.4 million (2022: £16.4 million).

19.4 Fair value estimation

The Group's derivative financial instrument used for hedging is measured at fair value. The Group uses the following hierarchy for measuring fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

The table below summarises the fair value hierarchy of financial instruments recognised and measured at fair value in the financial statements:

31 December 2023:

	Level 1 fair value £m	Level 2 fair value £m	Level 3 fair value £m	Carrying amount £m
Interest rate swap derivative instruments	-	(0.3)	-	(0.3)
Financial assets at FVPL	-	-	1.2	1.2
Forward exchange contract derivative instruments	-	(0.5)	-	(0.5)
Total	-	(0.8)	1.2	0.4

31 December 2022:

	Level 1 fair value £m	Level 2 fair value £m	Level 3 fair value £m	Carrying amount £m
Interest rate swap derivative instruments	-	0.2	-	0.2
Financial assets at FVPL	-	-	1.2	1.2
Forward exchange contract derivative instruments	-	(0.2)	-	(0.2)
Total	-	-	1.2	1.2

There were no transfers between levels in the current and prior year.

Derivative instruments comprise interest rate swaps fair valued using forward interest rates extracted from observable yield curves and foreign exchange contracts valued with reference to the period end exchange rate. The effects of discounting are generally insignificant for Level 2 derivatives. The fair value of the derivative financial instruments at 31 December 2023 is a liability of £0.8 million (2022: £nil).

The fair value of floating rate borrowings approximates to the carrying amount because interest rates are at floating rates where payments are reset to market rates at intervals of less than one year. The fair value of fixed rate borrowings is estimated by discounting the future contracted cash flow, using appropriate yield curves, to the net present values. The fair value and carrying value of borrowings is summarised below.

	2023		2022	
	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m
Current liabilities	(60.2)	(60.2)	(15.9)	(15.9)
Non-current liabilities	(109.0)	(111.5)	(173.6)	(172.5)
Fair value of borrowings	(169.2)	(171.7)	(189.5)	(188.4)

The fair value of cash and cash equivalents, receivables and payables approximates to the carrying amount because of the short maturity of these instruments. The carrying values of these are outlined above in note 19.2.

There were no changes in valuation techniques during the year.

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20. Provisions

20.1 Accounting policy

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised in the income statement within net finance costs.

Provisions are not recognised for future operating losses.

Provisions, by their nature, are uncertain. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date based on the nature of the provisions, the potential outcomes, any developments relating to specific claims and previous experience.

20.2 Carrying amounts of provisions

	Property related £m	Restructuring £m	Warranty £m	Other £m	Total £m
At 1 January 2022	(3.4)	(0.3)	(1.3)	(1.2)	(6.2)
(Charged)/credited to the income statement					
Additional provisions in the year	-	(3.2)	-	-	(3.2)
Unused amounts reversed	0.4	-	0.6	0.1	1.1
Utilised in the year	-	0.2	0.1	0.4	0.7
Exchange difference	-	(0.1)	-	(0.2)	(0.3)
At 31 December 2022	(3.0)	(3.4)	(0.6)	(0.9)	(7.9)
(Charged)/credited to the income statement					
Additional provisions in the year	-	(2.4)	(0.2)	(0.1)	(2.7)
Unused amounts reversed	0.3	0.1	0.1	0.3	0.8
Utilised in the year	-	4.1	-	0.1	4.2
Exchange difference	-	0.1	-	-	0.1
At 31 December 2023	(2.7)	(1.5)	(0.7)	(0.6)	(5.5)

Analysed as:

	2023 £m	2022 £m
Current liabilities	(2.1)	(5.0)
Non-current liabilities	(3.4)	(2.9)
At 31 December 2023	(5.5)	(7.9)

Current liabilities are those aspects of provisions that are expected to be utilised within the next twelve months.

20.2.1 Property related

Property provisions include provisions for site restoration costs and leasehold dilapidations.

The provision for leasehold dilapidations relates to contractual obligations to reinstate leasehold properties to their original state of repair. Property provisions are expected to be utilised by 2042.

20.2.2 Restructuring

Restructuring provisions utilised during the year largely relate to the closure of the Hamburg facility (£3.3 million), which has been settled during the current year. The balance of the provision utilised during the year relates to the closure of the business in China. The remaining provision of £1.5 million as at 31 December 2023 relates to the remaining costs of the closure of China, which is expected to be utilised in 2024.

20.2.3 Warranty

Warranty provisions are calculated based on historical experience of the ultimate cost of settling product warranty claims and potential claims. These warranty provisions are expected to be utilised by 2031. The unused amounts reversed during the year predominantly relate to a reduction in a provision made on a previous acquisition as well as a reduction in a product warranty provision.

20.2.4 Other

The £0.6 million relates to various provisions for potential obligations mainly arising from the Group's M&A activity. These other provisions are expected to be utilised by 2025.

21. Retirement benefit obligations

21.1 Accounting policy

The Group operates both defined contribution and defined benefit pension plans.

21.1.1 Pension obligations

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group recognises contributions as an employee benefit expense when they are due and has no further payment obligations once the contributions have been paid. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. Prepaid contributions are recognised as an asset to the extent that a cash refund in the future is available.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit an employee will receive on retirement. This amount is usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in the income statement.

Defined benefit obligations are calculated using a number of assumptions, including future salary increases, increases to pension benefits, mortality rates and, in the case of post-employment medical benefits, the expected rate of increase in medical costs. The plan assets consist largely of listed securities and their fair values are subject to fluctuation in response to changes in market conditions. Effects of changes in the actuarial assumptions underlying the benefit obligation, effects of changes in the discount rate applicable to the benefit obligation and effects of differences between the expected and actual return on the plan assets are classified as actuarial gains and losses and are recognised directly in equity. Further actuarial gains and losses will be recognised during the next financial year. An analysis of the assumptions that will be used by management to determine the cost of defined benefit plans, which will be recognised in the income statement in the next financial year, is presented in this note.

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21. Retirement benefit obligations continued

21.2 Defined contribution pension schemes

The Group operates a number of defined contribution pension schemes, the assets of which are held externally to the Group in separate trustee-administered funds. The costs of the Group's defined contribution pension schemes are charged to the income statement in the period in which they fall due. The charge to the income statement was £4.2 million (2022: 4.0 million). At the year end, the Group had unpaid pension contributions of £0.2 million (2022: £0.5 million) included within employee benefit liabilities.

21.3 Defined benefit pension schemes

The table below outlines where the Group's post-employment amounts and activity are included in the financial statements.

	2023 £m	2022 £m
Net defined-benefit obligation on the balance sheet	(2.6)	(4.3)
Income statement charge ¹	(0.3)	(0.3)
Remeasurements ²	(0.5)	-

¹ The income statement charge included within profit before taxation includes current service costs, past service costs, administrative costs, interest costs and the fair value gain/(loss) on settlement.

² The remeasurement in the current year amounted to £0.5 million is included net of the £1.2 million deferred tax charge included in the consolidated statement of comprehensive income and consolidated statement of changes in equity (2022: £nil).

As at 31 December 2023, the Group's principal-defined benefit pension scheme is operated in Italy.

During the year, the termination of the two US-defined benefit schemes, which commenced in 2021, were completed and all remaining obligations were settled. Under the terms of the arrangement, participants were given the option of receiving a lump-sum benefit or an annuity, the liability for which was transferred to an insurance company. The final funding payments for both of the schemes were made in the second half of 2023 and amounted to £2.4 million (US\$3.2 million). These schemes had been closed to new entrants and closed to further accrual of service for many years. Termination of these schemes will reduce income statement volatility, administration costs, and future cash outflows. The Group has no further obligations remaining in respect of the US-defined pension schemes.

The Italian scheme relate to TFR termination obligations payable to employees of the Group's Italian operations. Italian employers are required to make provision for a type of severance package to its employees, equivalent to 6.9% of each employee's gross annual salary, revalued on the basis of 75.0% of inflation plus a fixed rate of 1.5% during the period of accrual. Upon termination of employment, the employer is obliged to pay a lump sum to the employee. TFR termination obligations are unfunded by the Group. For certain US plans, pensions in payment do not receive inflationary increases. The benefit payments are from trustee-administered funds. Plan assets held in trusts are governed by local regulations and practice in the US, as is the nature of the relationship between the Group and the trustees and their composition.

Responsibility for governance of the plans, including investment and contribution schedules, lies jointly with the Group and the board of trustees. The board of trustees is composed of representatives of the Company and plan participants in accordance with the relevant plan rules.

Actuarial gains and losses from participant experience, changes in demographic assumptions, changes in financial assumptions and net return on plan assets are recognised, net of the related deferred tax, in the consolidated statement of comprehensive income.

