convatec
— forever caring —

Pioneering trusted medical solutions to improve the lives we touch

Convatec Group Plc
Annual Report and Accounts 2024

Welcome

We are Convatec

We have pivoted to sustainable and profitable growth

Read more about our record performance and double-digit adjusted EPS and free cash flow to equity growth in our CEO's review on pages 9 to 11.

A strategy that continues to deliver

Read more about our FISBE strategy on pages 7, 10 and 11.

Our strongest-ever innovation pipeline

Read more about our innovation on pages 39 to 43.

Strongly positioned to continue to create value for all our stakeholders

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Pioneering trusted medical solutions to improve the lives we touch

Convatec is an innovative global medical products and technologies company, focused on solutions for the management of chronic conditions. We have leading positions in Advanced Wound Care, Ostomy Care, Continence Care and Infusion Care.

With more than 10,000 colleagues, we provide our products and services in around 90 countries, united by our promise to be forever caring. Our solutions provide a range of clinical and economic benefits, including infection prevention, protection of at-risk skin, improved patient outcomes and reduced total costs of care.

FINANCIAL HIGHLIGHTS

Group revenue
$2,289m
(2023: $2,142m)

Adjusted[1] operating profit
$485m
(2023: $432m)

Reported operating profit
$325m
(2023: $263m)

Adjusted[1] diluted earnings per share
15.2¢
(2023: 13.4¢)

Reported diluted earnings per share
9.3¢
(2023: 6.3¢)

Adjusted[1] operating profit margin
21.2%
(2023: 20.2%)

1. Certain financial measures in this document, including adjusted results above, are not prepared in accordance with International Financial Reporting Standards (IFRS). See the Non-IFRS financial information section on pages 28 to 31.

INNOVATION IS A CORNERSTONE OF OUR STRATEGY

Stories throughout this report highlight our deep commitment to innovation and delivering solutions to improve people's lives

WHAT'S INSIDE THIS REPORT

About us

Convatec is deeply committed to the people we serve – patients living with chronic conditions, their families and caregivers, and the healthcare professionals who support them

OUR CATEGORIES

Advanced Wound Care (AWC)

Advanced dressings for the management of acute and chronic wounds resulting from ongoing conditions, such as diabetes, and acute conditions resulting from traumatic injury and burns.

Read more on page 14

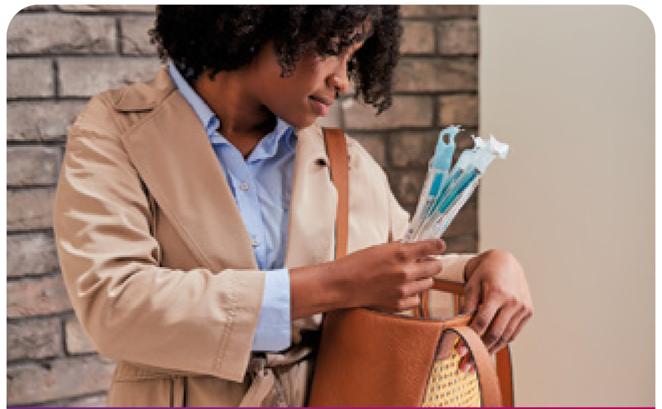
#3 globally[1]

Ostomy Care (OC)

Devices, accessories and services for people with a stoma (a surgically created opening where bodily waste is discharged), commonly resulting from causes such as colorectal cancer, bladder cancer, inflammatory bowel disease and trauma.

Read more on page 16

#3 globally[1]



Continence Care (CC)

Products and services for people with urinary continence issues related to spinal cord injury, neurological disease, prostate enlargement or other causes.

Read more on page 18

#1 in the US[1]

Infusion Care (IC)

Disposable infusion sets used with insulin pumps for diabetes or with continuous infusion treatments for conditions such as Parkinson's disease.

Read more on page 20

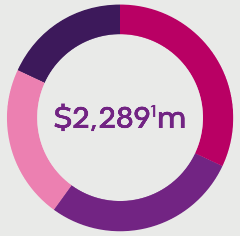
#1 globally[1]

1. Market dynamics, segment size, growth rates and positions based on internal analysis and publicly available sources.

Since 1978, we have supported people living with long-term chronic conditions. Convatec has leading market positions in Advanced Wound Care, Ostomy Care, Continence Care and Infusion Care

OUR BUSINESS

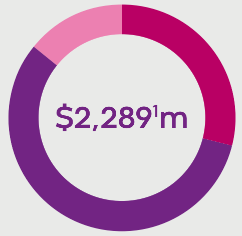
Group-reported revenue by category



Advanced Wound Care	32%	$743m
Ostomy Care	28%	$634m
Continence Care	22%	$501m
Infusion Care	18%	$411m

1. Includes $0.2m of hospital care and related industrial sales.

Group-reported revenue by geography



Europe	29%	$661m
North America	57%	$1,296m
Rest of world	14%	$332m

OUR PERFORMANCE

Organic revenue growth[1]

Adjusted operating profit margin[2]

1. Revenue growth at constant currency, adjusted for acquisitions, divestments and discontinuations.
2. Definitions of adjusted measures are shown in the reconciliation tables on pages 29 to 31.

KEY FACTS

~900m finished products in 2024

~10,000 colleagues in 2024

12 key markets

7 manufacturing locations

What's inside

Strategic report

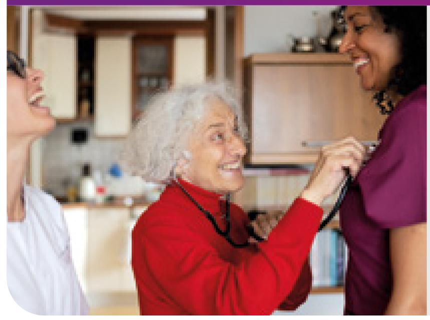
Megatrends

Chronic care markets are driven by global healthcare megatrends

More than 90% of our revenues arise from serving chronic care patients, and these revenues are often recurring in nature

Three global healthcare megatrends drive structural growth and demand for our solutions

1 INCREASED LIFE EXPECTANCY AND AGEING POPULATIONS



Global population aged 65+

2060	1.6bn
2020	0.8bn

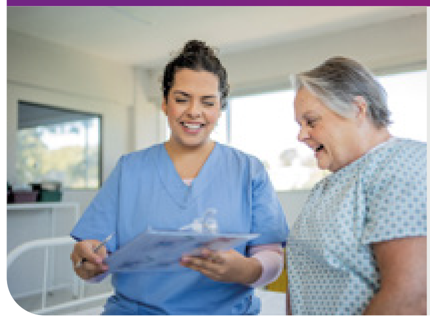
Source: United Nations, World Population Prospects.

Average life expectancy globally (years)

2022	72
1950	47

Source: United Nations, Population Divisions estimates.

2 CHRONIC CONDITIONS ARE INCREASING



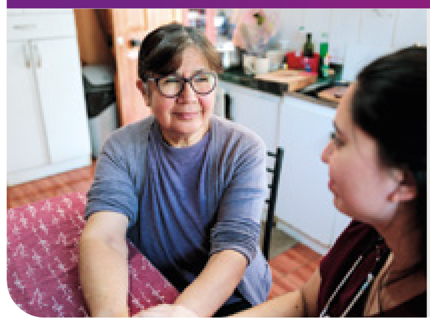
As people live longer, the prevalence and cost of chronic disease continues to grow.

1 in 3

Adults affected by chronic conditions globally
(Cardiovascular, cancer, diabetes)

Source: The global burden of multiple chronic conditions, Cother Hajat and Emma Stein.

3 IMPROVING ACCESS TO HEALTHCARE IN EMERGING MARKETS



Ageing populations, rising per-capita gross domestic product (GDP) and urbanisation will drive healthcare demand in emerging markets. This demand is set to outpace overall GDP growth in emerging economies and healthcare spending growth in developed countries.

2019 healthcare spending (% of GDP)

Emerging markets	5.2%
OECD	12.5%
US	16.8%

Source: World Bank, UBS, March 2023.

Chair's statement

Delivering our forever caring promise

Dear Shareholder

I am pleased to report that Convatec delivered strong results in 2024, and has continued to enhance our trusted medical solutions with a rich stream of innovation and successful new product launches. As we have continued to transform Convatec, driven by strong execution of our Focus, Innovate, Simplify, Build, Execute (FISBE) strategy, we have pivoted to sustainable and profitable growth. Our target is to consistently produce double-digit adjusted earnings per share (EPS) and free cash flow to equity growth.

Strong execution of our strategy

During 2024, we continued to strengthen our product portfolio, led by research and development, innovation and the successful launch of new products. We launched or significantly expanded the regional presence of four new products including ConvaFoam™ in Europe and GentleCath Air™ for Women in the US. Looking ahead, ConvaNiox™, our new advanced wound dressing technology powered by nitric oxide, is on track to launch in 2026, following EU regulatory approval in 2025. This game-changing solution is highly complementary to our Advanced Wound Care portfolio.

We continued to drive operational and commercial improvements as part of our focus on driving simplification and productivity. During the year, we closed manufacturing operations at our smaller Danish facility as planned. We also launched new centres of excellence (CoEs) for Global Marketing & Sales and Market Access & Reimbursement, supplementing our existing CoEs which are helping to achieve better pricing and salesforce productivity, particularly following the roll out of a new single customer relationship management platform in our FISBE markets.

We also continued to increase our operational resilience with further investments in infrastructure, automation and capacity across our manufacturing network. We are ready to respond to growth opportunities.

2024 trading and dividend

Convatec reported revenue was $2,289 million, up 6.9% YoY (7.7% higher on a constant currency basis). Operating profit was $324.9 million on a reported basis (2023: $262.7 million) and $485.3 million on an adjusted basis (2023: $431.8 million). Our adjusted operating profit margin increased by 100 basis points to 21.2% (2023: 20.2%), despite significant inflationary headwinds in H1 2024, although as we expected, these eased substantially in H2 2024. Higher profits and strong cash generation led to net debt decreasing, with net debt to EBITDA leverage at 31 December 2024 of 1.8x, 0.3x below FY23.

In November 2024, Medicare Administrative Contractors in the US published Local Coverage Determinations (LCDs) for Skin Substitute Grafts. Convatec's InnovaMatrix® was not covered by Medicare for treatments in the LCDs. The situation remains changeable, with implementation of the LCDs subsequently postponed until April 2025. On the basis that the LCDs are implemented, we expect a hiatus in Medicare InnovaMatrix® revenues in FY25, discussed further on page 11.

Given our strong financial performance, robust balance sheet and the Board's continuing confidence in future growth prospects and cash generation, the Board recommends a final dividend of 4.594 cents per share, resulting in a full-year dividend of 6.416 cents per share, an increase of 3%. If approved at our Annual General Meeting on 22 May 2025, the final dividend will be paid on 29 May 2025 to shareholders on the register at the close of business on 22 April 2025.

The payout ratio of 42% of adjusted net profit remains modestly ahead of the target range of 35-45%. This progressive dividend recommendation is consistent with the approach over the last three years.

We have also set out proposals for a revised Remuneration Policy within our Directors' Remuneration Report on pages 114 to 134. Our plans have been developed following significant shareholder engagement and the Board is confident that they will support the next phase of Convatec's growth.

Culture and values

During the year, we have continued to make progress on senior management diversity, sustaining strong performance on gender targets set by the FTSE Women Leaders Review. We are also committed to a race and ethnicity target, encouraged by the Parker Review, including meeting the diversity targets in the FCA Listing Rules. We continue to recruit on merit and ensure that we appoint the best candidate for the role. Further information on this, including our targets for gender and ethnic diversity within senior management, can be found on pages 44 to 48.

Our values guide our everyday behaviours. The Board is determined to foster a culture that is shaped by these values as we strive to deliver our vision of pioneering trusted medical solutions to improve the lives we touch. We are delivering our forever caring promise, and this Annual Report sets out our progress in nurturing a responsible, engaging, inclusive and high-performing culture.

Convatec Cares

Convatec Cares, our approach to environmental, social and governance (ESG), sets out the commitments and actions which enable us to integrate ESG practices throughout the organisation. Convatec Cares is integrated within our FISBE strategy and supports our ability to deliver sustainable and profitable growth and underpins our long-term success. The framework is built around four pillars:

- Delivering for our customers
- Enabling our people to thrive
- Behaving ethically and transparently
- Protecting the planet and supporting communities

The Responsible business review (pages 32 to 59) provides commentary on ESG governance pillars, metrics and targets, together with information on our stakeholders and why it is important for Convatec to actively engage with them.

Convatec remains committed to the highest standards of corporate governance. The Governance report on pages 84 to 148 provides detail on our wider governance framework, plus the Board's stakeholder engagement activities.

Thank you to all our stakeholders

Convatec's turnaround since 2019 would not have been possible without the hard work, drive and unwavering commitment of our colleagues and leadership team, and I would like to thank them on behalf of the Board.

I would also like to thank shareholders for their support, many of whom met with me or other members of the Board over the last year. The Board remains focused on the continued execution of our FISBE strategy.

Despite ongoing macroeconomic uncertainties, Convatec is very well placed to continue to deliver sustainable double-digit compound growth in adjusted EPS and free cash flow to equity.