The movement in the defined benefit obligations over the year is as follows:

	Note	Present value of obligations		Fair value of plan assets		Net defined liability	
		2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Balance at 1 January		(25.4)	(29.9)	21.1	25.9	(4.3)	(4.0)
Included in the income statement:							
Administration costs		-	-	(0.1)	(0.3)	(0.1)	(0.3)
Interest (expense)/income	7	(0.2)	(0.8)	-	0.8	(0.2)	-
Subtotal in income statement¹	5	(0.2)	(0.8)	(0.1)	0.5	(0.3)	(0.3)
Included in other comprehensive income							
Remeasurement gain/(loss) arising from:							
Net gain/(loss) on plan assets ²		-	-	0.1	(6.7)	0.1	(6.7)
Gain from change in financial assumptions		0.4	6.9	-	-	0.4	6.9
Experience loss		(1.0)	(0.2)	-	-	(1.0)	(0.2)
Subtotal in other comprehensive income³		(0.6)	6.7	0.1	(6.7)	(0.5)	-
Employer contributions		-	-	2.6	-	2.6	-
Settlement		23.0	1.7	(23.1)	(1.5)	(0.1)	0.2
Exchange difference		0.6	(3.1)	(0.6)	2.9	-	(0.2)
Balance at 31 December		(2.6)	(25.4)	-	21.1	(2.6)	(4.3)

¹ The expenses relating to the administration of the defined benefit schemes are included in the income statement within administrative expenses. Also see note 5.3. Net expense is included within net finance income and costs (note 7).

² Excluding amounts included in interest expense.

³ The remeasurement in the current year amounted to £0.5 million is included net of the £1.2 deferred tax charge included in the consolidated statement of comprehensive income and consolidated statement of changes in equity (2022: £nil.) Also see note 8.

Defined benefit plan liabilities and assets by country are as follows:

	Present value of obligations		Fair value of plan assets		Net defined liability	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
United States	-	(22.4)	-	21.1	-	(1.3)
Italy	(2.6)	(3.0)	-	-	(2.6)	(3.0)
Balance at 31 December	(2.6)	(25.4)	-	21.1	(2.6)	(4.3)

Plan assets comprise the following asset classes:

	2023		2022	
	£m	%	£m	%
Fixed income	-	-	21.1	100.0

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For the year ended 31 December 2023

21. Retirement benefit obligations continued

Through its defined benefit pension plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities.
Inflation risk	Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).
Life expectancies	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The significant actuarial assumptions were as follows:

	2023		2022	
	United States	Italy	United States	Italy
Discount rate	n/a	3.80%	5.00%	3.10%
Inflation	n/a	2.50%	2.40%	2.75%
Salary growth rate	n/a	2.81%	n/a	2.75%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each jurisdiction. As both of the US schemes were settled during the current period, there is no future impact and therefore this assumption is not applicable in the current year. This assumption is not relevant to the Italian schemes.

	2023		2022	
	United States	Italy	United States	Italy
Retiring at the end of the reporting year				
Male	n/a	n/a	20.1	n/a
Female	n/a	n/a	22.2	n/a
Retiring 20 years after the end of the reporting year				
Male	n/a	n/a	21.7	n/a
Female	n/a	n/a	23.7	n/a

The sensitivity of the defined benefit obligation to changes in the discount rate assumption is:

	Change in discount rate assumption	Impact of increase in assumption £m	Impact of decrease in assumption £m
Italy	0.50%	(0.11)	0.11

The above sensitivity analyses are based on a change in the discount rate whilst holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same methodology has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared with the previous year.

The US pension schemes were terminated during the year; as a result, there will be no further service costs incurred by the Group related to these schemes. The expected level of contributions to the defined benefit pension scheme in the year to December 2024 is £0.2 million (2023: £1.6 million).

The weighted average duration of the defined benefit obligation is not applicable for the US plans as both plans were settled during the year (2022: 10.1 years) and 8.8 years for Italian plans (2022: 9.2 years).

The expected maturity analysis of undiscounted post-employment pension benefits is as follows:

	Defined pension benefits ¹ 2023 £m	Defined pension benefits 2022 £m
No later than one year	(0.2)	(1.6)
Between one and two years	(0.2)	(1.6)
Between two and five years	(0.5)	(4.8)
Later than five years	(1.1)	(8.0)
Total	(2.0)	(16.0)

¹ This maturity analysis reflects the current terms of the Italian scheme only. The prior year includes both the US and Italian scheme.

22. Share capital and share premium

22.1 Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds received by the Company.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's owners until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

22.2 Share capital and share premium

	Number of shares 'm	Ordinary shares £m	Share premium £m
At 31 December 2022	196.8	9.8	-
At 31 December 2023	196.8	9.8	0.1

Ordinary shares in the Company have a par value of 5.00 pence per share (2022: 5.00 pence per share). All issued shares are fully paid up.

23. Share-based payments

23.1 Accounting policy

The Group operates the LTIP, which is an equity-settled share-based compensation plan for certain employees under which the entity receives services from employees as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest, with any changes in estimate recognised in the income statement, with a corresponding adjustment in equity. The fair value of awards granted under LTIP is measured using the Black-Scholes model to predict target EPS levels.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised. The Group also operates a Save As You Earn ("SAYE") scheme for employees and a deferred share bonus plan for senior management.

The Group also operates as deferred share bonus plan that requires that a portion of the Short-Term Incentive Plan ("STIP") award to Executive Committee members, which is determined based on current year performance, is deferred in shares to be issued three years after the award date. The value is fixed and the number of shares varies dependent on the share price at vesting. This is, therefore, treated as cash settled, with the credit being recorded as a liability. Once the shares are issued, the liability is transferred to retained earnings in equity.

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23. Share-based payments continued

The charges relating to the equity-settled share-based payments are outlined below.

	2023 £m	2022 £m
LTIP	1.0	0.7
Save as you earn	0.1	0.1
Deferred share bonus plan	0.4	0.2
Total share-based payments charge	1.5	1.0

The charge in respect of the SAYE of £53,557 (2022: £62,000) is immaterial and, therefore, further disclosures are not provided.

23.2 LTIP

The charge to the income statement in 2023 in relation to the LTIP was £1.0 million (2022: £0.7 million).

Conditional, annual awards of shares are granted under the LTIP to the Executive Directors and certain senior managers at the discretion of the Remuneration Committee. Provided the participant remains an employee of the Group and, where applicable, the performance targets are met, awards will vest between one and three years after the date of the grant at no cost to the employee. Further information on the LTIP and the performance targets for each grant are given in the Remuneration report.

The fair value of the awards granted under the LTIP in 2023 and the assumptions used in the calculation of the share-based payment charge are outlined below.

	Grant 1	Grants 2
Exercise price	£nil	£nil
Share price at grant date	£2.39	£2.39
Fair value	£2.39	£2.01
Expected volatility	31.55%	31.55%
Risk-free rate	3.3%	3.3%
Grant date	10-Mar-23	10-Mar-23
Expected life	3 Years	3 Years

Employees other than Executive Directors

LTIPs awarded to Divisional Presidents and Head Office employees under Grant 1 and 2 contain the following performance targets in respect of between half and two-thirds of the respective award's value: (a) 2025 Group adjusted EPS must be 40.7p or more; (b) 2025 Group ROCE must be 12.8% or more; and (c) at least the lower threshold of the Group ESG scorecard conditions (i.e. Safety, Sustainable Operations, Sustainable Culture and Sustainable Solutions) must be met. Divisional Presidents and senior reports to Divisional Presidents also have a performance target based on their division's 2025 adjusted operating profit. Senior reports to Divisional Presidents do not have the 2025 Group EPS performance targets attached to their LTIP awards. Divisional Presidents have a service only component in respect of one-third of their awards. Head Office employees and senior reports to Divisional Presidents have a service only component in respect of half of their awards.

Executive Directors

In addition to the Group adjusted EPS, Group ROCE and Group ESG performance targets described above, Executive Directors (who received an award under Grant 2) also have a TSR performance target. To fulfil the TSR performance target, they must achieve at least the "median" in the Net Return Index when ranked against constituents of the FTSE250 index, excluding investments trusts, as at 1 January 2023. Executive Directors are also subject to a two-year compulsory holding period post-vesting. For further details, see Directors' Remuneration report on pages 132 to 158.

Movements in the number of outstanding conditional awards of shares are as follows:

	2023 m	2022 m
At 1 January	2.9	2.5
Exercised	(0.6)	-
Granted	1.5	1.0
Lapsed	(1.3)	(0.7)
Dividend equivalent	0.1	0.1
At 31 December	2.6	2.9

At 31 December, there are no options currently exercisable.

23.3 Employee Benefit Trust purchases

Details of shares purchased by the Employee Benefit Trust to satisfy certain share awards vested in the year as well as future obligations under the Group's various share plans and Treasury Shares are as follows:

	2023	2022
Number of ordinary shares (million)	0.2	2.0
Cost to Company (£m)	0.5	6.6

Reconciliation of Treasury and Employee Benefit Trust ("EBT") shares:

	2023 m	2022 m
At 1 January	3.0	1.2
Released during the year	(1.0)	(0.2)
Buy back/purchase of shares	0.2	2.0
At 31 December	2.2	3.0

24. Dividends

	2023 £m	2022 £m
Amounts recognised as distributions to owners in the year:		
Final dividend for financial year ended 31 December 2022 of 9.5 pence (2021: 8.9 pence)	18.4	17.2
Interim dividend for financial year ended 31 December 2023 of 4.2 pence (2022: 4.2 pence)	8.2	8.2
Total amounts recognised as distributions to owners in the year	26.6	25.4
Amounts not recognised in the financial statements:		
Final dividend proposed for the year ended 31 December 2023 of 9.5 pence (2022: 9.5 pence)	18.5	18.4

The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in the financial statements for the year ended 31 December 2023.

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25. Business combinations

25.1 Accounting policy

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities assumed, and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (see note 10.2). If the total of consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

25.1.1 Estimate: acquisition accounting fair values

IFRS 3 requires assets and liabilities acquired to be recorded at fair value and to identify intangible assets separately from goodwill, initially measuring each group of intangible assets at fair value. Groups of intangible assets include purchased brands and customer relationships. There is judgement involved in estimating fair value, particularly in relation to identifiable intangible assets, which requires Management to estimate the useful economic life of each asset, the future cash flows expected to arise from each asset and to apply a suitable discount rate. We do not consider the intangible asset valuation to be a critical area of judgement or a key source of estimation uncertainty as we do not expect that the intangible asset valuation to change materially in the next twelve months after the balance sheet date.

25.1.2 Summary of Lawrence acquisition

On 12 July 2023, the Group completed the acquisition of 100% of the share capital of Barry G Lawrence, Inc., which trades as Lawrence Industries ("Lawrence"). Lawrence designs, manufactures and sells high performance composite hardware for sliding and hung windows to North American window fabricators, and is based in North Carolina, USA.

Lawrence was acquired for initial consideration of £43.8 million (US\$56.6 million), with further contingent consideration of up to £9.8 million (US\$12.5 million) payable based on the achievement of stretching growth targets in respect of the financial results for the two years up to, and including, 31 December 2024 and key employment milestones being met. The earn-out consideration has been treated as post-employment remuneration due to this being contingent on certain employees remaining with the business and included in adjusting items.

The following table summarises the provisional consideration paid and the provisional fair value of assets acquired and liabilities assumed at the acquisition date. The fair values will be finalised within twelve months of the acquisition date.

	Note	Lawrence £m
Intangible asset	10	22.1
Property, plant and equipment	11	2.7
Inventories		0.5
Trade and other receivables		1.0
Cash and cash equivalents		0.2
Trade and other payables		(0.3)
Total identifiable net assets		26.2
Goodwill arising on acquisition	10	17.6
Total consideration		43.8
Satisfied by:		
Cash		44.0
Consideration adjustment receivable		(0.2)
Total consideration		43.8
Net cash outflow arising on acquisition:		
Cash consideration		(44.0)
Net cash and cash equivalents		0.2
Net cash outflow		(43.8)

Acquisition related costs of £1.4 million have been included in adjusting items costs in the Group's consolidated income statement (see note 6). These costs include due diligence, legal fees, and other acquisition-related costs, as well as a charge associated with the estimated earn-out, which under accounting standards, is treated as post-combination remuneration rather than consideration due to it being conditional on continuing employment of a key employee.

The fair value of trade and other receivables is £1.0 million, of which £nil is expected to be uncollectable.

Revenue included in the consolidated income statement since 12 July 2023 contributed by Lawrence was £7.1 million. Lawrence contributed £3.0 million to the profit before taxation over the same period.

Had the acquisition of Lawrence been completed on the first day of the financial year, total revenue would amount to £14.7 million and profit before taxation would amount to £5.9 million.

Goodwill arising on acquisition is attributable to the expected profitability of the acquired business arising through savings and benefits from:

- the acquired workforce and their knowledge;
- unquantifiable revenue synergies from cross-selling to the existing customers of the North America division;
- the potential to win new customers as a result of the increased product offering and scale, specifically in Western USA and Canada; and
- the potential to leverage the North America divisional distribution network.

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26. Adjustments to cash flows from operating activities

The following non-cash and financing adjustments have been made to profit before taxation to arrive at operating cash flow:

	Note	2023 £m	2022 £m
Net finance costs	7	10.2	9.3
Depreciation of PPE	11	12.0	12.4
Depreciation of right-of-use assets	12	7.9	7.1
Amortisation of intangible assets	10	16.3	19.6
Impairment of intangible assets	10	-	0.2
Write off of goodwill	10	1.0	-
Impairment of property, plant and equipment	11	-	0.7
Impairment of right-of-use assets	12	-	0.2
Loss on disposal of property, plant and equipment		0.2	0.1
Pension service costs and administration costs		0.3	0.3
Non-cash provision movements		1.9	2.1
Share-based payments	23	1.5	1.0
Total		51.3	53.0

27. Financial commitments

There are no financial commitments as at 31 December 2023 or 31 December 2022.

28. Contingent liabilities

There are no contingent liabilities as at 31 December 2023 or 31 December 2022.

29. Events after the balance sheet date

There were no events after the balance sheet date.

30. Related party transactions

The following transactions were carried out with related parties of Tyman plc:

30.1 Subsidiaries

Transactions between the Company and its subsidiaries, which are related parties, are eliminated on consolidation. There were no transactions between the Company and its subsidiaries made during the year other than intercompany loans and dividends.

30.2 Key management compensation

The Group considers its Directors to be the key management personnel on the basis that it is the Directors who have the sole responsibility for planning, directing and controlling the Group. Full details of Directors' remuneration are given in the Remuneration report on pages 132 to 158. Key management compensation in accordance with IAS 24 is as follows:

	2023 £m	2022 £m
Short-term employee benefits	1.5	1.6
Share-based payments (including DSBP)	0.5	0.7
Total	2.0	2.3

30.3 Directors

Full details of individual Directors' remuneration are given in the Remuneration report on page 145. Directors' remuneration in accordance with the requirements of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is as follows:

	2023 £m	2022 £m
Aggregate emoluments	2.0	2.3
Aggregate gains made on the exercise of share options	0.7	-
Total	2.7	2.3

31. Subsidiaries

Details of the subsidiaries of the Group as at 31 December 2023 are detailed below. Unless otherwise indicated, all subsidiaries are wholly owned.

Registered name and office address	Country of incorporation	Nature of business
UK operations		
<i>29 Queen Anne's Gate, London SW1H 9BU</i>		
Balance UK Limited ¹	United Kingdom	Dormant
Bilco Access Solutions Limited ¹	United Kingdom	Building products
Crompton Limited ¹	United Kingdom	Dormant
ERA Home Security Limited ¹	United Kingdom	Building products
ERA Products Limited ¹	United Kingdom	Dormant
ERA Security Hardware Limited ¹	United Kingdom	Dormant
Grouphomesafe Limited ¹	United Kingdom	Dormant
Howe Green Limited ¹	United Kingdom	Building products
Jasper Acquisition Holdings Limited	United Kingdom	Holding company
Lupus Capital Limited	United Kingdom	Dormant
Octroi Group Limited	United Kingdom	Holding company
Profab Access Limited ¹	United Kingdom	Dormant
Response Electronics Limited ¹	United Kingdom	Dormant
Response Alarms Limited ¹	United Kingdom	Dormant
Schlegel Acquisition Holdings Limited	United Kingdom	Holding company
Schlegel Building Products Limited ¹	United Kingdom	Dormant
Schlegel Limited ¹	United Kingdom	Building products
Tyman Equities Limited	United Kingdom	Dormant
Tyman Financial Services Limited ¹	United Kingdom	Financing company
Tyman Management Limited ¹	United Kingdom	Holding company
1687922 Limited ¹	United Kingdom	Dormant
Window Fabrication and Fixing Supplies Limited ¹	United Kingdom	Dormant
Y-cam Solutions Limited ¹	United Kingdom	Dormant
Zoo Hardware Limited ¹	United Kingdom	Dormant

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31. Subsidiaries continued

Registered name and office address	Country of incorporation	Nature of business
North American operations		
<i>Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Toronto, ON M5H 4E3</i>		
Amesbury Canada Inc ¹	Canada	Holding company
<i>8005 Dixie Road, Unit 8043, Brampton, Ontario L6T 3V¹</i>		
AmesburyTruth, Inc	Canada	Holding company
<i>Roberto Fierro #6351, Industrial Park Aero Juarez, Juarez, Chihuahua 32695</i>		
Amesbury Mexico S.De R.L. De C.V. ¹	Mexico	Building products
<i>Deportistas 7820 Parque Industrial Gema Ciudad, Juarez, Chihuahua 32648</i>		
Bilcomex Comercializadora S.De R.L. De C.V. ¹	Mexico	Building products
Bilcomex S.De R.L. De C.V. ¹	Mexico	Building products
<i>Via Monterrey Matamoros No. 600, Parque Industrial Milenium, Apoodaca, Nuevo Leon, Mexico, 66600</i>		
Ashland Hardware and Casting Systems de Mexico, S.DE.R.L De C.v. ¹	Mexico	Building products
<i>7246, Wright Road, Thomasville, NC, 27360</i>		
Barry G. Lawrence, Inc	United States	Building products
<i>Corporation Service Company, 503 S Pierre St, Pierre, SD, 57501-4522</i>		
Balance Systems Inc ¹	United States	Building products
<i>Corporation Service Company, Goodwin Square 225 Asylum Street, 20th Floor, Hartford, CT, 06103</i>		
The Bilco Company ¹	United States	Holding company
The Bilco Holding Company ¹	United States	Holding company
Bilco U.K. Limited	United States	Building products
<i>Corporate Service Company, 251 Little Falls Drive, Wilmington, DE, 19808, United States</i>		
Amesbury Group Inc ¹	United States	Holding company
Ashland Hardware Holdings, Inc ¹	United States	Holding company
Ashland Hardware LLC ¹	United States	Building products
Tyman Ventures Inc ¹	United States	Holding company
Truth Hardware Corporation ¹	United States	Building products
Schlegel Systems Inc ¹	United States	Building products
Amesbury Acquisition Holdings (2) Inc ¹	United States	Holding company
Amesbury Industries Inc ¹	United States	Holding company