Dr John McAdam CBE
Chair
25 February 2025

HOW WE REALISE OUR VISION

Pioneering trusted medical solutions to improve the lives we touch

OUR PROMISE

Forever caring

OUR STRATEGY: FISBE

Focus on strengthening customer loyalty in key markets

Innovate to increase vitality of trusted medical solutions

Simplify to improve productivity across our organisation

Build and embed mission-critical capabilities and winning culture

Execute with excellence, while integrating environmental, social & governance

Read more on pages 10 and 11

OUR VALUES

Improve care

Grow together

Do what's right

Deliver results

Own it

Read more on page 45

OUR ESG FRAMEWORK: CONVATEC CARES

Customers	Colleagues	Commerce	Communities
Delivering for our customers	Enabling our people to thrive	Behaving ethically and transparently	Protecting the planet and supporting communities

Read more on pages 32 to 59

Our business model

Delivering our forever caring promise

Convatec is a global medical products and technologies company focused on solutions for the management of chronic conditions

Every year, we sell over 900 million products, helping millions of customers, including patients, consumers and healthcare professionals

OUR EXPERTISE

- Deep sector knowledge
- Talented workforce
- Innovation mindset
- Strong quality brands
- Manufacturing capability & robust supply chain
- Relationships with customers

OUR BUSINESS MODEL

RESEARCH & DEVELOPMENT

- Identify unmet needs
- Usability and human factor design
- Process and solution development
- Clinical development
- Regulatory submission

$102m
investment in 2024

QUALITY & OPERATIONS

- Manufacture with quality and at scale
- Drive productivity and increase gross margin
- Enhance efficiency across our supply chain

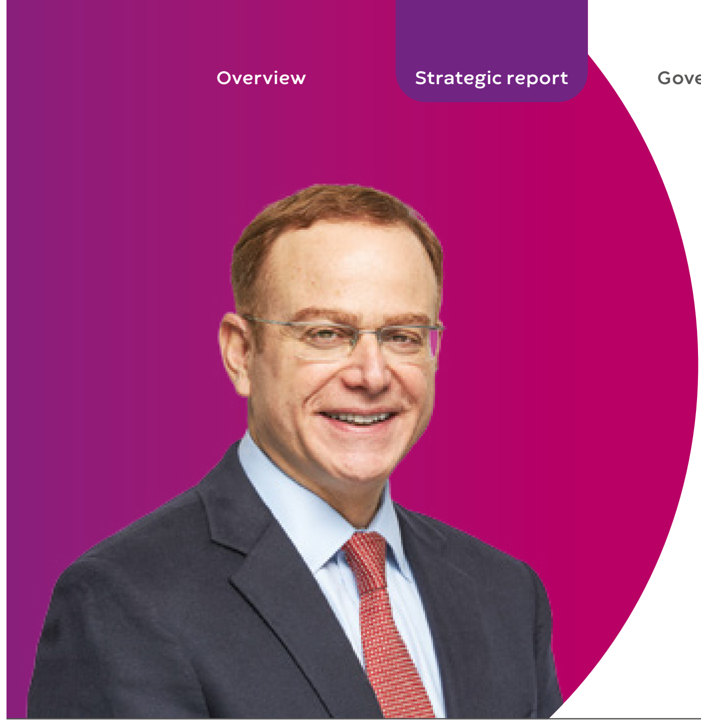
~5,000
manufacturing colleagues across seven locations

SALES, MARKETING & SERVICE

- Commercialise globally
- Customer support across the continuum of care
- Measure loyalty and learn

cNPS
in 20 countries

Benefit chronic care patients and society | **Deliver double-digit EPS & free cash flow to equity[2] CAGR** | **Reinvest for future growth** | **Distribute to shareholders**



Chief Executive Officer's review

Delivering sustainable and profitable growth

"Our FY24 results demonstrate that Convatec has successfully pivoted to broad-based, sustainable and profitable growth. Our FISBE strategy is delivering strongly, evidenced by our sixth year of accelerating revenue growth, further operating profit margin expansion, double-digit growth in adjusted EPS and strong cash conversion."

Read more about our FISBE strategy on pages 10 and 11

2024 represented another year of strong operational and strategic delivery for Convatec, evidenced by accelerating organic revenue growth, improving operating margin, 14% adjusted EPS[1] growth and strong cash conversion.

We announced our FISBE strategy in 2020, having just reported 2019 organic revenue growth of 2.3%. Our annual R&D spend was c.$50m, and our innovation pipeline was very limited. Our adjusted operating margin[1] was 19.4%, and we had no mid-term targets. In 2024, organic revenue growth accelerated to 7.7%, the sixth consecutive year of accelerating growth and exceeding the top end of our target range for the second year running. We invested over $100m in R&D, our product portfolio is systematically broadening to enhance our offering, and we have our strongest-ever innovative, new product pipeline. Adjusted operating margin[1] was 21.2%, and we are on track to deliver our mid-20s% target by 2026 or 2027. Given these strong results and consistent delivery of our strategy, we can now say that we have successfully pivoted to sustainable and profitable growth.

Looking ahead, we have leading positions in structurally growing, recurring revenue, chronic care markets. We are targeting the fastest growing segments by developing innovative and differentiated new products. Our resilient business model is highly scalable and is well-positioned to deliver sustainable double-digit compound annual growth in adjusted EPS[1] and free cash flow to equity[2].

Out performing our structurally growing markets

Convatec operates in four chronic care categories. These have a combined market size of c.$15.5 billion p.a. and market growth rates varying between 4-8% p.a. We are among a small number of leaders in the categories in which we operate and expect to consistently grow revenue faster than each market.

We sell over 900 million high-quality consumable products for a diverse range of chronic conditions annually. There are notable synergies across the Convatec categories in areas such as polymer and biomaterial sciences, adhesive technologies, product and clinical development, automated manufacturing, supply chain capabilities and sales & marketing. In recent years we have been rationalising our production network while automating and expanding capacity in the most appropriate locations and increasing our business resilience and efficiency.

Increasing margins, driven by simplification and productivity improvements

We delivered another strong year of adjusted operating margin[1] improvement, up 100 bps to 21.2% (21.8% on a constant FX basis). Operating margin[1] has now increased by 350 bps since 2021 (+390 bps in constant currency. Our strong cash generation is supporting continued organic and inorganic investment for growth, consistent with our capital allocation priorities and broader strategy.

Footnotes within the CEO review are defined as follows
1. Consistent with prior years, management present adjustments to the reported figures, to produce more meaningful measures in monitoring the underlying performance of the business. These are set out in the tables on pages 29 to 31.
2. Certain financial measures in this document, including adjusted results, are not prepared in accordance with International Financial Reporting Standards (IFRS). All adjusted measures are reconciled to the most directly comparable measure prepared in accordance with IFRS in the Non-IFRS Financial Information (see pages 28 to 31).

Chief Executive Officer's review continued

In FY24 we remained focused on delivering for our customers and patients. New product innovation accelerated, including four key new products launches or major geographic expansions in 2024. In addition to the R&D spend noted above, we invested $122m in capex and increased our emphasis on clinical and regulatory engagement. Additionally, we invested c.$90m in earn-outs and one small acquisition in France in our Home Services Group.

Our simplification and productivity initiatives continued to progress well. In Global Quality & Operations (GQO), we increased automation in our facilities and continued to optimise our plant network for scale and efficiency by completing the closure of our EuroTec facility in the Netherlands and closing our small Herlev site in Denmark. In commercial areas, we created an integrated Global Marketing & Sales (GMS) Centre of Excellence (CoE), further developed our Market Access & Reimbursement CoE, and rationalised our use of marketing agencies globally. We are encouraged by the potential for AI to drive productivity improvements in areas such as customer service, marketing content generation and translation. In addition, we delivered further general and administrative (G&A) savings by expanding the scope of our Global Business Services centres across Finance, IT and HR activities. Adjusted G&A[1] declined by 4.7% to $165m (2023: $173m), representing 7.2% of revenue (2023: 8.1%).

FISBE strategy: FY24 progress

Our FISBE (Focus, Innovate, Simplify, Build, Execute) strategy again delivered strongly in 2024.

Focus

We continued to drive focus in our four chronic care categories and 12 focus markets. Over 90% of our revenues arise from supporting patients with chronic illnesses, resulting in high recurring revenues. The US was our largest market and grew strongly, supported by the contribution from recent launches (InnovaMatrix®, ConvaFoam™, Esteem Body™ and GentleCath Air™ for Women).

In 2024, we continued to strengthen our focus on customer centricity and advanced the use of customer Net Promoter Score (cNPS) as the key measure of customer satisfaction and loyalty within Convatec, rolling out the programme across 20 countries, including all our FISBE markets. We are working towards capturing cNPS for all our main customer groups, initially starting with Healthcare Professionals (HCPs) and expanding to users and our key B2B customers. Acting on customer feedback is critical to the success of our business, as we look to deliver a frictionless experience from our front-line clinical colleagues to customer support functions.

Innovate

Innovation is a key part of our strategy and is helping to drive growth in the fastest growing segments of our markets. We continued to strengthen our Technology & Innovation capabilities; adjusted R&D expenditure of $102m (2023: $104m) was equivalent to c.5% of revenue.

New product innovation accelerated with a broadening pipeline across our chronic care markets, including eight new products launched between 2022-24. Our vitality index, which measures the percentage of Group revenues generated from new or significantly upgraded products launched in the last five-years, reached our target of 30%, a year ahead of target.

Products launched since 2022 are:

- InnovaMatrix® in the US and starting to launch in Latin America
- Esteem Body™ in the US and key European markets
- ConvaFoam™ in the US and key European markets
- GentleCath Air™ for Women in the US and key European markets
- Infusion set with Beta Bionics new iLet Bionic Pancreas system
- Extended Wear Infusion Set in US with Medtronic 780G
- Infusion set for new Tandem Mobi pump
- Neria™ Guard Infusion set for AbbVie Parkinson's therapy

We expect continued momentum from future launches including:

- In Advanced Wound Care (AWC), ConvaVac™, a single use negative pressure treatment on track to launch in 2026; ConvaNiox™, which is expected to obtain EU regulatory approval in H1 2025, and to launch in Europe in 2026; and ConvaFiber™, our new enhanced hydrofibre dressing, launching in Europe in 2026
- In Ostomy Care (OC), Natura Body™, our two-piece convex product launching in 2026, and FlexiSeal™ Air, a new market-leading fecal management product in the US in H2 2025
- In Continence Care (CC), GentleCath Air™ for Men Pocket & Set in 2026; and
- In Infusion Care (IC), infusion technology innovations including a potential new Parkinson's therapy for Mitsubishi Tanabe

Simplify

We continued to make progress simplifying the organisation and improving productivity.

OUR INVESTMENT CASE

Our resilient business is designed to sustainably deliver double-digit CAGR in adjusted EPS & free cash flow to equity:

1 FOCUSED ON LARGE AND GROWING CHRONIC CARE CATEGORIES

Convatec has leading positions in four chronic care categories, with market growth rates varying between 4% and 8% p.a. and high levels of recurring revenue

Refer to operational reviews on pages 14 to 21 for further detail.

2 GROWING FASTER THAN OUR CATEGORIES

We have delivered six years of accelerating organic revenue growth, and our target is to grow sales by 5-7% every year. This will be driven by our investment in innovation which is broadening our product portfolio

Refer to operational reviews on pages 14 to 21 for further detail.

3 INCREASING PROFITABILITY VIA INNOVATION, SIMPLIFICATION AND SCALE

Adjusted operating margin has increased by 350bps to 21.2% since 2021 and we remain on-track to deliver a mid-20s% margin[1] by 2026 or 2027. This will be driven by further operational and commercial productivity, an increasing mix of Convatec-manufactured products and positive operating leverage arising from the delivery of 5-7% per annum organic revenue growth

Refer to operational reviews on pages 14 to 21 for further detail.

4 STRONG CASH FLOW

We target high cash conversion while consistently investing in capex and R&D to grow our sales and sustainably increase operating margin, plus selective bolt-on M&A. We are committed to paying a progressive dividend

In operations, as part of our Plant Network Optimisation programme, for scale and efficiency, we completed the closure of our EuroTec facility in the Netherlands and closed our small Herlev site in Denmark in December 2024. Our GQO function continued to introduce smart factory tools and automation to the manufacturing footprint to drive enhanced productivity.

In commercial, the newly created GMS CoE drove supplier consolidation across research, advertising and media agencies, delivering cost efficiencies and simplified ways of working.

In G&A, costs reduced to 7.2% of revenue (2023: 8.1%), declining by $8m to $165m (2023: $173m). We continued to improve, standardise and automate processes, build internal expertise and reduce external third-party spend. We also continued to transition activities to our GBS centres, which has helped enable a reduction in G&A costs from 13% of revenue to 7% in three years. In Finance, our initiative in procure-to-pay has enhanced process, reduced cost, improved cash generation and improved employee experience, with transactional NPS (tNPS) up significantly. In IT, we insourced our service desk capability, at a lower cost and resulting in higher colleague satisfaction scores. In HR, we made significant progress with our transformation, refreshing our operating model and transitioning certain activities (e.g. payroll) to our GBS centres to align to standardised processes and ways of working.

Build

During the year we established our Market Access & Reimbursement CoE. This team supports access and reimbursement for our existing brands and new product pipeline. Our GMS CoE brings together separate legacy Marketing and Salesforce teams to nurture and drive customer engagement, provide sales leadership training and further improve commercial productivity.

Our focus remains on strengthening employee engagement and building high-performing teams. We launched a new employee engagement platform to support ongoing dialogue and feedback. We achieved a top decile employee engagement score during the year, with 95% of colleagues sharing feedback.

Execution

Our Strategic Pricing CoE, in collaboration with our business units, supported the delivery of 60 bps of pricing improvement, included in our gross margin.

Our GMS CoE continued to leverage the single CRM platform to drive enhanced salesforce productivity. We increased call rates and improved targeting, with c.70% of calls made to priority (A,B,X) accounts (2023: c.60%).

We continued to focus on execution excellence within our GQO function. This was through continuous improvement initiatives such as our further automation of production lines at Deeside, UK, and our global packaging project to improve terms and pricing.

We also made further progress embedding 'Convatec Cares', which underpins our commitment to generating value responsibly and embedding ESG practices.

In line with our goal to achieve net zero by 2045, we reduced Scope 1 and Scope 2 greenhouse gas emissions by 14% in 2024 and continued to make progress towards our near-term targets. We also received a B-rating from the Carbon Disclosure Project (CDP) and a Silver award from EcoVadis in their 2024 ratings, recognising our continued progress.

More than 230,000 HCPs and patients participated in Convatec's educational programmes in 2024, across categories and geographies. This has been a key execution pillar helping the success of new product launches such as Esteem Body™. We also supported more than 2,300 HCPs with medical education grants.

Consistent with our commitment to building an inclusive business, we finished 2024 with 45% of the senior management team being women.

Update on InnovaMatrix®

InnovaMatrix® performed well in FY24, with revenue up 34% YoY to $99m.

In November 2024, US Medicare Administrative Contractors published Local Coverage Determinations (LCDs) for Skin Substitute and Tissue-Based Products for the Treatment of Diabetic Foot Ulcers (DFU) and Venous Leg Ulcers (VLU) removing coverage under Medicare for the majority of products, including InnovaMatrix®. Implementation of the LCDs was subsequently postponed from 12 February until 13 April 2025. Medicare DFU/VLU sales represented c.75% of overall InnovaMatrix® sales in 2024. If the LCDs are implemented, InnovaMatrix® would no longer be covered for these indications.

InnovaMatrix® is an excellent product with strong real-world evidence and significant clinical benefits. It has 510k clearance from the US Food & Drug Administration based on an established predicate product and offers a popular and effective choice to patients and HCPs. We believe the LCDs, if implemented, would reduce patient and HCP choice, and availability of effective medical solutions in the near-term.

We published real-world evidence of the effectiveness of InnovaMatrix® for DFU and VLU treatment in December 2024 and we are making good progress in our two InnovaMatrix® randomised controlled trials, which we expect to report in 2026. Convatec remains confident of securing DFU/VLU coverage in the future and is committed to working collaboratively with the new US Administration, including at the Centers for Medicare & Medicaid Services, and their contractors, in the best interests of patients.

The outlook for InnovaMatrix® revenue in FY25 is therefore uncertain:

- In DFU/VLU indications, the implementation of LCDs in April 2025 would lead to Medicare sales being removed. This would create a revenue hiatus while we complete our clinical data generation and re-apply for coverage
- Non-DFU/VLU indications are outside the scope of the LCDs. Revenue in these indications grew strongly in FY24, up 70% to c.$25m. Non-DFU/VLU comprise c.55% of the US wound biologics segment and we expect further strong growth in our non DFU/VLU sales in 2025
- Overall, based on implementation of the LCDs in April 2025, we expect a reduction in revenue of approximately $50m, approximately 2% of Group revenue

Confidence in FY25 outlook

We continue to expect 5-7% organic growth in non-InnovaMatrix® sales[1] (FY24: 96% Group sales) based on our broadening product portfolio, strongest ever innovation pipeline and focused commercial execution.

Adjusted operating profit margin[1] of 22.0%-22.5%, underpinned by detailed productivity improvement programmes across operations, commercial and G&A.

Another year of double-digit growth in adjusted EPS[1], underpinned by strong cash conversion.

On-track to deliver our medium-term guidance

We are positioned to deliver sustainable 5-7% p.a. organic revenue growth, underpinned by innovation, our broadening pipeline and enhanced commercial execution. We are also on-track to reach mid-20s% adjusted operating profit margin[1] by 2026 or 2027, supported by productivity improvements and positive operating leverage.

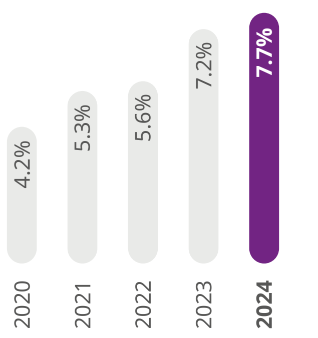
Karim Bitar
Chief Executive Officer
25 February 2025

Key performance indicators

Tracking our progress

FINANCIAL METRICS

Organic revenue growth (%)



Metric

Year-on-year (YoY) revenue growth at constant currency, adjusted for acquisitions, divestments and discontinuations.

Relevance

Sustainable top-line growth is a key strategy pillar and a metric by which investors judge our progress.

Our medium-term revenue growth target is 5-7% every year.

Remuneration linkage

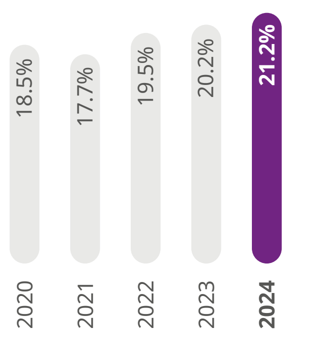
Organic revenue growth has a weighting of 25% of the annual bonus for Executive Directors and is used as a metric for all colleagues in our annual bonus plan.

Organic revenue growth has 25% weighting within the 2024 LTIP plan.

2024 performance

We delivered broad-based organic growth of 7.7%, ahead of our target. This was driven by improved performance across all our categories: high single-digit organic growth in Advanced Wound Care, Continence Care and Infusion Care and mid single-digit organic growth in Ostomy Care.

Adjusted operating profit margin (%)



Metric

Adjusted operating profit as a % of Group revenue.[1]

Relevance

Adjusted operating profit margin reflects how effective we are at running our business. Increasing profitability is a key metric by which investors judge our strategic progress.

Our target is to deliver a sustainable mid-20s% adjusted operating margin by 2026 or 2027.

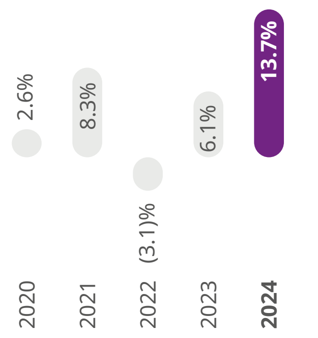
Remuneration linkage

Adjusted operating profit ($m) has a weighting of 40% of the annual bonus for Executive Directors and is a metric used for all colleagues in our annual bonus plan.

2024 performance

Our adjusted operating profit margin increased by 100bps to 21.2% (21.8% in constant currency). This was driven by sales growth, productivity initiatives and reduction in G&A.

Adjusted diluted EPS growth (%)



Metric

YoY growth of adjusted diluted EPS.[1]

Relevance

Growth in adjusted diluted EPS illustrates our ability to deliver sustainable and profitable growth overall, including the impact of any M&A undertaken to further strengthen the business. It is a key metric by which investors judge our strategic progress.

In 2023, we indicated a target of growing adjusted diluted EPS by a double-digit compound annual growth rate each year.

Remuneration linkage

Adjusted PBT growth has a weighting of 50% within the 2024 LTIP awarded to Executive Directors and senior leaders across the business.

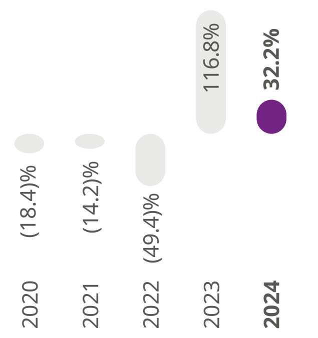
For LTIP awards from March 2025 onwards we will move to use adjusted EPS within LTIP assessment.

2024 performance

Adjusted diluted EPS rose strongly in 2024, up 13.7%.

Growth in adjusted operating profit of 12.4%, and was supported by a slightly lower tax rate.

Free cash flow to equity growth (%)



Metric

YoY growth of Free cash flow to equity.[1]

Relevance

Free cash flow to equity reflects how effectively we convert the profit we generate into cash (after accounting for working capital, capital investments, adjusting items, tax and interest). This cash is then available for reinvestment (i.e. through M&A) to distribute to shareholders or to pay down debt. It is a key metric by which investors judge our strategic progress.

We expect to grow our free cash flow to equity by a double-digit compounded annual growth rate over the medium term.

Remuneration linkage

Free cash flow to equity has a 15% weighting within the annual bonus for Executive Directors and all colleagues who participate in our annual bonus plan.

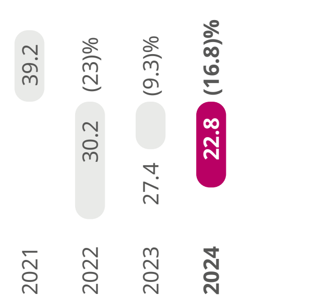
2024 performance

Free cash flow to equity increased 32.2% YoY, primarily driven by the increase in EBITDA, strong working capital management and lower capital expenditure.

1. Definitions of adjusted measures are shown in the reconciliation tables on pages 29 to 31.

NON-FINANCIAL METRICS[1]

Quality – Complaints per million[2,3]



Metric

YoY reduction in the number of complaints received per million (CPM) products sold. In 2024, in collaboration with our major partners, we commenced a process to re-evaluate CPM in our business-to-business (B2B) category. As a result, CPM has been restated from 2021 onwards to remove our B2B data.

Relevance

CPM is a strong indication of manufacturing quality. It is a reflection of our core capabilities and our ability to execute effectively.

Connected to both safety and efficacy of our solutions, CPM features as an ESG metric. We targeted to reduce CPM by 8% during 2024.

Remuneration linkage

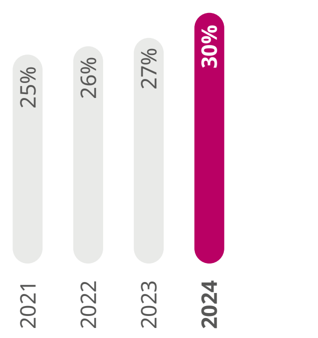
Executive Directors, plus certain members of CELT and the Quality leadership team, are incentivised to deliver improvement as part of their objectives.

2024 performance

YoY reduction of 17% in our direct-to-consumer categories, as our Quality function continues to have a positive impact, delivering for our customers.

The CPM numbers have been restated to represent our direct-to-consumer categories, excluding our B2B products. See page 40 for further details on our approach to quality.

Product innovation – Vitality index



Metric

The percentage of total revenues that are generated from new or significantly upgraded products and services launched by Convatec in the preceding five-year period.

Relevance

The vitality index is a measure of how effective our innovation efforts are at meeting patients' needs and delivering for customers, and features as an ESG metric.

In 2022, we set a target to reach a vitality index of 30% by Q4 2025.

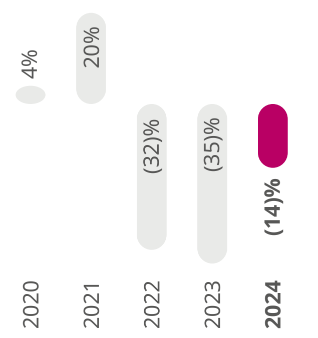
Remuneration linkage

Executive Directors, plus certain members of CELT and the Global Operations leadership team, are incentivised to deliver improvement as part of their objectives.

2024 performance

Our vitality index reached our target of 30%, a year ahead of plan.

Environmental progress – In Scope 1 and 2 greenhouse gas (GHG) emissions[2]



Metric

YoY reduction in our combined Scope 1 and 2 GHG emissions.

Relevance

Convatec has set an ambition to reach net zero carbon emissions by 2045.

Reduction in our Scope 1 and 2 emissions are an ESG metric, with a target to reduce them by 70% by 2030.

Remuneration linkage

Executive Directors, plus certain members of CELT and the Global Operations leadership team, are incentivised to deliver improvement as part of their objectives.

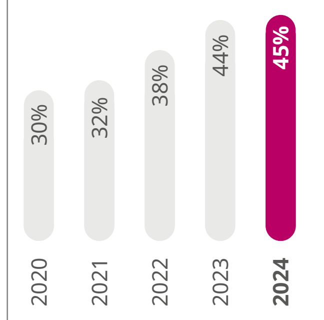
2024 performance

We reduced emissions by installing additional on-site renewable energy generation, and implementation of energy efficiency projects to reduce fossil fuel use.

We restated our Scope 3 emissions using material specific emission factors and updated spend-based factors to support prioritisation of key initiatives.

See pages 53 and 54 for more detail about carbon emissions across all categories.

Diversity, Equity & Inclusion (DE&I) – proportion of female representation at leadership level[2,4]



Metric

Proportion of females in combined CELT and senior management.

Relevance

We recognise that by building a diverse and inclusive company we can deliver more for our customers.

This features as an ESG metric. In 2024, we set a target to achieve 50% females in senior management by Q4 2027.

Remuneration linkage

Executive Directors, plus members of CELT and members of the HR leadership team, are incentivised to deliver improvement as part of their objectives.

2024 performance

We achieved 45% women in senior management positions, progressing towards our 2027 target. Baseline population numbers are subject to YoY variation.[4]

1. As our ESG journey continues and our metrics and measurement mature, it is possible we may modify our non-financial KPIs.
2. A set of non-financial metrics received limited assurance, as described on page 59. These included CPM absolute value for 2024 only, on the revised basis, see footnote 3; Scope 1 and 2 absolute emissions, intensity and % reduction; and proportion of female representation at leadership level.
3. Percentage movements are calculated on actual unrounded numbers. Restated to represent direct-to-consumer categories.
4. Defined as Convatec Executive Leadership Team (CELT) and their direct reports, excluding executive assistants. Total population in 2024 was 78 (2023: 79).

Advanced Wound Care

David Shepherd
President & Chief Operating Officer, Advanced Wound Care

2024 performance

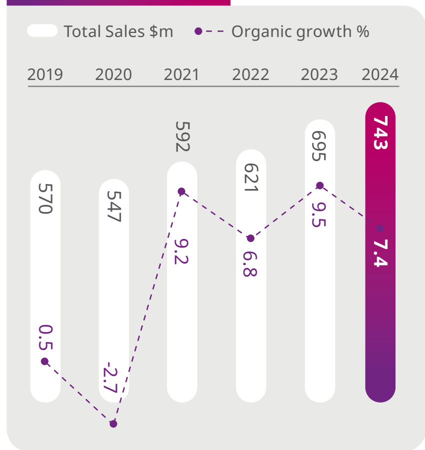
Revenue of $743m increased by 6.8% on a reported basis, and 7.4% on both a constant currency and organic basis. This included $99m of InnovaMatrix® revenue, up 34% YoY, demonstrating the clinical efficacy and popularity with HCPs and patients of our product. Excluding InnovaMatrix®, AWC growth was 4.2% on an organic basis.

Geographically, growth was supported by good performance in North America and Global Emerging Markets (GEM). By product type, in antimicrobials, Aquacel™ Ag+ Extra continued to perform strongly. In foam, recently launched ConvaFoam™ started to take market share in the US and our European launch progressed well, including Germany and the UK.

AWC key focus areas are:

- Building on our strong positions and rolling out recent launches to new markets:
  - Continuing to grow Aquacel™ Ag+ Extra globally
  - Ongoing launch of ConvaFoam™ in the US, Europe and GEM
  - Progressing InnovaMatrix® randomised controlled trials and starting to launch outside the US
- Continuing to develop new products and develop the AWC pipeline with:
  - ConvaNiox™, our break-through nitric oxide dressing, launching in Europe in 2026
  - ConvaFiber™, our new enhanced hydrofibre dressing, launching in Europe in 2026; and
  - ConvaVac™, our single-use negative pressure wound therapy product, launching in 2026

Performance



A large growing market

Prevalence of hard-to-heal wounds is increasing
100m patients[1] every year globally

Wound healing rates need to improve
~50% unhealed despite therapy[2]

Wound-care related costs are increasing
Now 2-4% of healthcare budgets[3]

Convatec has leading market positions and strong brands in fast-growing segments

	Wound biologics[4]	Foam	Anti-microbials	Single-use Negative pressure wound therapy (NPWT)	Other[5]
Segment size[6]	$3.0bn	$2.1bn	$1.1bn	$0.4bn	$1.9bn
Segment growth[7]	~6%	~6%	~6%	~10%	~4%
Convatec brands	InnovaMatrix AC	ConvaFoam™, Aquacel Foam	Aquacel® Ag+ Extra	Avelle™	Aquacel™, ConvaMax™, DuoDerm
Our segment position[8]	#7	#5	#1	#3	#1

1. Based on Convatec estimates and external study: Human Wound and Its Burden: Updated 2020 Compendium of Estimates.
2. Based on Convatec estimates and external study: Cohort study evaluating the burden of wounds to the UK's National Health Service in 2017/2018.
3. Guest et al. Cohort study evaluating the Burden of wounds to the UK's NHS in 2017/2018. BMJ, 2020.