Registered name and office address	Country of incorporation	Nature of business
European operations		
<i>Nieuwpoortsesteenweg 1028400 Oostende</i> Schlegel Belgium BVBA ¹	Belgium	Building products
<i>Bredowstrasse, 33-22113, Hamburg</i> Schlegel Germany GmbH ¹	Germany	Building products
<i>Kolonou 1-3, 12131 Peristeri</i> Giese Group Hellas S.A ¹	Greece	Building products
<i>Via Tubertini n.1, 40054 Budrio BO, Italy</i> Giese S.p.A ¹	Italy	Building products
<i>Constitucion, 84-Poligono Industrial Les Grases, 08980 Sant Feliu De Llobregat, Barcelona</i> Giese Group Iberia S.A ¹	Spain	Building products
Other international operations		
<i>Enrique Becquerel 4873, Area de promocion el Triangulo, CP 1615, Buenos Aires</i> Giese Group Argentina S.A ¹	Argentina	Building products
<i>44 Riverside Road, Chipping Norton, NSW 2170</i> Schlegel Australia Pty (2006) Ltd ¹	Australia	Building products
<i>Level 33, 101 Collins Street, Melbourne, VIC 3000, Australia</i> Schlegel Pty Limited ¹	Australia	Holding company
<i>617 Alameda Itatinga, Galpao 2, Parte B, Joapirange II, Valinhos-SP</i> Giese Brasil Indústria e Comércio de Ferragens e Acessórios Ltda. ¹	Brazil	Building products
<i>618 Alameda Itatinga, Galpao 2, Parte B, Joapirange II, Valinhos-SP</i> Schlegel América Latina - Vedação, Esquadrias e Extrusão Ltda. ¹	Brazil	Building products
<i>No.151 Linjia of Linlianghe Village, Miaocheng Town, Huairou District, Beijing, 101401</i> Giese Hardware (Beijing) Co. Ltd. ¹	China	Building products
<i>Second floor of No.3 Building, No.1515 of Juxian Road, Hi-Tech District, Ningbo, Zhejiang Province</i> TSA Hardware (Ningbo) Co. Limited ¹	China	Building products
<i>Amesbury (Ningbo) Hardware Trading Co. Ltd¹</i>	China	Building products
<i>3rd Interchange, Sheikh Zayed Road, Al Quoz Industrial Area 1, Dubai</i> Schlegel Middle East Building Materials Trading LLC ^{1,2}	United Arab Emirates	Building products

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31. Subsidiaries continued

Registered name and office address	Country of incorporation	Nature of business
Branch operations		
Access 360 Innovation Drive, Pendeford Wolverhampton, 54 Business Park, WG9 5GA		
Bilco UK Ltd	United Kingdom	Building products
D-362, MIDC, TTC Industrial Area, Kushket Village, Juinagar, Navi Mumbai 400705		
Giesse S.p.A	India	Building products
Istanbul Merkez Şubesi, Halk Sokak Ada IS Merkezi No: 46, Kat: 2 Daire: 4, 34734 Sahrayicedid, Kadikoy, Istanbul		
Giesse S.p.A	Turkey	Building products
8 Chemin du Jubin, 69570 Dardilly		
Giesse S.p.A	France	Building products
Av. Eng. Duarte Pacheco, 19 – 3° DTO., 1070-100 Lisboa		
Giesse Group Iberia S.A.	Portugal	Building products

¹ Held by subsidiary.

² Shareholding of 49% held by the Group. The Group has managerial control and is entitled to 100% of the profits and cash generated by the business.

Company balance sheet

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Non-current assets			
Investment in subsidiaries	4	347.9	346.7
Financial assets at fair value through OCI	10	-	0.2
Deferred tax	9	0.5	0.5
Trade receivables	5	61.3	101.3
		409.7	448.7
Current assets			
Trade and other receivables	5	37.4	7.1
Current tax		0.4	-
Cash and cash equivalents		0.6	0.5
		38.4	7.6
Creditors – amounts falling due within one year	6	(35.9)	(0.7)
Net current assets		2.5	6.9
Total assets less current liabilities			
		412.2	455.6
Creditors – amounts falling due after more than one year	6	(67.3)	(109.5)
Financial liabilities at fair value through OCI	10	(0.3)	-
Net assets		344.6	346.1
Equity			
Called up share capital	11	9.8	9.8
Share premium		0.1	-
Treasury reserve		(7.0)	(8.7)
Retained earnings		341.7	345.0
– brought forward		345.0	370.2
– profit for the year		24.0	(0.1)
– other movements		(27.3)	(25.1)
Total shareholders' funds		344.6	346.1

The notes on pages 229 to 233 are an integral part of these financial statements.

The financial statements on pages 227 and 228 were approved by the Board on 6 March 2024 and signed on its behalf by:

Jason Ashton **Peter Ho**
 Chief Executive Officer General Counsel & Company Secretary

Tyman plc

Company registration number: 02806007

Company statement of changes in equity

For the year ended 31 December 2023

	Called up share capital £m	Share premium £m	Treasury reserve £m	Retained earnings £m	Total £m
At 1 January 2022	9.8	-	(2.6)	370.2	377.4
Loss for the year	-	-	-	(0.1)	(0.1)
Total comprehensive income	-	-	-	(0.1)	(0.1)
Transactions with owners in their capacity as owners		-			
Share-based payments ¹	-	-	-	0.8	0.8
Dividends paid	-	-	-	(25.4)	(25.4)
Issue of own shares from Employee Benefit Trust	-	-	0.5	(0.5)	-
Purchase of own shares for Employee Benefit Trust	-	-	(6.6)	-	(6.6)
Transactions with owners	-	-	(6.1)	(25.1)	(31.2)
At 31 December 2022	9.8	-	(8.7)	345.0	346.1
Profit for the year	-	-	-	24.0	24.0
Total comprehensive income	-	-	-	24.0	24.0
Transactions with owners in their capacity as owners		-			
Share-based payments ¹	-	-	-	1.2	1.2
Dividends paid	-	-	-	(26.6)	(26.6)
Issue of own shares from Employee Benefit Trust	-	0.1	2.2	(1.9)	0.4
Purchase of own shares for Employee Benefit Trust	-	-	(0.5)	-	(0.5)
Transactions with owners	-	0.1	1.7	(27.3)	(25.5)
At 31 December 2023	9.8	0.1	(7.0)	341.7	344.6

¹ Share-based payments include a tax charge of £0 million (2022: tax charge of £0.2 million) and a credit due to issuance of shares under the deferred share bonus plan of £0.1 million (2022: £0.2 million).

The notes on pages 229 to 233 are an integral part of these financial statements.

Notes to the Company financial statements

For the year ended 31 December 2023

1. Accounting policies

1.1 Basis of preparation

The financial statements of Tyman plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 applicable to companies reporting under FRS 101. The accounting policies have been consistently applied unless otherwise stated. None of the new standards that became effective in the year had a material impact on the Company.

The financial statements have been prepared on a going concern basis. The Group has performed an assessment of going concern through modelling several scenarios. The Directors are satisfied that the Group and Company have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Further details can be found in note 2.2 of the Group financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any affected future periods. There are no areas representing critical judgements made by management and no key sources of estimation uncertainty in the Group's financial statements.

The Company's Financial Statements are presented in millions of sterling rounded to the nearest one decimal place.

1.1.1 FRS 101 – reduced disclosure exemptions

The following exemptions from the requirements of IFRSs have been applied in the preparation of these financial statements in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payments
- IFRS 7 Financial Instruments: Disclosures
- Paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- The following paragraphs of IAS 1 Presentation of Financial Statements:
 - Comparative information requirements in respect of paragraph 79(a)(iv)
 - Paragraph 10(d), cash flow statements
 - Paragraph 16, statement of compliance with all IFRS
 - Paragraph 38A, minimum of two primary statements, including cash flow statements
 - Paragraphs 38B to 38D, additional comparative information
 - Paragraphs 40A to 40D, requirements for a third statement of financial position
 - Paragraph 111, cash flow statement information
 - Paragraphs 134 to 136, capital management disclosures
 - Paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates And Errors
- IAS 7 Statement of Cash Flows
- Paragraph 17 of IAS 24 Related Party Disclosures
- The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group

1.2 Foreign currency translation

1.2.1 Functional currency and presentation currency

The financial statements are presented in sterling, which is also the functional currency.

1.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Company financial statements

For the year ended 31 December 2023

1. Accounting policies continued

1.3 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the instrument and are generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

1.3.1 Financial assets at amortised cost

The Company classifies financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows
- The contractual terms give rise to cash flows that are solely payments of principal and interest

They are included in current assets, except for those expected to be settled beyond twelve months after the end of the reporting period. These are classified as non-current assets. The Company's financial assets comprise "debtors" (see note 5) and "cash and cash equivalents" in the balance sheet.