SOURCES:
4. Wound biologics includes: skin substitutes, collagen dressings and topical delivery drugs; uncertainty related to LCD impacts size and growth rate of wound biologics segment (Convatec estimates based on SmartTRAK).
5. Other segment includes: Alignates & fibre, superabsorbers, hydrocolloids, Hydrogels, Contact Layers, Composite/ Island Dressings, Films.
6. Segment size based on SmartTRAK projections for Q3 2024 Last Twelve Months (LTM); including all sub-segments, total advanced wound care market size is c.$8.5bn.
7. Segment growth as projected by SmartTRAK and Convatec estimates for 5 yr CAGR '24-'29.
8. Segment positions based on SmartTrak YTD Q3 2024 reported revenues across companies.

ConvaFoam™

Redefining *Foam*

REDEFINING MY CARE

"As a tissue viability nurse caring for people with complex oncology wounds, I cannot overstate the value of a dressing that not only promotes comfort but also adheres gently to challenging areas while effectively managing exudate. ConvaFoam has brought hope to both me and my patients by addressing our needs, reducing the frequency of dressing changes, and providing reassurance that the dressings stay securely in place."

Susy Pramod
Tissue Viability Matron
The Christie NHS Foundation Trust

REDEFINING SUPERIOR PERFORMANCE[1]

The only foam dressing that combines our three technologies – Aquacel© Hydrofiber™, Superabsorber Fibers and ConvaTac™ silicone – to deliver superior exudate management[1] with skin friendly adhesion for longer lasting wear times which optimises healthcare efficiency.

Exudate management
Superior absorption, retention and handling of fluid[6]

Strong, skin-friendly adhesion
Superior adhesive strength balanced with gentle, atraumatic removal

Skin protection
Vertical wicking reduces peri-wound skin maceration[3]

Patient comfort
Designed to minimise pain on removal[4]

Lasting wear time
Seven-day wear time means fewer dressing changes – saving time and resources[1]

Efficiency
Can be cut to size and repositioned on application, helping to reduce wastage[2,3]

Versatility
Suitability across an extensive range of wound types, from minor to more complex wounds[5]

1. WHRI9478 MS186_DHF1093 ConvaFoam™ Superiority Report Testing between May 2021 and June 2022.
2. WHRI8050 MS172 Adhesion Characteristics of ConvaFoam™.
3. WHRI8051 MS173 In-vitro Performance Characteristics of ConvaFoam™.
4. Soft Silicone Dressings Made Easy, Meuleneire F, Rucknagel H, Wounds International, May 2013
5. ConvaFoam™ IFU.
6. Versus selected dressings tested in vitro for absorption, retention, fluid handling and adhesion.

Ostomy Care

Bruno Pinheiro
President & Chief Operating Officer, Ostomy Care

2024 performance

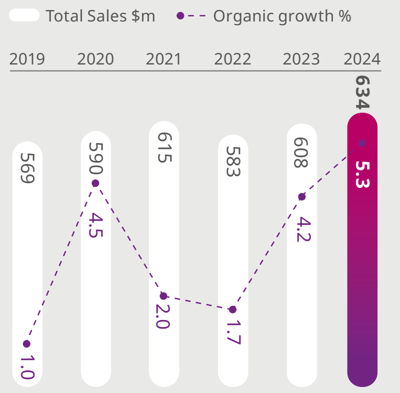
Revenue of $634m grew by 4.2% on a reported basis, by 5.6% in constant currency and 5.3% on an organic basis.

Esteem Body™, our first new ostomy product launch in over a decade, proved to be very successful with patients and clinicians and took Convatec into the one-piece soft convex segment in the US and Europe. Growth was also strong in our existing Plus™ product range, and in accessories. In North America, we grew sales, supported by our Home Services Group (HSG) with continued increased new patient starts. We delivered double-digit growth in GEM, outpacing market growth.

Key focus areas are:

- Continuing to progress our innovation pipeline:
  - Broadening the launch of new Esteem Body™ globally
  - Developing Natura® Body, our two-piece soft convex product launching in 2027
  - Launching Flexi-Seal™ Air, a refresh of our market-leading fecal management product, in the US in H2 25
- Further improving commercial execution across the continuum of care (acute, post-acute and community):
  - Improving US new patient starts, with continued close collaboration with HSG and strategic partners
  - Enhancing digital engagement with patients, through our me+ Companion™ service, and increased interactions with healthcare professionals (HCPs) in our education and training programmes

Performance



Global trends driving growth

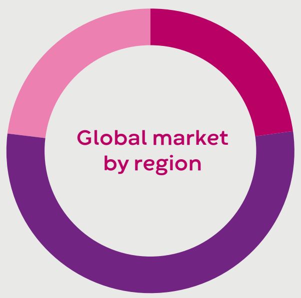
Ageing population and increase in life expectancy
~2.8m patients[1]

Rise in underlying conditions (e.g. cancer)
~50% lifelong conditions

Improved access in emerging markets
Growing ~2x faster than developed markets

Large and growing segment with attractive recurring revenue

c. $3.2bn segment
c. 4-5% growth p.a.



Supporting patients across the continuum of care is critical to achieving growth

Products

EsteemBody™
Natura+™

Services

180 Medical
amcare
me+
LIVRAMEDOM
convacare clinics

Source: Market dynamics, segment size, growth rates and positions based on internal analysis and publicly available sources.

1. Ilsop M, et al. Quality of life profiles and their association with clinical and demographic characteristics and physical activity in people with a stoma: a latent profile analysis. Qual Life Res. 2022;31(8):2435-2444. doi:10.1007/s11136-022-03102-5.

EsteemBody™

Leakage problem? Problem solved

Leak Defense™ combines gold-standard adhesives with a comprehensive soft-convexity range that adapts to the body for a secure, longer-lasting seal.

A GAME CHANGER FOR MY PATIENTS

"As a nurse, I love that I can use a more scientific approach when choosing from a standardised system of soft convexity. It's very flexible and compressible (or "squishable" as I like to call it), tension location and depth/slope to make it a truly custom fit for my patients, that can be used immediately post-op or years after their surgery. This appliance is truly versatile – from retracted stomas in a crease to a well budded stoma and everything in between, it has been a game changer for my outpatient ostomy clinic."

Stacy Thomlison
Certified Ostomy Care Nurse

Continence Care

Mark Jassey
President & Chief Operating Officer, Continence Care & Home Services Group

2024 performance

Revenue of $501m increased by 9.7% on a reported basis and 9.8% on a constant currency basis. Organic revenue growth was 8.3%.

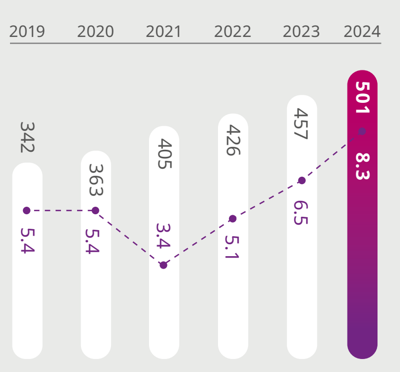
Performance was led by growing volume and market share in the US. This was further supported by a modest increase in reimbursed pricing and increasing patient adoption of Convatec-manufactured products (including Cure Medical and GentleCath™), which now represent over 50% of our 180 Medical sales. Hydrophilic catheters represented 60% of our sales, having increased by c.5% percentage points in our mix since 2020.

Our GentleCath Air™ for Women 2.0 has been very well-received by HCPs and customers, launching in key markets in Europe and the US. We also made further progress starting to build our international presence, resulting in accelerating growth in GEM and Europe.

Key focus areas are:

- Rolling out launches to new markets:
  - Extending the launch of GentleCath Air™ for Women internationally
  - Introducing Cure™ products in Europe and GEM
  - Developing GentleCath Air™ for Men Pocket and Set in 2026/27
- Further improving commercial execution globally:
  - Continuing to build out and strengthen commercial teams in Europe and GEM

Performance



Catheter usage is largely at home

Customers require manual intervention to void their bladders daily

3-6x per day

In-home usage, typically without any assistance

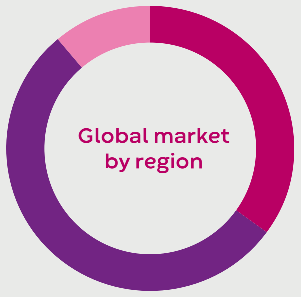
>95% at home

Enduring relationships via chronic conditions and distinctive services

Average 3-5 year relationship with end-user

Large and growing segment with recurring revenues

c. $2.3bn segment
c. 4% growth p.a.



Delivering products and service

Forward integrated solutions for high retention

convacare clinics

Expansive and growing portfolio

Cure™ GentleCath™

Source: Market dynamics, segment size, growth rates and positions based on internal analysis & publicly available sources including Medicare/CMS.

convatec | GentleCathAir™ with FeelClean Technology™

Gentle protection. Confident living

GentleCath Air™ for Women are hydrophilic catheters with FeelClean Technology™, which integrates hydrophilic, lubricating properties within the catheter material to remove the risk of sticking that occurs with the chemicals used to coat other catheters.

Designed to minimise damage to the urethral mucosa and protect the first line of defence against urinary tract infections (UTI).

MY JOURNEY TO CONFIDENT CATHETERISATION

Kiera thought she'd found the best possible option for her, but clicking on a link online one day led her to a new possibility: GentleCath Air™ for Women. She was understandably hesitant to try something new. "I'd gone through that difficult process at the beginning; I didn't want to disrupt things." Kiera almost didn't try it, but the chance to free herself from the stickiness and discomfort she felt was worth another roll of the dice.

"That immediately made sense to me. There was not that sticky solution you have on some catheters. It has never been uncomfortable, which is unbelievable because before, I thought it was a normal part of using catheters. There was no irritation."

"That doesn't sound like much, but it was the biggest thing for me. I haven't had a UTI for a year and a half or longer. I don't like saying that out loud," she laughs, crossing her fingers. "Normal", she says, can be a loaded word for people who use catheters – she doesn't like the idea that there is anything 'abnormal' about her. "For me, it's just about finding the new normal that works for me. And I'm happy with my new normal."

Kiera McGarrity
an intermittent catheter user and Psychological Wellbeing Practitioner

Operational review

Infusion Care

Kjersti Grimsrud
President & Chief Operating Officer, Infusion Care

2024 performance

Revenue of $411m increased 10.8% on a reported basis, and by 11.2% on both a constant currency and organic basis. Growth was driven by strong demand for Convatec infusion sets in both diabetes and non-diabetes treatments.

In diabetes, durable insulin pump penetration accelerated led by increasing adoption of automated insulin delivery and continuing innovation. This included Medtronic's 780G, Beta Bionics iLet, Tandem Mobi and YpsoMed's YpsoPump.

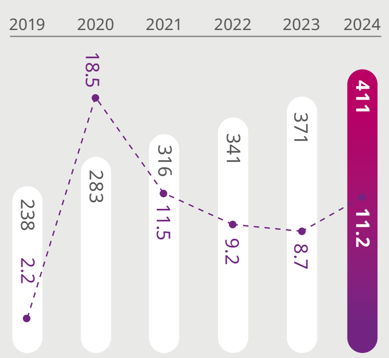
Diversification of our products and customers progressed very well, both within and outside diabetes.

For non-insulin therapies, our Neria™ brand infusion sets achieved excellent double-digit growth and included the launch of AbbVie's new Parkinson's medicine therapy, which is approved in 35 countries, including the US where approval was received in October 2024.

Key focus areas are:

- Supporting customer expansion in diabetes:
  - Medtronic's 780G extended wear infusion set, Tandem Mobi, Beta Bionics iLet
- Continuing to diversify patient base outside diabetes
  - Supporting AbbVie's Parkinson's launch globally; preparing for the Mitsubishi Tanabe launch
  - Increasing penetration of infusion sets for other therapies such as pain management
- Enhancing operations:
  - Increasing production capacity to meet accelerating demand

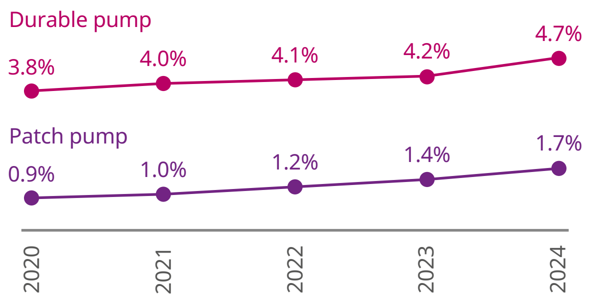
Performance



Subcutaneous drug delivery is relevant to multiple therapeutic areas

Diabetes

Increasing penetration as pumps displace users currently on multiple daily injections[1]



Other therapies

Parkinson's disease	– 10m patients and 8% market growth[2] – AbbVie or Mitsubishi Tanabe targeting advanced patients
Pain management	– 7.5m patients[3] and 8% market growth[4] – Morphine and combinations-palliative care
Immunoglobulin deficiency	– 6m patients[5] and 10% market growth[6] – IgG antibodies for e.g. autoimmune and cancer

1. Seagrove (December 2024).
2. WHO 2022 fact sheet and Convatec estimates based on latest market research.
3. WHO 2020 – Palliative Care fact sheet.
4. Center to Advance Palliative Care facts and stats.
5. Bousfiha et al. Primary Immunodeficiency Diseases Worldwide: More Common than Generally Thought. JClin Immunol. 2013; 33:1-7.
6. MEGAN A. COOPER et al. Primary Immunodeficiencies Am Fam Physician. 2003;68(10):2001-2009.

convatec | Neria™ Guard

Making everyday life easier

Neria™ Guard is an all-in-one infusion set with fully automatic insertion at the touch of a button that can make it easier to use especially for those with dexterity issues. The set connects to a pump on one end and the user's infusion site on the other end. The retractable needle can provide increased comfort (compared to a steel needle) during insertion of the soft cannula. Neria™ Guard's easy and intuitive insertion technique protects against insertion technique errors and can encourage independence in patients' everyday lives.

LIFE-CHANGING EFFECT

Damian Gath, aged 52, lives in the East Midlands in the UK and has advanced Parkinson's disease. Before his treatment, Damian had to consume four different drugs orally six times a day in order to gain control of involuntary movements. Damian experienced pain during the night and fluctuations of his condition due to reduced effects of the drugs at nighttime.

Shortly after his first Produodopa® treatment in July, Damian experienced extraordinary and life-changing improvements to his Parkinson's symptoms. His quality of life has been transformed through increased independence, absence of fluctuations and better sleep, making everyday activities like making a cup of coffee much easier.

"Using the infusion therapy through Neria™ Guard has been life-changing for managing Parkinson's disease. Just shortly after having the first treatment, I was able to do everyday tasks much more easily, such as make a cup of coffee or go to the supermarket. The fact that Neria™ Guard enables the infusion therapy to be delivered 24 hours a day has meant a huge improvement in my sleep which has dramatically enhanced my quality of life."

Damian Gath

Financial review

"Our strong financial performance clearly demonstrates the success of our FISBE strategy. We have delivered six consecutive years of accelerating organic revenue growth, three years of adjusted operating margin expansion and our first year of double-digit growth in adjusted EPS."

Reported revenue growth
+6.9%
2024 $2,289.2m
2023 $2,142.4m

Organic revenue growth[1,2]
+7.7%
2024 +7.7%
2023 +7.2%

Reported operating profit margin growth
+190bps
2024 14.2%
2023 12.3%

Adjusted operating profit margin growth[2]
+100bps*
2024 21.2%
2023 20.2%

* +160bps on a constant currency basis

Reported diluted earnings per share
+45.9%
2024 9.3¢
2023 6.3¢

Adjusted diluted earnings per share[2]
+13.7%
2024 15.2¢
2023 13.4¢

Net cash generated from operations
+17.3%
2024 $575.5m
2023 $490.6m

Equity cash conversion[2,3]
96.6%
2024 $301.8m
2023 $228.3m
Free cash flow to equity[2]

1. Organic revenue growth is calculated by applying the applicable prior period average exchange rates to the Group's actual performance in the respective period and excluding acquired and disposed/discontinued businesses. Acquisitions and disposals which impact this measure are shown in the Glossary on page 212.
2. These non-IFRS financial measures are explained and reconciled to the most directly comparable financial measures prepared in accordance with IFRS on pages 28 to 31.
3. Equity cash conversion is calculated as free cash flow to equity divided by adjusted net profit.

Revenue grew by 6.9% on a reported basis, 7.6% on a constant currency basis and 7.7% on an organic[1] basis.

Adjusted operating profit margin was 21.2%, representing an increase of 100bps over the previous year. On a constant currency basis, adjusted operating profit margin expanded by 160bps to 21.8%, with improved productivity, cost control, pricing and mix benefits more than offsetting inflation and continued investment in commercial and R&D capabilities. Adjusted operating profit margin has increased by 350bps over the past three years.

Adjusted diluted EPS increased by 13.7% year-on-year to 15.2 cents per share (2023: 13.4 cents per share). Reported diluted EPS increased by 45.9% to 9.3 cents per share (2023: 6.3 cents per share).

Net cash generated from operations improved by 17.3% to $575.5 million (2023: $490.6 million), with free cash flow to equity increasing by 32.2% to $301.8 million (2023: $228.3 million), primarily driven by higher EBITDA. Equity cash conversion improved to 96.6% (2023: 83.3%).

For 2025, we expect further expansion of Group adjusted operating margin to 22.0-22.5% and to deliver another year of double-digit growth in adjusted EPS. This will be driven by 5-7% organic growth in non-InnovaMatrix® sales based on our broadening product portfolio, strongest ever pipeline and focused commercial execution.

Reported and Adjusted results
The Group's financial performance, measured in accordance with IFRS, is set out in the Consolidated Financial Statements and Notes thereto on pages 157 to 200 and referred to in this Annual Report as "reported" measures.

The commentary in this Financial review includes discussion of the Group's reported results and alternative performance measures (or adjusted measures) (APMs). Management and the Board use APMs as meaningful measures in monitoring the underlying performance of the business. These measures are disclosed in accordance with the ESMA guidelines and are explained and reconciled to the most directly comparable reported measures prepared in accordance with IFRS on pages 28 to 31.

Revenue and revenue growth on constant currency and organic bases are non-IFRS financial measures and should not be viewed as replacements of IFRS reported revenue and revenue growth. Constant currency and organic growth are defined in the Glossary to the Annual Report and Accounts. Percentage movements throughout this report are calculated on actual unrounded numbers.

Group financial performance

	Reported 2024 $m	Reported 2023 $m	Adjusted[1] 2024 $m	Adjusted[1] 2023 $m	Adjusted @ CC[2] 2024 $m	Change %
Revenue	2,289.2	2,142.4	2,289.2	2,142.4	2,304.6	7.6%
Gross profit	1,283.6	1,200.6	1,396.4	1,320.7		
Operating profit	324.9	262.7	485.3	431.8	502.4	16.4%
Profit before income taxes	245.9	167.4	410.9	357.2		
Net profit	190.5	130.3	312.4	274.1		
Basic earnings per share (cents per share)	9.3¢	6.4¢	15.3¢	13.4¢		
Diluted earnings per share (cents per share)	9.3¢	6.3¢	15.2¢	13.4¢	15.8¢	18.5%
Dividend per share (cents)	6.416¢	6.229¢				

1. These non-IFRS financial measures are explained and reconciled to the most directly comparable financial measures prepared in accordance with IFRS on pages 28 to 31.
2. Adjusted 2024 at constant currency is calculated on 2024 adjusted results translated at 2023 actual FX rates.

Revenue

	2024 $m	2023 $m	Reported growth %	Foreign exchange impact %	Constant currency growth %	Organic growth %
Advanced Wound Care (AWC)	742.7	695.3	6.8%	(0.6)%	7.4%	7.4%
Ostomy Care (OC)	634.0	608.3	4.2%	(1.4)%	5.6%	5.3%
Continence Care (CC)	501.4	457.2	9.7%	(0.1)%	9.8%	8.3%
Infusion Care (IC)	410.9	370.9	10.8%	(0.4)%	11.2%	11.2%
Revenue excluding hospital care exit	2,289.0	2,131.7	7.4%	(0.7)%	8.1%	7.7%
Exit of hospital care and related industrial sales	0.2	10.7	(98.1)%	n/a	n/a	n/a
Total	2,289.2	2,142.4	6.9%	(0.7)%	7.6%	7.7%

Group reported revenue for 2024 of $2,289.2 million (2023: $2,142.4 million) increased 6.9% year-on-year on a reported basis and 7.6% on a constant currency basis.

Adjusting for foreign exchange and acquisition and divestiture-related activities[3], Group revenue grew by 7.7% on an organic basis. This was driven by broad-based growth across Advanced Wound Care, Ostomy Care, Continence Care and Infusion Care. For more details about category revenue performance, refer to the Operational reviews on pages 14 to 21.

Net profit

Adjusted gross profit increased by 5.7% to $1,396.4 million (2023: $1,320.7 million) and adjusted gross profit margin decreased by 60bps to 61.0% (2023: 61.6%). The Group delivered pricing and mix benefits of 100bps and productivity improvements of 50bps. However, these were more than offset by inflationary pressures of 160bps and foreign exchange headwinds of 50bps. On a reported basis, gross profit increased by 6.9% to $1,283.6 million (2023: $1,200.6 million).

Adjusted operating expenses saw a net increase of $22.2 million to $911.1 million (2023: $888.9 million), with increases in adjusted selling and distribution (S&D) expenses partially offset by reductions in adjusted general and administrative (G&A) expenses.

Increases in adjusted S&D of $31.8 million to $643.7 million (2023: $611.9 million), were primarily driven by higher investment in the sales force associated with growing the business. Reported S&D increased by $32.7 million to $645.2 million (2023: $612.5 million). Adjusted R&D of $102.4 million (2023: $103.9 million) remained consistent year-on-year and, combined with an increase in R&D capital expenditure, reflected the ongoing investment in our future pipeline of new products and new R&D talent joining the business through recent acquisitions. On a reported basis, R&D increased by 1.5% to $111.7 million (2023: $110.0 million).

Adjusted G&A decreased by $8.1 million year-on-year to $165.0 million (2023: $173.1 million), reflecting the Group's focus on simplification and productivity, notably as we continued to standardise technology and processes, build internal expertise and reduce external third party spend and expand the scope of our Global Business Services (GBS). Adjusted G&A as a percentage of revenue fell to 7.2% (2023: 8.1%) – over the past three years, adjusted G&A as a percentage of revenue has fallen by 450bps. Reported G&A decreased by 8.4% to $195.0 million (2023: $212.9 million).

A reconciliation between reported and adjusted operating expenses is provided in the Non-IFRS financial information section on pages 28 to 31.

The Group delivered adjusted operating profit of $485.3 million (2023: $431.8 million), representing an adjusted operating margin of 21.2% (2023: 20.2%). This was equivalent to 21.8% on a constant currency basis, an increase of 160bps versus 2023. Reported operating profit increased by 23.7% to $324.9 million (2023: $262.7 million).

Adjusted net profit increased by 14.0% to $312.4 million (2023: $274.1 million), with the increase in adjusted income tax expense (explained on page 24) more than offset by the increase in adjusted operating profit as explained above. On a reported basis, net profit increased by 46.2% to $190.5 million (2023: $130.3 million). Adjusting items are explained on page 24.

3. Acquisitions in 2024 related to Livramedom whilst in 2023, acquisitions related to Starlight Science, A Better Choice Medical Supply and All American Medical Supply. Divestitures related to the 2022 discontinuation of hospital care, related industrial sales and associated Russia operations. The Group discontinued operations (including all sales and marketing activities) in Russia in 2022. We are in the process of managing our exit from the Group's dormant entity, and from 1 March 2025, will have no remaining employees in the country. We have no plans to recommence operations.

Financial review continued

Earnings per share (EPS)

Adjusted basic EPS for 2024 was 15.3 cents (2023: 13.4 cents) and adjusted diluted EPS was 15.2 cents (2023: 13.4 cents), representing increases of 13.5% and 13.7% respectively.

Reported basic EPS rose 45.6% to 9.3 cents (2023: 6.4 cents), reflecting the reported net profit divided by the basic weighted average number of ordinary shares of 2,047,643,498 (2023: 2,038,653,228).

Taxation

	Year ended 31 December			
	2024 $m	Effective tax rate	2023 $m	Effective tax rate
Reported income tax expense	**(55.4)**	**22.5%**	(37.1)	22.2%
Tax effect of adjustments	**(40.2)**		(38.5)	
Other discrete tax items	**(2.9)**		(7.5)	
Adjusted income tax expense	**(98.5)**	**24.0%**	(83.1)	23.3%

The Group's reported income tax expense was $55.4 million (2023: $37.1 million). The increase in the reported effective tax rate was due to the variance of profit mix between jurisdictions, an increase in uncertain tax positions and the impact of the 2023 benefit from a successful resolution of an uncertain tax position. The increase was net of a reduction due to the release of a $2.9 million tax liability relating to business restructuring and a benefit from prior year tax filings in the UK.

The adjusted effective tax rate of 24.0% for the year ended 31 December 2024 (2023: 23.3%) was after reflecting the tax impact of items treated as adjusting items (further details can be found in the reconciliation of reported earnings to adjusted earnings table in the Non-IFRS financial information section on page 29). The increase in the adjusted effective tax rate was due to the variance of profit mix between jurisdictions in which the Group had a taxable presence and an increase in uncertain tax positions. This increase was net of a benefit from prior year tax filings in the UK.

Alternative Performance Measures (APMs)

Management and the Board will make adjustments to the reported figures, where appropriate, to produce more meaningful measures to monitor the underlying performance of the business – Alternative Performance Measures (APMs). The Group's APM policy can be found in the Non-IFRS financial information section on page 28 and the following adjustments were made to derive adjusted operating profit and adjusted net profit.

	Operating profit $m		Fair value movement of contingent consideration $m		Non-operating income/(expense) $m		Income tax $m	
	2024	2023	2024	2023	2024	2023	2024	2023
Reported	**324.9**	262.7	**(4.6)**	(24.6)	**3.7**	4.8	**(55.4)**	(37.1)
Amortisation of acquired intangibles	**136.3**	136.2	**–**	–	**–**	–	**(33.6)**	(32.6)
Acquisitions and divestitures	**1.8**	10.1	**4.6**	24.6	**–**	(3.9)	**(1.3)**	(0.7)
Termination benefits and related costs	**6.3**	9.5	**–**	–	**–**	–	**(1.5)**	(2.0)
Other adjusting items	**16.0**	13.3	**–**	–	**–**	–	**(3.8)**	(3.2)
Other discrete tax items	**–**	–	**–**	–	**–**	–	**(2.9)**	(7.5)
Adjusted	**485.3**	431.8	**–**	–	**3.7**	0.9	**(98.5)**	(83.1)

Adjustments made to derive adjusted operating profit in 2024 included the amortisation of acquired intangibles of $136.3 million (2023: $136.2 million), of which $94.1 million (2023: $93.2 million) resulted from intangible assets arising from the spin-out from Bristol-Myers Squibb in 2008 and will be fully amortised by December 2026.

Acquisition and divestiture-related costs of $1.8 million consisted of costs in respect of the Livramedom acquisition and certain prior acquisitions partially offset by the release of previously recognised provisions in respect of the hospital care exit.

Termination costs of $6.3 million were in respect of one-off, fundamental transformation projects in line with our simplification and productivity initiatives. Other adjusting items of $16.0 million largely consisted of the impairment of right-of-use assets and property, plant and equipment, inventory write offs and charges wholly related to the office footprint optimisation programme and closure of certain manufacturing sites as previously announced.

Of the total $160.4 million of adjusting items recognised within operating profit (excluding tax impact), only $10.8 million was cash-impacting in 2024 (2023: $16.1 million). There was also a cash outflow of $11.7 million (2023: $7.5 million) during the year in respect of adjusting items recorded as accruals in the prior year. In 2025, the total cash impact of adjusting items to be recognised within operating profit (including amounts accrued in previous years), is currently expected to be similar to 2024. For further information on Non-IFRS financial information, see pages 28 to 31.