1.3.2 Financial liabilities held at amortised cost

Financial liabilities held at amortised cost comprise "creditors" (see note 6).

Derivative financial instruments

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 assets when the fair value is positive and liabilities when the fair value is negative. The Company designates derivatives as either fair value or cash flow hedges.

Fair value hedges

The Company's fair value hedges consist of cross-currency interest rate swaps. Changes in the fair value of derivatives designated and qualifying as fair value hedges are recorded in other comprehensive income, together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk.

1.4 Investments in subsidiaries

Investments in subsidiaries are stated at cost less any accumulated impairment losses.

1.5 Borrowings

Interest-bearing loans and overdrafts are recognised initially at fair value, net of transaction costs incurred. Interest-bearing loans are subsequently carried at amortised cost using the effective interest rate method. Borrowing costs are expensed to the income statement using the effective interest rate method.

1.6 Share-based payments

The Company operates an equity-settled share-based compensation plan (Long-Term Incentive Plan, "LTIP") for certain employees under which the entity receives services from employees as consideration for equity instruments (share options) of the Company. The fair value of the employee services received in exchange for the grant of options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest, with any changes in estimate recognised in the income statement, with a corresponding adjustment in equity. The fair value of awards granted under LTIP is measured using the Black-Scholes model.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity financial statements.

The social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Details of share-based payments are provided in note 23 of the Group financial statements.

2. Profit attributable to the shareholders of the Company

The Company is an investment holding company. It receives dividend income from subsidiaries and bank interest. It pays loan interest to a subsidiary. The majority of administrative expenses are paid by the Company's subsidiary, Tyman Management Limited, including the whole amount of the relevant auditor's remuneration and operating lease costs.

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. The Company reported a profit for the financial year ended 31 December 2023 of £23.9 million (2022: loss of £0.1 million).

3. Employees

Other than the Directors, there were no employees of the Company during the year (2022: nil). Directors' emoluments are set out in the Directors' Remuneration report in the Group's Annual Report on pages 132 to 158.

4. Investments

4.1 Impairment review

An impairment review using a value in use calculation has been performed for each investment. The calculation of the value in use involves estimation in assumptions used in the calculations, including forecasted cashflows and appropriate discount rates. The same information as used in the Group goodwill impairment assessment is used for assessing the carrying value of investments in subsidiaries. For further information, see page 191 of the Group financial statements.

4.2 Carrying value of investments

	£m
Cost	
At 1 January 2022	346.3
Capital contribution relating to share-based payments	1.1
At 31 December 2022	347.4
Capital contribution relating to share-based payments	1.2
At 31 December 2023	348.6
Impairment	
At 1 January 2022	(0.7)
At 31 December 2022	(0.7)
At 31 December 2023	(0.7)
Carrying amount	
At 1 January 2022	345.6
At 31 December 2022	346.7
At 31 December 2023	347.9

All of the above investments are in unlisted shares. The Directors believe that the carrying value of the investments is supported by the recoverable amount of their underlying assets.

Notes to the Company financial statements

For the year ended 31 December 2023

5. Debtors

	Note	2023 £m	2022 £m
Amounts receivable within one year			
Amounts owed by Group undertakings		37.4	7.1
At 31 December		37.4	7.1
Amounts receivable after more than one year			
Amounts owed by Group undertakings		60.9	101.3
Corporation tax asset		0.4	-
At 31 December		61.3	101.3

The amounts owed by Group undertakings are unsecured and are interest bearing, with the exception of a small portion which is interest free. Of the total amount owed by Group undertakings, £37.4 million is due to be repaid within the next twelve months and is recorded as current. The remainder of the Group receivable balance of £60.9 million is either due for repayment beyond the next twelve months or is recoverable on demand but unlikely to be received within one year so is classified as non-current.

6. Creditors

	Note	2023 £m	2022 £m
Amounts falling due within one year			
Private placement notes	7	(35.3)	-
Capitalised borrowing costs		0.1	0.1
Other creditors		(0.7)	(0.8)
At 31 December		(35.9)	(0.7)
Amounts falling due after more than one year			
Private placement notes	7	(58.7)	(98.9)
Amounts owed to Group undertakings		(0.6)	(0.6)
Bank borrowings	8	(8.0)	(10.0)
At 31 December		(67.3)	(109.5)

The amounts owed to Group undertakings are interest free, repayable on demand and unsecured.

7. Private placement notes

The senior notes relate to the issuance of a private debt placement with US financial institutions totalling US\$120 million (2022: US\$120 million). Refer to note 18.2.2 of the Group financial statements.

Details of the private placement notes, which are unsecured, are as follows:

	2023 £m	2022 £m
Wholly repayable in 2024	(35.3)	(37.2)
Wholly repayable in 2029	(31.4)	(33.1)
Wholly repayable in 2032	(27.5)	(28.9)
Capitalised borrowing costs	0.2	0.3
At 31 December	(94.0)	(98.9)

8. Borrowings

Borrowings relate to amounts drawn down under the £210 million committed revolving credit facility. The RCF matures in December 2027.

	2023 £m	2022 £m
Bank borrowings	(8.0)	(10.0)
At 31 December	(8.0)	(10.0)

9. Deferred tax asset

	2023 £m	2022 £m
At 1 January	0.5	0.6
Income statement charge	-	(0.1)
At 31 December	0.5	0.5

The deferred tax asset relates to share-based payments. There are no unused tax losses or unused tax credits.

10. Financial instrument

	2023 £m	2022 £m
Interest rate swap	(0.3)	0.2
Total interest rate swap	(0.3)	0.2

Refer to note 17 of the Group financial statements for detail of the interest rate swap.

11. Called up share capital and share premium

The share capital and share premium of the Company is as set out in note 22 of the Group financial statements.

12. Financial commitments

At 31 December 2023, the Company had future lease commitments on land and buildings under non-cancellable operating leases. These commitments were met on the Company's behalf by Tyman Management Limited, a subsidiary. The carrying value of the ROU asset held by Tyman Management Limited was £0.2 million (2022: £0.3 million) and of lease liabilities was £0.1 million (2022: £0.3 million). See further details regarding the nature of lease commitments in note 12 of the Group financial statements.

13. Dividends

The dividends of the Company are set out in note 24 of the Group financial statements.

14. Related party transactions

The Company has taken advantage of the exemption in accordance with FRS 101, as a wholly owned subsidiary, not to disclose details of related party transactions in accordance with IAS 24 Related Party Disclosures required by this standard.

Alternative Performance Measure reconciliations

APMs used in key performance indicators

Policy

The Group uses adjusted figures as key performance measures in addition to those reported under IFRS, as management believes these measures enable management and stakeholders to assess the trading performance of the businesses as they exclude certain items that are considered to be significant in nature and/or quantum, foreign exchange movements and the impact of acquisitions and disposals. The alternative performance measures ("APMs") are consistent with how the businesses' performance is planned and reported within the internal management reporting to the Board and Operating Committees. Some of these measures are used for the purpose of setting remuneration targets. The key APMs that the Group uses include like-for-like ("LFL") performance measures and adjusted measures for the income statement, together with adjusted financial position and cash flow measures. Explanations of how they are calculated and how they are reconciled to an IFRS statutory measure are set out below.

Limitations of APMs

APMs should not be viewed in isolation and are designed to provide supplementary information. These may not be comparable to similarly labelled measures used by other companies. Other limitations of the Group's adjusted measures are that they exclude the amortisation of intangibles acquired in business combinations, but do not similarly exclude the related revenue and profits, and they exclude the cost of major restructuring programmes but do not similarly exclude the financial benefits derived from these.

Adjusted operating profit and adjusted operating margin

Definition

Operating profit before amortisation of acquired intangible assets, impairment of acquired intangible assets and goodwill and adjusting items.

Adjusted operating margin is adjusted operating profit divided by revenue.

Purpose

This measure is used to evaluate the trading operating performance of the Group.

Adjusting items are excluded from this measure to provide an understanding of the elements of financial performance during the year to facilitate comparison with prior periods and to assess the trends in financial performance.

Adjusting items include significant one-off redundancy and restructuring costs, transaction and integration costs associated with merger and acquisition activity, impairment charges for intangible asset upgrades, gains or losses relating to disposal of businesses, property provision releases and other items significant to understanding underlying performance. In the current year this includes the effect of a significant devaluation of the Argentinian Peso due to government action on a foreign denominated payable balance and the CEO transition costs. These items are not considered to be a part of the ordinary course of the Group's business.

Amortisation of acquired intangible assets is excluded from this measure as this is a significant non-cash fixed charge that is not affected by the trading performance of the business.

Impairment of acquired intangible assets and goodwill is excluded, as this can be a significant non-cash charge.

Reconciliation/calculation of adjusted operating profit

	2023 £m	2022 £m
Operating profit	60.2	70.7
Adjusting items (note 6)	10.6	6.3
Amortisation of acquired intangible assets	13.6	17.6
Adjusted operating profit	84.4	94.6

Reconciliation/calculation of adjusted operating margin

	2023 £m	2022 £m
Adjusted operating profit	84.4	94.6
Revenue	657.6	715.5
Adjusted operating margin (%)	12.8%	13.2%

Like-for-like or LFL revenue and operating profit

Definition

The comparison of revenue or adjusted operating profit, as appropriate, excluding the impact of any acquisitions made during the current year and, for acquisitions made in the comparative year, excluding from the current year result the impact of the equivalent current year pre-acquisition period. For disposals, the results are excluded for the whole of the current and prior period. The prior period comparative is retranslated at the current period average exchange rate. The Group considers these amendments provide shareholders with a comparable basis from which to understand the organic trading performance in the year.