In 2024, other discrete tax items related to a tax benefit of $2.9 million resulting from the release of a tax liability relating to restructuring activities in Switzerland. In 2023, other discrete tax items related to a tax benefit of $15.1 million resulting from a provision release following the successful resolution of an uncertain tax position, partially offset by tax expenses of $7.6 million in respect of a restructuring of activities in Switzerland. For further details on deferred taxation, see Note 6 – Income taxes in the Consolidated Financial Statements.

The Board, through the Audit and Risk Committee, annually reviews the Group's APM policy to ensure that it remains appropriate, aligns with regulatory guidance and reflects the way in which the performance of the Group is managed.

Acquisitions

In 2024, the Group completed the acquisition of Livramedom – a homecare service provider, based in France, for a net cash outflow of $13.6 million to further strengthen our Home Services Group. There was no contingent consideration associated with this acquisition.

During the year, the Group paid $70.9 million in respect of final earn out amounts associated with the acquisitions of Cure Medical in 2021 and Triad Life Science in 2022 (of which $69.7 million had been provided at 31 December 2023). As at 31 December 2024, the discounted fair value of contingent consideration arising on acquisitions was $70.3 million (2023: $138.0 million). Refer to Note 26 – Acquisitions in the Consolidated Financial Statements for further details.

Dividends

Dividends are distributed based on the realised distributable reserves of the Company, which are primarily derived from the dividends received from subsidiary companies and are not based directly on the Group's consolidated retained earnings. The realised distributable reserves of the Company at 31 December 2024 were $1,474.7 million (2023: $1,539.4 million).

The Board declared an interim dividend of 1.822 cents per share in July 2024 and has recommended a final 2024 dividend of 4.594 cents per share, which would bring the full-year dividend to 6.416 cents per share (2023: 6.229 cents per share), an increase of 3% and a pay-out ratio when compared to adjusted net profit of 42% (2023: 46%). Our stated policy is a pay-out ratio of 35% to 45% of adjusted net profit but this is interpreted flexibly over time to reflect the underlying performance of the business and the Board's confidence in its future growth prospects.

Further information about the Group's dividend policy and dividends paid can be found on page 145 and information on capital maintenance and the available realised distributable reserves position can be found on page 185.

Cash Flow and Net Debt

	Adjusted 2024 $m	Adjusted 2023 $m
Adjusted EBITDA[1,6]	**590.5**	527.1
Working capital inflow/(outflow)[1,6]	**7.5**	(12.9)
Adjusting items[2,6]	**(22.5)**	(23.6)
Capital expenditure	**(122.1)**	(129.2)
Operating cash flow[1]	**453.4**	361.4
Tax paid	**(52.1)**	(35.9)
Free cash flow to capital[1]	**401.3**	325.5
Net interest paid	**(79.1)**	(65.6)
Lease payments	**(24.7)**	(22.7)
Other[3]	**4.3**	(8.9)
Free cash flow to equity[1]	**301.8**	228.3
Dividends[4]	**(130.2)**	(110.7)
Acquisitions and other[5]	**(89.5)**	(178.8)
Purchase of own shares	**(10.9)**	–
Movement in net debt	**71.2**	(61.2)
Net debt[1] at 1 January (excluding lease liabilities)	**(1,129.3)**	(1,068.1)
Net debt[1] at 31 December (excluding lease liabilities)	**(1,058.1)**	(1,129.3)

1. These non-IFRS financial measures are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS in the Non-IFRS financial information section on page 30.
2. Details of adjusting items are provided in the adjusting items cash movement table in the Non-IFRS financial information section on page 31. Of the total cash outflow of $22.5 million during the year, $11.7 million related to accruals recorded in the prior year.
3. Other consisted of financing fees amortisation $3.0 million (2023: $2.8 million) offset by a net FX gain on cash and borrowings of $4.6 million (2023: $6.7 million FX loss) and proceeds from PP&E sales of $2.7 million (2023: $0.6 million).
4. Dividend cash payments of $130.2 million (2023: $110.7 million) were made to shareholders during the year.
5. Acquisition and other payments of $89.5 million consisted of the consideration payment of $13.6 million in respect of the acquisition of Livramedom, a $5.0 million SAFE note investment in BlueWind Medical and $70.9 million in respect of the final earn out payments associated with the acquisitions of Cure Medical in 2021 and Triad Life Sciences in 2022.
6. Excluding the impact of adjusting items of $22.5 million (2023: $23.6 million) on adjusted EBITDA and adjusted working capital movements, EBITDA was $573.2 million (2023: $496.7 million) and the reported working capital movement was a $6.5 million outflow (2023: $0.6 million inflow).

Adjusted EBITDA

Adjusted EBITDA increased by $63.4 million to $590.5 million (2023: $527.1 million), with the increase in adjusted gross profit of $75.7 million more than offsetting the increase in adjusted operating expenses of $22.2 million. These are explained in the adjusted net profit commentary section. A reconciliation of adjusted EBITDA to the closest IFRS measure is provided in the Non-IFRS financial information section on pages 28 to 31.

Free cash flow to capital

Free cash flow to capital increased by $75.8 million to $401.3 million (2023: $325.5 million), largely driven by the increase in adjusted EBITDA of $63.4 million and improved year-on-year working capital movements of $20.4 million. These were partly offset by an increase in cash tax paid of $16.2 million.

The Group invested $122.1 million in capital expenditure (2023: $129.2 million) to increase manufacturing capacity and automation, develop new products and improve information technology and digital tools.

Financial review continued

The adjusted working capital inflow of $7.5 million (2023: $12.9 million outflow) improved year-on-year, with reduced inventory levels of $25.7 million on an adjusted basis and a realised gain on the settlement of FX derivatives held to manage foreign exchange risk in our working capital of $8.8 million (2023: $6.7 million loss) partially offset by a $26.9 million increase in trade and other receivables based on higher sales.

Free cash flow to capital is reconciled to its nearest IFRS measure in the Non-IFRS financial information section – see page 30. The nearest IFRS measure is net cash generated from operations, which has increased by $84.9 million to $575.5 million (2023: $490.6 million) and is derived from reported net profit of $190.5 million (2023: $130.3 million).

Operating cash conversion was 93.4% (2023: 83.7%). The improvement in the ratio primarily reflected the improvement in working capital and net FX gains on derivatives. Refer to page 31 in the Non-IFRS financial information section.

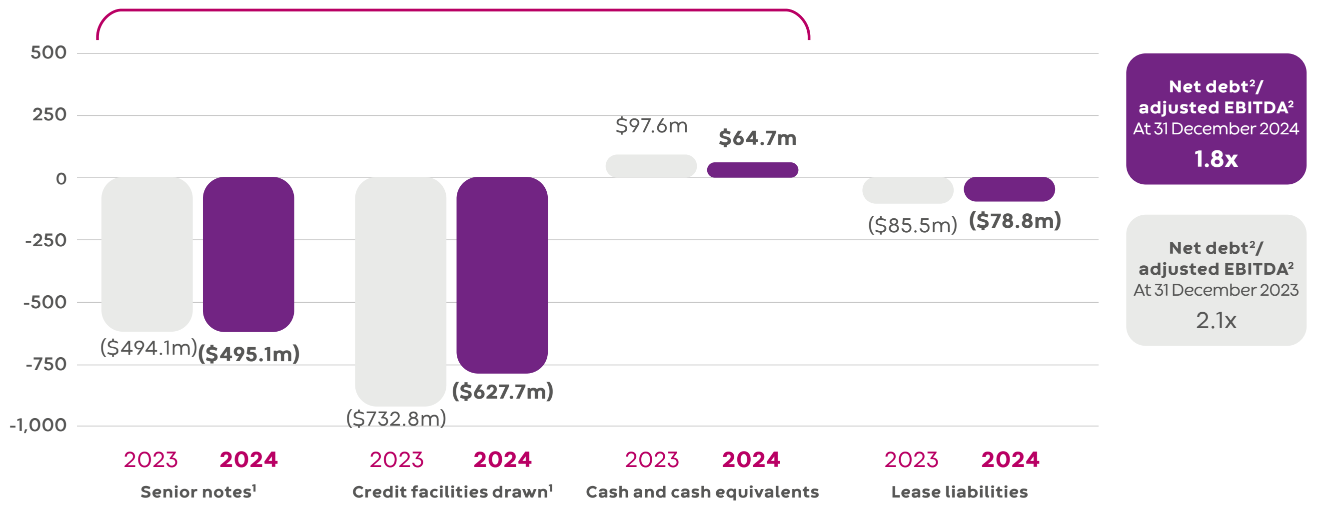
Free cash flow to equity

Free cash flow to equity increased by $73.5 million or 32.2% to $301.8 million (2023: $228.3 million). This was driven by an increase in free cash flow to capital of $75.8 million as explained above and net foreign exchange gains of $11.3 million on borrowings and cash, partly offset by higher finance expense payments of $13.5 million primarily due to the timing of interest payments associated with the revolving credit facility. Free cash flow to equity is reconciled to its nearest IFRS measure in the Non-IFRS financial information section – see page 30.

Equity cash conversion was 96.6% (2023: 83.3%) – refer to page 31 in the Non-IFRS financial information section.

Borrowings and net debt

Net debt[2] excluding leases $1,058.1m (2023: $1,129.3m)



1. Senior notes and credit facilities are stated net of unamortised financing fees of $4.9 million and $5.8 million respectively (2023: $5.9 million and $7.8 million).
2. These non-IFRS measures are explained and reconciled to the most directly comparable financial measures prepared in accordance with IFRS on pages 28 to 31.

As at 31 December 2024, the Group's cash and cash equivalents were $64.7 million (2023: $97.6 million) and total borrowings (net of deferred financing fees) were $1,122.8 million (2023: $1,226.9 million). The Group's banking facilities comprise of a multicurrency revolving credit facility of $950.0 million and a term loan of $250.0 million, maturing in 2028 and 2027 respectively. The Group's $500.0 million senior unsecured notes, issued in October 2021, remain in place with maturity in October 2029. As at 31 December 2024, $566.5 million of the multicurrency revolving credit facility remained undrawn.

The Group ended the period with total borrowings, including IFRS 16 lease liabilities, of $1,201.6 million (2023: $1,312.4 million). Offsetting cash of $64.7 million (2023: $97.6 million) and excluding lease liabilities, net debt was $1,058.1 million (2023: $1,129.3 million), equivalent to 1.8x adjusted EBITDA (2023: 2.1x adjusted EBITDA). We continue to target leverage of 2x over time but are comfortable to temporarily go above or below this, dependent on M&A and other investment opportunities.

For further information on borrowings see Note 21 – Borrowings in the Consolidated Financial Statements.

Covenants

At 31 December 2024, the Group was in compliance with all financial and non-financial covenants associated with the Group's outstanding debt. The Group has two financial covenants, being net leverage and interest cover, each of which is defined, where applicable, within the borrowing documentation. The table below summarises the Group's most restrictive covenant thresholds and position as at 31 December 2024 and 2023.

	Maximum covenant net leverage	Actual covenant net leverage	Minimum covenant interest cover[3]	Actual covenant interest cover[3]
31 December 2024	**3.50x**	**1.9x**	**3.5x**	**7.6x**
31 December 2023	3.50x	2.3x	3.5x	7.0x

3. Interest cover is adjusted EBITDA/interest expense (net) and net leverage is net debt/adjusted EBITDA in accordance with the definitions contained in underlying borrowing documentation and are not the same as the definitions of these measures presented in the Non-IFRS financial information section on pages 28 to 31 and applied in the commentary in this Financial review.

Group financial position

At 31 December	2024 $m	2023 $m	Change $m
Intangible assets and goodwill	**2,096.1**	2,234.1	(138.0)
Other non-current assets	**625.6**	609.6	16.0
Cash and cash equivalents	**64.7**	97.6	(32.9)
Other current assets	**728.6**	772.4	(43.8)
Total assets	**3,515.0**	3,713.7	(198.7)
Current liabilities	**(512.3)**	(536.4)	24.1
Non-current liabilities	**(1,313.8)**	(1,484.6)	170.8
Equity	**(1,688.9)**	(1,692.7)	3.8
Total equity and liabilities	**(3,515.0)**	(3,713.7)	198.7

Intangible assets and goodwill

Intangible assets and goodwill decreased by $138.0 million to $2,096.1 million (2023: $2,234.1 million) and was primarily driven by the in-year amortisation of intangible assets of $157.0 million partially offset by intangible asset additions of $31.4 million. Further detail is provided in Note 9 – Intangible assets and goodwill in the Consolidated Financial Statements.

Following the Local Coverage Determinations (LCDs) announcement in November 2024, management considered whether there was an indication of impairment in respect of the InnovaMatrix® product-related intangible asset held on the balance sheet. Using latest approved forecasts, the recoverable amount was calculated, and this demonstrated significant headroom over the carrying amount.

A similar exercise was carried out on the goodwill balance associated with the Advanced Wound Care CGU and there was significant headroom remaining. Management therefore concluded that the intangible asset and goodwill balance were not impaired at 31 December 2024.

No other triggers of impairments were identified during 2024.

Other non-current assets

Other non-current assets, including property, plant and equipment (PP&E), right-of-use assets, investment in financial assets, deferred tax assets, restricted cash and other assets increased by $16.0 million to $625.6 million (2023: $609.6 million), with the increase largely due to an increase in PP&E reflecting the continued investment in our manufacturing facilities.

Current assets excluding cash and cash equivalents

Current assets, excluding cash and cash equivalents, decreased by $43.8 million to $728.6 million (2023: $772.4 million), primarily driven by a reduction in inventories of $46.5 million. As a result of the LCDs announcement, consideration was also given to the recoverability of related debtors and inventory valuation. No issues were noted and management concluded that there were no risks of material misstatement in respect of these balances as at 31 December 2024.

Current liabilities

Current liabilities decreased by $24.1 million to $512.3 million (2023: $536.4 million), with decreases in trade and other payables of $6.0 million, provisions of $9.7 million and contingent consideration of $16.4 million partially offset by an increase in current tax payable of $5.3 million.

Non-current liabilities

Non-current liabilities decreased by $170.8 million to $1,313.8 million (2023: $1,484.6 million). This was primarily due to reductions in non-current borrowings of $104.1 million, contingent consideration of $51.3 million (following the final earn out payments made for the Cure Medical and Triad acquisitions), deferred tax liabilities of $5.5 million and lease liabilities of $8.0 million.

Going concern

In assessing going concern, the Directors considered available cash resources, access to committed undrawn funding, financial performance and forecast performance, including continued implementation of the FISBE 2.0 strategy, together with the Group's financial covenant compliance requirements and principal risks and uncertainties.

The same severe but plausible downside scenarios utilised in the preparation of the Viability statement were also applied in assessing going concern. Under each scenario, the Group retained significant liquidity and covenant headroom throughout the going concern period, i.e. 12 months from the date of this report. For further information on the Viability statement see pages 82 and 83 and for Going Concern, see Note 1.2 to the Consolidated Financial Statements.

A reverse stress test, before corporate level mitigations, was also considered to demonstrate what reduction in revenue would be required in the next 12 months to create conditions which may lead to a potential covenant breach. The outcome of this test was considered implausible given the Group's strong global market position, diversified portfolio of products and the corporate mitigations available to the Board and management.

Accordingly, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Jonny Mason
Chief Financial Officer
25 February 2025

Non-IFRS financial information

KEY

KPI Please see page 12

Non-IFRS financial information

Non-IFRS financial information or alternative performance measures (APMs) are those measures used by the Board and management on a day-to-day basis in their assessment of profit and performance and comparison between periods. The adjustments applied to IFRS measures reflect the effect of certain cash and non-cash items that the Board believes distort the understanding of the quality of earnings and cashflows as, by their size or nature, they are not considered part of the core operations of the business. Adjusted measures also form the basis of performance measures for remuneration, e.g. adjusted operating profit.

It should be noted that the Group's APMs may not be comparable to other similarly titled measures used by other companies and should not be considered in isolation or as a substitute for the equivalent measures calculated and presented in accordance with IFRS (our reported measures).

In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant either because of their size or their nature and arise from events that are not considered part of the core operations of the business. These tend to be one-off events but may still cross more than one accounting period. Recurring items may be considered, particularly in respect of the amortisation of acquisition-related intangible assets. If an item meets at least one of these criteria, the Board, through the Audit and Risk Committee, then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures. The tax effect of the adjustments is reflected in the adjusted tax expense to remove the tax impact from adjusted net profit and adjusted earnings per share.

Amortisation of acquisition-related intangible assets

The Group's strategy is to grow both organically and through acquisition, with acquisitions being targeted to strengthen our position in key geographies and/or business categories or which provide access to new technology. The nature of the businesses acquired includes the acquisition of significant intangible assets, which are required to be amortised. The Board and management regard the amortisation as a distortion to the quality of earnings and it has no cash implications in the year. The amortisation also distorts comparability with peer groups where such assets may have been internally generated and, therefore, not reflected on their balance sheet. Amortisation of acquisition-related intangible assets is, by its nature, a recurring adjustment.

Acquisition-related activities

Costs directly related to potential and actual strategic transactions which have been executed, aborted or are in-flight are deemed adjusting items.

Acquisition-related costs relate to deal costs, integration costs and earn-out adjustments, including the discounting impact which are incurred directly as a result of the Group undertaking or pursuing an acquisition. Deal costs are wholly attributable to the deal, including legal fees, due diligence fees, bankers' fees/commissions and other direct costs incurred as a result of the actual or potential transaction. Integration costs are wholly attributable to the integration of the target and based on integration plans presented at the point of acquisition, including the cost of retention of key people where this is in excess of normal compensation, redundancy of target staff and early lease termination payments. Adjusted measures in relation to acquisitions also include aborted deal costs.

Divestiture-related activities

Divestiture-related activities comprise the gains or losses resulting from disposal or divestment of a business as a result of a sale, major business change or restructuring programme. These include write-down of non-current assets, provisions to recognise inventories at realisable value, provisions for costs of exiting contracts and associated legal fees, and any other directly attributable costs. Any income from the ultimate disposal of a business or subsidiary is included in the gain or loss. Adjusted measures in relation to divestitures also include aborted deal costs.

Impairment of assets

Impairments, write-offs and gains and losses from defined programmes and where the Group considers the circumstances of such event are not reflective of normal business trading performance or when transactions relate to acquisition-related intangible assets where the amortisation is already excluded from the calculation of adjusted measures.

Termination benefits and related costs

Termination benefits and other related costs arise from material, one-time Group-wide initiatives to reduce the ongoing cost base and improve efficiency in the business, including divestitures from non-strategic activities. The Board considers each project individually to determine whether its size and nature warrants separate disclosure. Qualifying items are limited to termination benefits (including retention) without condition of continuing employment in respect of major Group-wide change programmes. Where discrete qualifying items are identified these costs are highlighted and excluded from the calculation of adjusted measures. Due to their nature, these adjusted costs may span more than one year.

Other adjusting items

Other adjusting items relate to material, one-time initiatives which are part of the Group's strategy to improve productivity in the business and optimise cash flows. The Board considers each project individually to determine whether its size and nature warrants separate disclosure. Qualifying costs are limited to directly attributable costs of the initiatives and any realignment costs. Due to the nature of the initiatives, these adjusted costs may span more than one year.

Revenue measures

Revenue growth on a constant currency basis represents reported revenue, as determined under IFRS, and applying the applicable prior period average exchange rates to the Group's actual performance in the respective period. Organic revenue growth is calculated by adjusting this to exclude the impact of acquisitions and divestitures (see details in the Glossary on page 212). KPI

Cash flow measures

Operating cash flow is the net cash generated from operations, as determined under IFRS, less capital expenditure. Free cash flow to capital is defined as operating cash flow less tax paid. Free cash flow to equity reflects how effectively we are converting the profit we generate into cash (after accounting for working capital, capital investments, adjusting items, tax and interest). Refer to page 30 for details on how these measures are calculated. Net debt and leverage ratio are two other measures used and these are explained on page 31.

Reconciliation of reported earnings to adjusted earnings for the years ended 31 December 2024 and 2023

Year ended 31 December 2024	Revenue $m	Gross profit $m	Operating costs $m	Operating profit $m	Finance expense, net $m	Fair value movement of contingent consideration $m	Non-operating income, net $m	PBT $m	Income tax $m	Net profit $m
As reported	2,289.2	1,283.6	(958.7)	324.9	(78.1)	(4.6)	3.7	245.9	(55.4)	190.5
Amortisation of acquired intangibles	–	109.0	27.3	136.3	–	–	–	136.3	(33.6)	102.7
Acquisition-related costs	–	–	3.5	3.5	–	4.6	–	8.1	(1.7)	6.4
Divestiture-related costs/(income)	–	(1.1)	(0.6)	(1.7)	–	–	–	(1.7)	0.4	(1.3)
Termination benefits and related costs	–	0.9	5.4	6.3	–	–	–	6.3	(1.5)	4.8
Other adjusting items	–	4.0	12.0	16.0	–	–	–	16.0	(3.8)	12.2
Other discrete tax items	–	–	–	–	–		–	–	(2.9)	(2.9)
Adjusted	2,289.2	1,396.4	(911.1)	485.3	(78.1)	–	3.7	410.9	(98.5)	312.4
Amortisation				20.7						
Depreciation				63.8						
Impairment of assets				0.9						
Share-based payments				19.8						
Adjusted EBITDA				590.5						

Year ended 31 December 2023	Revenue $m	Gross profit $m	Operating costs $m	Operating profit $m	Finance expense, net $m	Fair value movement of contingent consideration $m	Non-operating income, net $m	PBT $m	Income tax $m	Net profit $m
As reported	2,142.4	1,200.6	(937.9)	262.7	(75.5)	(24.6)	4.8	167.4	(37.1)	130.3
Amortisation of acquired intangibles	–	110.4	25.8	136.2	–	–	–	136.2	(32.6)	103.6
Acquisition-related costs	–	1.5	6.8	8.3	–	24.6	–	32.9	(1.4)	31.5
Divestiture-related costs/(income)	–	3.6	(1.8)	1.8	–	–	(3.9)	(2.1)	0.7	(1.4)
Termination benefits and related costs	–	2.1	7.4	9.5	–	–	–	9.5	(2.0)	7.5
Other adjusting items	–	2.5	10.8	13.3	–	–	–	13.3	(3.2)	10.1
Other discrete tax items	–	–	–	–	–		–	–	(7.5)	(7.5)
Adjusted	2,142.4	1,320.7	(888.9)	431.8	(75.5)	–	0.9	357.2	(83.1)	274.1
Amortisation				18.4						
Depreciation				60.2						
Impairment of assets				2.1						
Share-based payments				14.6						
Adjusted EBITDA				527.1						

Refer to the Financial Review on page 24 for commentary on the Group's adjusting items.

Adjusted operating profit margin of 21.2% (2023: 20.2%) is calculated as adjusted operating profit of $485.3 million (2023: $431.8 million) divided by revenue of $2,289.2 million (2023: $2,142.4 million). A reconciliation of adjusted operating profit to its closest IFRS measure is shown in the table above. KPI

Adjusted operating profit at constant currency, determined by applying the applicable prior period average exchange rates to the adjusted operated profit, was $502.4 million, with adjusted operating profit margin growth of 16.4% on a constant currency basis.

The adjusted operating profit margin was 21.8% on a constant currency basis, calculated as the adjusted operating profit of $502.4 million on a constant currency basis divided by revenue of $2,304.6 million on a constant currency basis.

Reconciliation of reported operating costs to adjusted operating costs for the years ended 31 December 2024 and 2023

	2024					2023				
	S&D $m	G&A $m	R&D $m	Other $m	Operating costs $m	S&D $m	G&A $m	R&D $m	Other $m	Operating costs $m
As reported	(645.2)	(195.0)	(111.7)	(6.8)	(958.7)	(612.5)	(212.9)	(110.0)	(2.5)	(937.9)
Amortisation of acquired intangibles	0.6	19.0	7.7	–	27.3	–	19.8	6.0	–	25.8
Acquisition-related costs	–	2.8	–	0.7	3.5	–	6.8	–	–	6.8
Divestiture-related income	(0.6)	–	–	–	(0.6)	(1.0)	(0.4)	–	(0.4)	(1.8)
Termination benefits and related costs	1.2	2.6	1.6	–	5.4	1.6	5.7	0.1	–	7.4
Other adjusting items	0.3	5.6	–	6.1	12.0	–	7.9	–	2.9	10.8
Adjusted	(643.7)	(165.0)	(102.4)	–	(911.1)	(611.9)	(173.1)	(103.9)	–	(888.9)

Non-IFRS financial information continued

Reconciliation of reported basic and diluted earnings per share to adjusted earnings per share for the years ended 31 December 2024 and 2023

	2024 $m	Adjusted 2024 $m	2023 $m	Adjusted 2023 $m
Net profit attributable to the shareholders of the Group	**190.5**	**312.4**	130.3	274.1
		Number		Number
Basic weighted average ordinary shares in issue[1]		**2,047,643,498**		2,038,653,228
Diluted weighted average ordinary shares in issue[1]		**2,056,797,417**		2,052,589,260
	Cents per share	**Cents per share**	Cents per share	Cents per share
Basic earnings per share	**9.3**	**15.3**	6.4	13.4
Diluted earnings per share	**9.3**	**15.2**	6.3	13.4

1. See Note 7 – Earnings per share to the Consolidated Financial Statements.

Adjusted diluted EPS has increased by 13.7% and is calculated as adjusted diluted EPS for the current period less adjusted diluted EPS for the prior year, divided by the prior year adjusted diluted EPS. This is calculated on actual unrounded numbers. KPI

Reconciliation of Operating cash flow, Free cash flow to capital, Free cash flow to equity

	Year ended 31 December 2024 $m	2023 $m
Net cash generated from operations	**575.5**	490.6
Less: acquisition of PP&E and intangible assets	**(122.1)**	(129.2)
Operating cash flow	**453.4**	361.4
Tax paid	**(52.1)**	(35.9)
Free cash flow to capital	**401.3**	325.5
Net interest paid	**(79.1)**	(65.6)
Payment of lease liabilities	**(24.7)**	(22.7)
Financing fee amortisation	**(3.0)**	(2.8)
Foreign exchange gain/(loss) on cash and borrowings	**4.6**	(6.7)
Proceeds from sale of PP&E	**2.7**	0.6
Free cash flow to equity	**301.8**	228.3

Free cash flow to equity has increased by 32.2% to $301.8 million (2023: $228.3 million) and is calculated as the movement in free cash flow to equity year-on-year divided by the free cash flow to equity in the prior year. A reconciliation of free cash flow to equity to its closest IFRS measure is shown in the table above. KPI

Reconciliation of reported and adjusted working capital movement

	Year ended 31 December 2024 $m	2023 $m
Reported working capital movement[2]	**(6.5)**	0.6
Increase in respect of acquisitions and divestitures	**3.1**	3.1
Increase/(decrease) in termination benefits	**4.2**	(6.1)
(Decrease) in respect of other adjusting items	**(2.1)**	(3.8)
Realised gain/(loss) on settlement of FX derivatives held to manage foreign exchange risk in working capital[3]	**8.8**	(6.7)
Adjusted working capital movement	**7.5**	(12.9)

2. The comparatives have been re-presented as outlined in Note 1.6 to the Consolidated Financial Statements.
3. Realised gains and losses arising from the settlement of FX derivatives held to manage foreign exchange risk in our working capital have been included in this reconciliation as management believe this provides a more accurate view of the underlying movement in working capital.

Cash flow conversion

	Year ended 31 December 2024	2023
Operating cash conversion[1]	**93.4%**	83.7%
Equity cash conversion[1]	**96.6%**	83.3%

1. Operating cash conversion is calculated as Operating cash flow / Adjusted operating profit. Equity cash conversion is calculated as Free cash flow to equity/ Adjusted net profit.

Cash outflows from adjusting items

	Year ended 31 December 2024 $m	2023 $m
Acquisition and divestitures adjustments	**(4.2)**	(13.6)
Termination benefits and related costs adjustments	**(10.7)**	(3.4)
Other adjusting items	**(7.6)**	(6.6)
Cash outflows from adjusting items	**(22.5)**	(23.6)

Net debt

Monitoring net debt is important to the Group as it is an indicator of the Group's financial health and its available liquidity. It is an important decision-making tool for investment decisions and strategic planning. Net debt is calculated as borrowings less cash and excluding lease liabilities.