Purpose

This measure is used by management to evaluate the Group's organic growth in revenue and adjusted operating profit year on year, excluding the impact of M&A and currency movements.

Reconciliation/calculation

	2023 £m	2022 ¹ £m
Reported revenue	657.6	715.5
Contribution from Lawrence acquisition during the year	(7.1)	-
Effect of exchange rates	-	(6.4)
Like-for-like revenue	650.5	709.1
Adjusted operating profit	84.4	94.6
Contribution from Lawrence acquisition during the year	(3.1)	-
Effect of exchange rates	-	(1.4)
Like-for-like adjusted operating profit	81.3	93.2

¹ As adjusted to restate at current average year exchange rate.

Adjusted profit before tax and adjusted profit after tax

Definition

Profit before amortisation of acquired intangible assets, deferred tax on amortisation of acquired intangible assets, impairment of acquired intangible assets and goodwill, adjusting items, gains and losses on the fair value of derivative financial instruments, amortisation of borrowing costs and the associated tax effect.

Purpose

This measure is used to evaluate the profit generated by the Group through trading activities. In addition to the items excluded from operating profit above, the gains and losses on the fair value of derivative financial instruments, amortisation of borrowing costs and the associated tax effect are excluded. These items are excluded as they are of a non-trading nature and can fluctuate significantly year on year. This metric is used in assessing the Directors' remuneration, see Directors' Remuneration report on page 133.

Reconciliation/calculation

	2023 £m	2022 £m
Profit before taxation	50.0	61.4
Adjusting items	10.6	6.3
Loss/(gain) on revaluation of derivative instrument	0.3	(0.1)
Amortisation of borrowing costs	0.5	0.6
Amortisation of acquired intangible assets	13.6	17.6
Adjusted profit before taxation	75.0	85.8
Income tax charge	(11.8)	(13.6)
Add back: Adjusted tax effect ¹	(4.6)	(4.9)
Adjusted profit after taxation	58.6	67.3

¹ Tax effect of adjusting items, amortisation of borrowings costs, amortisation of acquired intangible assets and gain or loss on revaluation of fair value hedge.

Alternative Performance Measure reconciliations

Adjusted earnings per share

Definition

Adjusted profit after tax divided by the basic weighted average number of ordinary shares in issue during the year, excluding those held as treasury shares.

Purpose

This measure is used to determine the improvement in EPS from underlying trading activity for our shareholders. This metric is used in assessing the Directors' remuneration, see the Directors' Remuneration report on page 133.

Reconciliation/calculation

Refer to note 9.2 for the calculation of the basic weighted average number of shares.

	2023	2022
Adjusted profit after taxation £m	58.6	67.3
Weighted average number of shares (million) – basic	195.0	194.2
Adjusted earnings per share	30.1p	34.7p

Return on capital employed (ROCE)

Definition

Adjusted operating profit as a percentage of the last thirteen-month average capital employed.

Purpose

This measure is used to evaluate how efficiently the Group's capital is being employed to improve profitability. This metric is used in assessing the Directors' remuneration, see Directors' Remuneration report on page 133.

Reconciliation/calculation

	2023 £m	2022 £m
Adjusted operating profit	84.4	94.6
Average capital employed	720.3	710.7
ROCE (%)	11.7%	13.3%
<i>Average capital employed</i>		
Inventories	119.0	153.1
Trade and other receivables	85.6	81.4
Intangible assets	66.2	57.7
Property, plant and equipment	71.1	74.6
Right-of-use asset	55.4	57.3
Goodwill	399.3	399.3
Deferred tax asset	1.4	1.7
Trade and other payables	(94.8)	(88.2)
Net current tax asset/(liability)	0.3	(1.8)
Provisions – current	(2.1)	(5.0)
Provisions non – current	(3.4)	(2.9)
Deferred tax liabilities	(4.9)	(6.9)
Financial asset at fair value	1.2	1.2
Total capital employed	694.3	721.5
Adjustment to thirteen-month average	26.0	(10.8)
Average capital employed	720.3	710.7

Dividend cover

Definition

Adjusted earnings per share divided by the total dividend per share for the financial year.

Purpose

This measure provides an indication of the dividend paid relative to adjusted earnings for comparison with the Group's dividend policy.

Reconciliation/calculation

	2023	2022
Basic adjusted earnings per share (p)	30.1	34.7
Total dividend per share (p)	13.7	13.7
Dividend cover (x)	2.2x	2.5x

Adjusted operating cash conversion and adjusted operating cash flow

Definition

Adjusted operating cash flow

Net cash generated from operating activities before income tax paid, adjusting costs cash settled in the year and pension contributions, and after proceeds on disposal of property, plant and equipment, payments to acquire property, plant and equipment and payments to acquire intangible assets.

Adjusted operating cash conversion

Adjusted operating cash flow divided by adjusted operating profit.

Purpose

These measures are used to evaluate the cash flow generated by operations in order to pay down debt, return cash to shareholders and make further investment in the business.

Reconciliation/calculation

	2023 £m	2022 £m
Net cash generated from operating activities	108.8	60.6
Income tax paid	15.5	21.5
Adjusting item cash costs	9.0	1.8
Pension contributions	2.6	0.2
Proceeds on disposal of PPE	0.1	0.1
Payments to acquire PPE and intangible assets	(15.6)	(24.1)
Adjusted operating cash flow	120.4	60.1
Adjusted operating cash flow	120.4	60.1
Adjusted operating profit	84.4	94.6
Adjusted operating cash conversion (%)	142.6%	63.5%

Alternative Performance Measure reconciliations

Free cash flow

Definition

Adjusted operating cash flow after deducting pension contributions, income tax paid, net interest paid and adjusted cash costs settled in the year.

Purpose

This measure is used to evaluate the cash flow generated by the business operations after expenditure incurred on maintaining capital assets.

Reconciliation/calculation

	2023 £m	2022 £m
Adjusted operating cash flow	120.4	60.1
Pension contributions	(2.6)	(0.2)
Income tax paid	(15.5)	(21.5)
Net interest paid	(8.3)	(9.5)
Adjusting item cash costs	(9.0)	(1.8)
Free cash flow	85.0	27.1

Covenant net interest

Definition

Covenant net interest is interest on overdrafts plus interest on loans less interest income from short-term deposits.

Purpose

This measure is used in the covenant metric of interest cover.

Reconciliation/calculation

	2023 £m	2022 £m
Interest payable on bank loans, private placement notes and overdrafts	10.8	6.8
Interest income from short-term deposits	(3.4)	(0.9)
Covenant net interest	7.4	5.9

Covenant EBITDA and covenant adjusted EBITDA

Definition

Covenant EBITDA

Adjusted operating profit with depreciation, amortisation of computer software, and share-based payments expenses added back, less ROU depreciation and interest payable on lease liabilities.

Covenant adjusted EBITDA

Covenant EBITDA plus the pre-acquisition EBITDA of businesses acquired during the year covering the relevant current year pre-acquisition period less the EBITDA of businesses disposed of during the year.

Purpose

This measure is used as the numerator in calculating covenants under the terms of the Group's revolving credit facility.

Reconciliation/calculation

	2023 £m	2022 £m
Adjusted operating profit	84.4	94.6
Depreciation of property, plant and equipment and RoU assets	19.9	19.5
Amortisation of computer software	2.7	2.0
Interest payable on lease liabilities	(2.6)	(3.0)
RoU assets depreciation	(7.9)	(7.1)
Share-based payments – equity settled	1.1	0.8
Covenant EBITDA	97.6	106.8
Lawrence pre acquisition EBITDA	3.3	–
Covenant adjusted EBITDA	100.9	106.8

Interest cover

Definition

Covenant EBITDA divided by the net interest payable on bank loans, private placement notes and overdrafts and interest income from short-term bank deposits.

Purpose

This measure is used to evaluate the profit available to service the Group's interest costs. This is one of the covenants the Group is subject to under the terms of its revolving credit facility.

Reconciliation/calculation

	2023 £m	2022 £m
Covenant EBITDA	97.6	106.8
Net interest	7.4	5.9
Interest cover (x)	13.2x	18.2x

Alternative Performance Measure reconciliations

Adjusted net debt and covenant net debt

Definition

Borrowings, net of cash and cash equivalents, plus capitalised borrowing costs and lease liabilities added back. For the purposes of bank covenants net debt used in the leverage calculation is calculated based on the weighted average exchange rates in line with the banking agreements.

Purpose

This gives a measure of the gross amount owed to lenders, without the effect of unamortised borrowing costs.

Reconciliation/calculation

	2023 £m	2022 £m
Net debt	(167.7)	(175.5)
Lease liabilities	59.7	61.7
Capitalised borrowing costs	(2.3)	(2.1)
Adjusted net debt	(110.3)	(115.9)
Adjustment to weighted average exchange rate	3.8	4.4
Covenant net debt	(106.5)	(111.5)

Leverage

Definition

Adjusted net debt translated at the average exchange rate for the year divided by adjusted EBITDA as defined in the lending agreement.

Purpose

This measure is used to evaluate the ability of the Group to generate sufficient cash flows to cover its contractual debt servicing obligations.

Reconciliation/calculation

	2023 £m	2022 £m
Covenant net debt (at average exchange rate)	106.5	111.5
Covenant adjusted EBITDA	100.9	106.8
Leverage (x)	1.1x	1.0x

Gross debt and adjusted gross debt

Definition

Gross debt is borrowings and lease liabilities.

Adjusted gross debt is gross debt, with capitalised borrowing costs added back.

Purpose

This gives a measure of the gross amount owed to lenders, without the effect of unamortised borrowing costs for which cash outflow has already occurred.

Reconciliation/calculation

	2023 £m	2022 £m
Borrowings	(171.7)	(188.4)
Lease liabilities	(59.7)	(61.7)
Gross debt	(231.4)	(250.1)
Capitalised borrowing costs	(2.3)	(2.1)
Adjusted gross debt	(233.7)	(252.2)

Adjusted tax charge

Definition

Tax charge adjusted for the tax effect of adjusted items, amortisation of borrowings costs, amortisation of acquired intangible assets and gain or loss on revaluation of fair value hedge.

Purpose

This measure is used to evaluate the tax charge arising on the adjusted trading activity of the Group.

Reconciliation/calculation

	2023 £m	2022 £m
Income tax charge	(11.8)	(13.6)
Tax effect of adjusting items	(4.6)	(4.9)
Adjusted tax charge	(16.4)	(18.5)

Adjusted effective tax rate

Definition

Adjusted tax charge divided by adjusted profit before tax.

Purpose

This measure is used to evaluate the tax charge relative to profit arising on the adjusted trading activity of the Group.

Reconciliation/calculation

	2023 £m	2022 £m
Adjusted tax charge	(16.4)	(18.5)
Adjusted profit before tax	75.0	85.8
Adjusted effective tax rate (%)	(21.9%)	(21.6%)

Adjusted selling, general and administrative expenses

Definition

Selling, general and administrative expenses before adjusting items, amortisation of acquired intangible assets, impairment of acquired intangible assets and goodwill, and impairment of acquired goodwill.

Purpose

This measure is used to evaluate the selling, general and administrative expenses of the business, excluding the effect of adjusting items and amortisation of acquired intangible assets, which is a significant charge that is not directly affected by trading.

Reconciliation/calculation

	2023 £m	2022 £m
Selling, general and administrative expenses	(157.1)	(151.2)
Adjusting items	10.6	6.3
Amortisation of acquired intangible assets	13.6	17.6
Adjusted selling, general and administrative expenses	(132.9)	(127.3)

GRI Standard Content Index

This report has been prepared with reference to the GRI Standards:

General Disclosures 2021 (GRI 2)

Disclosure	GRI code	Page
1. The Organisation and Reporting Practices		
Organisational details	2-1	19
Entities included in the organisation's sustainability reporting	2-2	221-224
Reporting period, frequency and contact point	2-3	-
Restatements of information	2-4	48, 49, 53, 81
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2. Activities and Workers		
Activities, value chain and other business relationships	2-6	6-17
Employees	2-7	50-52
Workers who are not employees	2-8	51
3. Governance		
Governance structure and composition	2-9	106-109, 111-120
Nomination and selection of the highest corporate body	2-10	121-124
Chair of the highest corporate body	2-11	110
Role of the highest governance body in overseeing the management of impacts	2-12	59, 115-116
Delegation of responsibility for managing impacts	2-13	59, 115-116
Role of the highest governance body in sustainability reporting	2-14	59
Conflicts of interest	2-15	106-109, 116-117
Communication of critical concerns	2-16	50, 52, 117
Collective knowledge of the highest governance body	2-17	106-109
Evaluation of the performance of the highest governance body	2-18	102
Remuneration policies	2-19	132-158
Process to determine remuneration	2-20	115-117
Annual total compensation ratio	2-21	155
4. Strategy, policies and practices		
Statement of sustainable development policy	2-22	https://www.tymanplc.com/sustainability
Policy commitments	2-23	https://www.tymanplc.com/sustainability
Embedding policy commitments	2-24	21-17, 46-83
Processes to remediate negative impacts	2-25	46-83
Mechanisms for seeking advice and raising concerns	2-26	50
Compliance with laws and regulations	2-27	47, 49
Membership associations	2-28	75
5. Stakeholder engagement		
Approach to stakeholder engagement	2-29	74-75, 98
Collective bargaining agreements	2-30	Not disclosed

Tyman material topics 2021 (GRI 3)

Disclosure	GRI code	Page
Disclosure of material topics		
Process to determine material impacts	3-1	https://www.tymanplc.com/sustainability/materiality-exercise
List of material topics	3-2	https://www.tymanplc.com/sustainability/materiality-exercise
Management of material topics	3-3	46-83
Circular economy		
GRI-301 Materials 2016	301	54
Packaging and waste		
GRI-301 Materials 2016	301	54, 81-82
GRI-306 Effluents and waste 2016	306	49
GRI-306 Waste 2020	306	49
Material sourcing		
GRI-408 Child labour 2016	408	54, https://www.tymanplc.com/sustainability/sustainable-culture/ethics
GRI-409 Forced or compulsory labour	409	54, https://www.tymanplc.com/sustainability/sustainable-culture/ethics
GRI-308 Supplier environmental assessment	308	-
GRI-414 Supplier social assessment	414	-
GRI-301 Materials 2016	301	-
GRI-407 Freedom of association and collective bargaining	407	Not disclosed
Product innovation		
GRI-201 Economic performance	201	53
GRI-416 Customer health and safety	416	53-54
GRI-301 Materials 2016	201	54
GRI-305 Emissions 2016	305	53-58
GRI-413 Local communities 2016	413	52
Employee health, safety and wellbeing		
Occupational health and safety 2018	403	46-47
Climate change and greenhouse gas emissions		
GRI-302 Energy 2016	302	81-82
GRI-305 Emissions 2016	305	81-82
Energy management		
GRI-302 Energy 2016	302	73-74, 81-82
Water stewardship		
GRI-303 Water 2016	303	48
Ethical business practices		
GRI-205 Anti-corruption	205	50, https://www.tymanplc.com/sustainability/sustainable-culture/ethics
GRI-206 Anti-competitive behaviour	206	50, https://www.tymanplc.com/sustainability/sustainable-culture/ethics
GRI-415 Public policy	415	161
Diversity and inclusion		
GRI-405 Diversity and equal opportunity 2016	405	51, 122
GRI-406 Non-discrimination	406	51
Local communities		
GRI-413 Local communities 2016	413	52
Training and development		
GRI-404 Training and education	404	50-51

Independent Limited Assurance statement

To: The Stakeholders of Tyman plc

1. Introduction and objectives of work

Bureau Veritas UK Ltd ('Bureau Veritas') has been engaged by Tyman plc (Tyman) to provide limited assurance of its quantitative data contained within the "Tyman plc Annual Report and Accounts for the year ended 31 December 2023" (the 'Report'). The objective is to provide assurance to Tyman and its stakeholders over the accuracy and reliability of the reported information and data.

2. Scope of work

The scope of our work was limited to assurance over the following information included within the Report for the period 1st January – 31st December 2023 (2023) and the corresponding baseline years (as applicable) (the 'Selected Information'):

1. Scope 1 and 2 Greenhouse Gas (GHG) emissions for 2019 (baseline) and 2023
 - Total global Scope 1 direct emissions – covering emissions through combustion of fuels (natural gas, fuel oil, LPG, diesel, petrol), process emissions and refrigerant losses (tCO₂e)
 - Total global Scope 2 indirect emissions (location and market-based) – covering purchased electricity (for consumption) (tCO₂e)
 - Total global Scope 1 and 2 (market-based) emissions per million GBP revenue (tCO₂e/£m revenue)
2. SDG aligned product revenues 2020 (baseline) and 2023
 - Revenues from products that positively impact one or more of the UN SDGs (environmental or social benefit) in use (million GBP)
 - SDG aligned product revenues as a percentage of total revenue (%)
3. Total Recordable Incident Rate (TRIR) 2023
 - Lost time injuries and other recordable injuries frequency rate expressed per 1 million hours worked (excluding COVID-19)

3. Reporting criteria

The Selected Information needs to be read and understood together with the Tyman's reporting methodology and disclosures, as set out at <https://www.tymanplc.com/sustainability> and <https://www.tymanplc.com/investor-relations/document-centre>.

4. Limitations and exclusions

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions; and
- Other information included in the Report other than the Selected Information.

The following limitations should be noted:

- This limited assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance.
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.
- The review of revenues from positive impact solutions for SDG-aligned products data points is based on a risk-based sample of products/product categories functionalities and assessing its interlinkage with sustainability impact theme identified by Tyman. This review does not include verification of financial data (revenue) which is audited separately by an external financial auditor for baseline year 2020 and performance year 2023.
- The review of the total global Scope 1 and 2 (market-based) emissions per million GBP revenue was limited to performing aggregation of emissions under these two scopes and arriving at the ratio of tCO₂e/£m revenue. This review does not include verification of financial data (revenue) which is audited separately by an external financial auditor for baseline year 2019 and performance year 2023.
- The assurance of revenues from positive impact Solutions for SDG-aligned products with environmental or social benefits in use was limited to review of the product functionalities/ properties/ features related to sustainability impact themes on a sample basis. The end use impact realized by these products is not within the scope of this assurance.

5. Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Tyman.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Directors of Tyman.

6. Assessment standard

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

7. Summary of work performed

As part of our independent assurance, our work included:

1. Conducting interviews with relevant personnel of Tyman;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Tyman;
4. Agreeing a selection of the Selected Information to the corresponding source documentation;
5. Reviewing Tyman's systems for quantitative data aggregation and analysis;
6. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information;
7. Confirmation of accuracy of information with third parties and/or external stakeholders;
8. Reperforming a selection of aggregation calculations of the Selected Information;
9. Reperforming greenhouse gas emissions conversions calculations;
10. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals; and
11. Evaluating the design of internal systems, processes and controls to collect and report the Selected Information.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

8. Conclusion

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

GHG Emissions	2019	
	Baseline	2023
Total global Scope 1 direct emissions (tCO ₂ e)	12,078	9,839
Total global Scope 2 indirect emissions (market-based) (tCO ₂ e)	31,093	16,827
Total global Scope 2 indirect emissions (location-based) (tCO ₂ e)	30,032	22,212
Total global Scope 1 and 2 (market-based) emissions per million GBP revenue (tCO ₂ e/£m revenue)	70.3	40.6

SDG aligned product revenues	2020	
	Baseline	2023
Revenues from products that positively impact one or more of the UN SDGs (environmental or social benefit) in use (million GBP)	118.2	153.3
SDG aligned product revenues as a percentage of total revenue (%)	20.6%	23.3%

Total Recordable Incident Rate (TRIR)	2023
Total Recordable Incident Rate (expressed per 1 million hours worked) (excluding COVID-19)	4.2

9. Statement of independence, integrity and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015¹, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2².

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)³, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code⁴. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Tyman.



Bureau Veritas UK Ltd

Registered in England & Wales, Company Number: 1758622
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 London, 04th March 2024

- 1 Certificate available on request
- 2 International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2
- 3 International Federation of Inspection Agencies – Compliance Code – Third Edition
- 4 Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

Definitions and glossary of terms

AGM	Annual General Meeting
APM	Alternative performance measure
ARGE	European Federation of Associations of Locks & Builders Hardware Manufacturers
BPR	Tyman internal business performance reviews
Bps	Basis points
BREEAM	Building research establishment environmental assessment method (building sustainability certification scheme)
BSI Kitemark	UK product and service quality trade mark, owned and operated by the British Standards Institution
C2C	Cradle to Cradle product certification scheme for safer, more sustainable products
CAGR	Compound annual growth rate
CBAM	Carbon Border Adjustment Mechanism
CFD	The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022
CGU	Cash generating unit
CHIC	Concealed hardware innovative components
CoBE	Tyman's Code of Business Ethics
CPA	Construction Products Association
CPMI	Construction Purchasing Managers' Index
CSA	Controls Self-Assessment
DEFRA	UK Department of Food and Environmental Affairs
DSBP	Deferred share bonus plan
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EBT	The Tyman employees' benefit trust
EPD	Environmental product declaration
EPS	Earnings per share
ERP	Enterprise resource planning
ESG	Environmental, social and governance
ExCo	Executive Committee
FCA	Financial Conduct Authority
FSC	Forest Stewardship Council
FTE	Full time equivalent (headcount)
FVPL	Fair value through profit or loss
GAAP	Generally accepted accounting principles
GCC	Gulf Cooperation Council
GDPR	General data protection regulation
GHG	Greenhouse gas (emissions) arising from direct operations and/or indirectly via the value chain
GRI	Global Reporting Initiative
Hi-Po	High potential near-miss incident
HSS	Health, safety and sustainability
IASB	International Accounting Standards Board
IEA	International Energy Agency
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IIA Code of Practice	The Chartered Institute of Internal Auditors Code of Practice
IPCC	Intergovernmental panel on climate change
ISO 14001	International Organization for Standardization standard for environmental management systems
ISO 14025	International Organization for Standardization standard for environmental labels and declarations
KPI	Key performance indicator
Lawrence	Barry G. Lawrence, Inc (trading as Lawrence Industries)
LCA	Life Cycle Assessment (evaluation technique to quantify the carbon and broader environmental impacts of a product over its lifecycle)
LEED	Leadership in energy and environmental design standards (building sustainability certification scheme)

LFL	Like-for-like
LIRA	Leading Indicator of Replacement Activity
LOTO	Lock Out Tag Out
LTI	Lost time incident
LTIFR	Lost time incident frequency rate – a core safety metric expressing the number of lost time incidents as a ratio per 1 million hours worked
LTIP	Long term incentive plan
LTM	Last twelve months
M&A	Mergers and acquisitions
NAHB	The National Association of Home Builders
NDC	National Determined Contributors
NED	Non-executive director
NGFS	Network for greening the financial system
NPD	New product development
OCF	Operating cash flow
OECD	Organisation for Economic Co-operation and Development
OEM	Original equipment manufacturer
OSHA	US Occupational Safety and Health Administration
PFAs	Per- and polyfluoroalkyl substances – a large group of synthetic chemicals (e.g. used for non-stick properties)
PMI	Purchasing Managers' Index
PPA	Power Purchase Agreement
PPE	Property, plant and equipment
R&D	Research and development
RCF	Revolving credit facility
RMI	Renovation, maintenance and improvement
ROAI	Return on acquisition investment
ROCE	Return on capital employed
RoU	Right-of-use
SAYE	Save as you earn
SBT	Science Based Target
SBTi	Science Based Target initiative
SDG	United Nations Sustainable Development Goals
SEA	UK's Surface Engineering Association
SECR	UK Government's streamlined energy and carbon reporting
Smartware	Integrated and mechanical and electronic security solutions
STIP	Short term incentive plan
TCFD	Taskforce on climate-related financial disclosures
TCO_{2e}	Tonnes of CO ₂ equivalent (a standard measure for carbon emissions)
TFR	Trattamento di fine Rapporto (Italian pension scheme)
TNFD	Taskforce on nature-related financial disclosures
TRIR	Total recordable incident rate (a core safety metric including lost time and other recordable incidents involving restricted duty or medical intervention beyond first aid, expressed as a ratio per 1 million hours worked)
TSR	Total shareholder return
UKAS	UK Accreditation Service
USPP	US Private Placement
VIU	Value in use
WEFTEC	Water Environment Federation's Technical Exhibition and Conference
WEO	World Energy Outlook
WRI	World Resources Institute
YoY	Year on year

Roundings and exchange rates

Roundings

Percentage numbers have been calculated using rounded figures from the financial statements, which may lead to small differences in some figures and percentages quoted.

Exchange rates

The following principal foreign exchange rates have been used in the financial information to translate amounts into sterling:

Closing rates	2023	2022
US dollar	1.2731	1.2097
Euro	1.1532	1.1298
Australian dollar	1.8690	1.7743
Canadian dollar	1.6871	1.6386
Average rates	2023	2022
US dollar	1.2438	1.2370
Euro	1.1499	1.1732
Australian dollar	1.8734	1.7795
Canadian dollar	1.6782	1.6078

Five-year summary

Statutory measures

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Revenue	657.6	715.5	635.7	572.8	613.7
Operating profit	60.2	70.7	73.1	59.7	40.5
Net finance costs	(10.2)	(9.3)	(9.1)	(12.1)	(15.7)
Profit before taxation	50.0	61.4	64.0	47.6	24.8
Taxation	(11.8)	(13.6)	(14.4)	(10.4)	(7.1)
Profit after taxation	38.2	47.8	49.6	37.2	17.7
Basic earnings per share	19.6	24.6	25.4	19.1	9.1
Total number of shares in issue ('000)	196,762	196,762	196,762	196,762	196,762
Dividends per share declared (p)	13.7p	13.70p	12.90p	4.00p	3.85p
Average monthly number of employees	3,623	4,135	4,295	4,035	4,146

APMs and KPIs¹

	2023	2022	2021	2020	2019
LFL revenue growth (%)	(8.3%)	5.2%	17.4%	(6.0)%	(1.8)%
LFL adjusted operating profit growth (%)	(12.7%)	(3.2%)	15.6%	(5.5%)	(4.8)%
Adjusted operating profit (£m)	84.4	94.6	90.0	80.3	85.4
Adjusted operating margin	12.8%	13.2%	14.2%	14.0%	13.9%
Adjusted profit before taxation (£m)	75.0	85.8	81.5	68.4	71.0
Adjusted net debt (£m)	(110.3)	(115.9)	(91.7)	(100.6)	(164.5)
Adjusted basic earnings per share (p)	30.1	34.7	32.1p	27.2p	27.5p
Return on capital employed (%)	11.7%	13.3%	14.5%	12.3%	12.0%
Adjusted operating cash conversion (%)	142.6%	63.5%	64.3%	130.9%	132.2%
Leverage (x)	1.1x	1.0x	0.9x	1.1x	1.7x

¹ See Alternative performance measures on pages 234 to 241.

Shareholder notes



The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.



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