	2024 $m	2023 $m
Senior notes[2]	**495.1**	494.1
Credit facilities[2]	**627.7**	732.8
Lease liabilities[3]	**78.8**	85.5
Total borrowings including lease liabilities	**1,201.6**	1,312.4
Less: cash and cash equivalents[4]	**(64.7)**	(97.6)
Less: lease liabilities[3]	**(78.8)**	(85.5)
Net debt excluding leases	**1,058.1**	1,129.3

2 . See Note 21 – Borrowings of the Consolidated Financial Statements.
3. See Note 24 – Leases of the Consolidated Financial Statements.
4. See Note 22 – Cash, cash equivalents and restricted cash of the Consolidated Financial Statements.

Leverage

Leverage is an important performance measurement metric for the Group as it is an indicator of financial risk, credit worthiness and operational flexibility. It is also an important consideration in strategic decision-making. The leverage ratio is calculated as net debt excluding leases divided by adjusted EBITDA.

	2024 $m	2023 $m
Net debt excluding leases[5]	**1,058.1**	1,129.3
Adjusted EBITDA[6]	**590.5**	527.1
Leverage	**1.8x**	2.1x

5. Net debt excluding leases is defined and reconciled to the closest IFRS measure in the Net debt table above.
6. Adjusted EBITDA is reconciled to the closest IFRS measure in the Reconciliation of reported earnings to adjusted earnings table on page 29 of this section.

Responsible business review

Sustainable growth

Generating value, responsibly.
Doing what's right for all stakeholders.

Convatec Cares

"As we deliver results for customers and patients, we are committed to undertaking our business responsibly. By focusing on the most important issues for us and our stakeholders, and integrating sustainable business practices into our core processes, we will continue to generate value for the long term."

Our dedicated colleagues around the world strive to ensure that customers can trust us to deliver products, services and solutions that improve lives. Our FISBE strategy continues to deliver, underpinned by responsible business practices that are core to who Convatec is today, and who we aspire to be in the future.

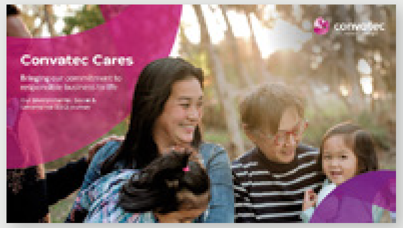
Our product pipeline is the healthiest and most innovative in the company's history, with safety, efficacy and quality at its core. We have expanded our customer loyalty programme, in order to become an increasingly customer-centric company. We have also enhanced our employee engagement efforts to strengthen our culture of listening and learning. We are engaging with our supply chain partners on their environmental and social commitments more meaningfully than ever before; we continue to reduce our environmental footprint year-on-year.

As we have transformed Convatec, we have carefully considered important topics for our stakeholders and assessed our impacts. Responsible, sustainable practices have been integrated into the way we do business, and this allows us to stay the course as we navigate change against the backdrop of a dynamic external landscape.

We are well positioned to capitalise on sustainability-related opportunities – in all pillars of Convatec Cares – and continue to prioritise long-term thinking and actions.

Karim Bitar, CEO
Chair, ESG Steering Committee

OUR ESG TARGETS



Within each of our ESG pillars, we set and regularly review targets to guide our commitments. We track our progress throughout the year and report to management and the Board. These targets are listed within each pillar on pages 39, 44, 49, and 52 and can be found at www.convatecgroup.com/sustainability/our-frameworks-and-targets/.

Progress made in 2024, against a select set of target metrics has been reviewed as part of the external assurance process. For further details see the assurance statement on page 59 and basis of reporting at www.convatecgroup.com/sustainability/esg-reports-and-data.

→ For a short summary of our ESG journey click here
www.marketingworld.convatec.com/MarketingZone/MZDirect/Source/5a8cfc1f-be5e-4c97-82fc-015a019fae7c

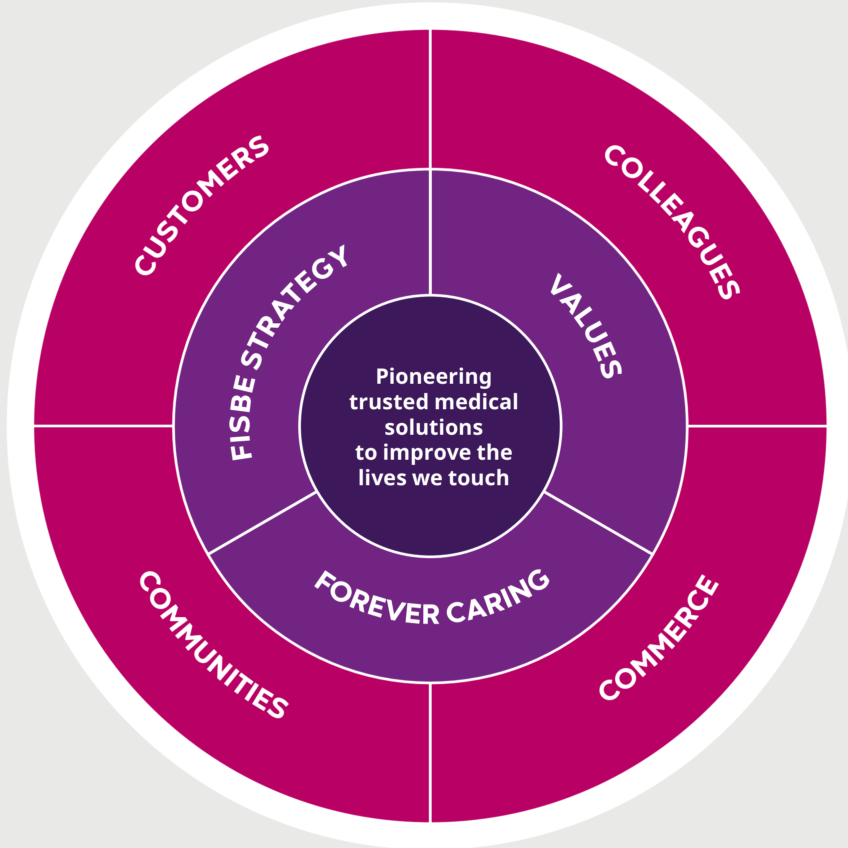
→ To find out more about Convatec Cares, watch our short video
www.convatecgroup.com/sustainability/our-frameworks-and-targets/

CONVATEC CARES: OUR ESG FRAMEWORK

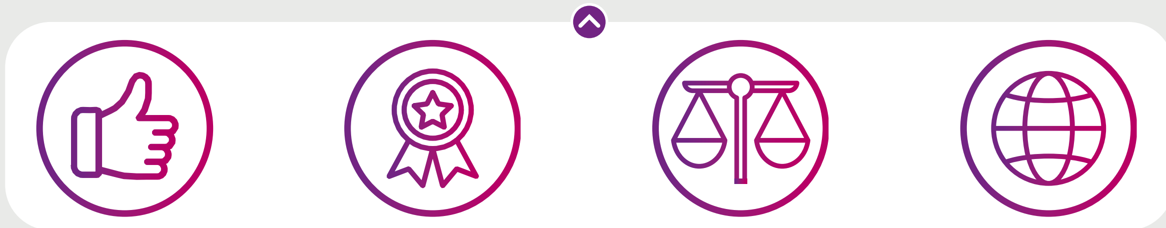
Integrated within our FISBE strategy and informed by a materiality assessment (page 38), Convatec Cares sets out our commitments and activities that support sustainable and profitable growth. It focuses on the topics that are material for Convatec and our stakeholders and considers a dynamic range of societal and planetary needs.

ESG mission

Underpinned by our values (page 45), our ESG mission is to drive progress towards our vision of *Pioneering trusted medical solutions to improve the lives we touch* by aligning and enabling ESG-related initiatives for the benefit of our customers, colleagues, communities and shareholders.



ESG PILLARS



Delivering for our customers
Innovative patient-centric products, services and solutions that improve lives (see page 39)

Enabling our people to thrive
Ensuring the health, safety and wellbeing of our people and using their talent for good (see page 44)

Behaving ethically and transparently
Protecting and enhancing our reputation with all our stakeholders (see page 49)

Protecting the planet and supporting communities
How we operate and our contribution to the world around us (see page 52)

Responsible business review continued

ESG GOVERNANCE: BOARD AND MANAGEMENT

Responsibilities

- **Custodian of ESG strategy and commitments, including our approach to key sustainability topics such as:**
  - Environment and communities
  - Workforce engagement, DE&I and Wellbeing and human rights
  - Sustainable supply chain
- **Key stakeholder engagement**
- **Oversees sub-groups to drive focus and execution**

Members

1 CEO (Chair)	5 EVP, Chief Technology Officer and Head of R&D
2 CFO	6 EVP, Chief People Officer
3 EVP, Chief Quality & Operations Officer	7 EVP, General Counsel & Company Secretary
4 EVP, Chief Strategy & Business Development Officer	8 VP, Head of Global Corporate Affairs*

* Not CELT member.

See CELT member skills and experience on pages 94 and 95.

The VP, Financial Controller & Transformation; VP, Internal Audit, Enterprise Risk & Insurance; and VP, Head of Investor Relations support the work of the Committee. Sub-groups are comprised of leaders from across the business.

Board

Audit and Risk Committee

ESG Steering Committee

Human Rights Committee

DE&I and Wellbeing Council

TCFD working group

Product sustainability working group

CSRD taskforce

Strategic planning and investment cycle

Stakeholders drive progress, performance, compliance and metrics

ROLE OF THE BOARD

Role of the Board

Our Board has ultimate oversight of ESG, including climate-related risks and opportunities, at Convatec. The Executive Director responsible for these issues is our CEO, Karim Bitar. As a Board member, he brings together continuity and responsibility for our ESG strategy. The Board reviews progress of ESG strategy execution, including at least two formal updates annually.

See page 97 for information about the Board's activities in this area during 2024.

Role of the Audit and Risk Committee

The Board's Audit and Risk Committee (ARC) met five times during the year and is responsible for reviewing and approving our ESG assurance approach and compliance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD), in terms of data integrity and compliance with regulatory requirements.

See page 110 for more information on the ARC's activities in this area.

ROLE OF MANAGEMENT

Our ESG Steering Committee is chaired by the CEO and includes six other members of our Convatec Executive Leadership Team (CELT). Committee members provide ESG stewardship across a range of areas.

The Committee oversees the formulation and delivery of the ESG strategy and meets three times a year. It drives progress and actions to manage our ESG-related risks, impacts and opportunities. This is reported to CELT for discussion, review and challenge. The Committee updates the Board at least twice a year. Together, these measures ensure that all those charged with governance understand our business response to ESG topics and are committed to delivering against our commitments to become a more sustainable business.

The Committee oversees a series of sub-groups, comprised of leaders from across the business. The Scope 3 and Product Sustainability working group met three times in 2024 to progress workstreams around Scope 3 emissions reduction levers. The TCFD working group meets regularly to advance the work needed to meet TCFD requirements. The Human Rights Committee monitors progress on protecting labour and human rights in our operations and supply chain and met twice in 2024. The Diversity, Equity & Inclusion (DE&I) and Wellbeing Council meets annually, alongside regular engagement with CELT and the Board's Nomination Committee on relevant DE&I and wellbeing topics.

In 2025, the ESG Steering Committee will continue to facilitate our ESG agenda, ensure preparedness for forthcoming regulatory compliance considerations, including the EU Corporate Sustainability Reporting Directive, and further integrate ESG practices across our direct operations and value chain.

Our Global Corporate Affairs team brings together ESG stakeholder activities, initiatives and priorities across Convatec, and supports the work of the Committee. We also have a dedicated Environment, Health and Safety (EHS) team within our Global Quality & Operations function. They work across our manufacturing and Research & Development (R&D) facilities to deliver environmental management systems in line with our corporate requirements, aligned with ISO 14001. Group Financial Controls work across ESG activities to strengthen and evolve our control environment for ESG data and processes.

INTEGRATION INTO OUR FISBE STRATEGY

ESG is a focus area during the company-wide strategic planning process. With emphasis on 'execution' of the FISBE strategy, leaders from each business unit and functional area scoped ESG-related activities, initiatives and resources within their remit that will support our progress.

Given the importance, complexity and dynamic nature of ESG considerations, the strategic planning process also clarifies various roles and responsibilities for positioning Convatec to meet our targets, particularly related to our net zero transition plan, see pages 53 to 54. In 2025, informed by an external benchmarking exercise completed last year, we will work with partners across the business to evolve our approach further.

Engaging stakeholders

Understanding stakeholder perspectives and building positive relationships to inform our strategy and decision-making

Stakeholder group	Stakeholder needs	How Convatec and our Board engage	Outcomes
The people who use our products and rely on our services			
Customers/ patients	Our products and services are designed for and delivered to our customers and patients. They need: – Safe, effective, accessible and innovative products – Support and information	**Convatec:** – Direct-to-consumer channels – Home delivery companies – Specialist nurses and call centres – Targeted consumer research – Responding to specific consumer questions, feedback and complaints – Training and online support **Board:** – The Board met a patient living with Type 1 diabetes, and discussed their current infusion sets, benefits and potential enhancements. – The Chair, Board workforce liaison, and the Executive Directors met patients from each of Convatec's business categories at the Global Leaders Meeting in April 2024 (see page 45)	**Convatec:** – Incorporation of relevant consumer feedback in our research and development processes – Service provision reviews based on customer feedback, and implementation of enhancements as required – Tracking and management of customer issues **Board:** – Insight into patient needs and broader perspectives on the market segment, opportunities for innovation and new therapy areas, informs our strategy, decision-making and investment in research and development, manufacturing capacity and quality
Direct enablers who help us deliver			
Healthcare professionals	Healthcare professionals provide valuable insight into our product development and help to ensure that our products reach a wide range of patients. They need: – Products and services that meet patients' needs and benefit the healthcare delivery system – Fair pricing	**Convatec:** – Ongoing clinical and commercial dialogue – Targeted research – Specialist training programmes – Advisory boards – Key opinion leader meetings **Board:** – The annual Board agenda includes in-depth discussions with leading healthcare professionals. – In 2024, the Board met with a Professor of Neurology at Lund University specialising in Parkinson's disease	**Convatec:** – Product and service insights inform our development processes and our day-to-day operations **Board:** – Insights gained from discussions with patients, researchers and healthcare professionals are considered in Convatec's strategy and decision-making
Our people	Our employees bring our vision, values and FISBE strategy to life, fostering an inclusive and supportive culture that enables them to deliver for customers and patients. They need: – Safe, healthy, ethical and fair working environment – DE&I and wellbeing – Ability to make a difference to the people who rely on our products and services – Training and development – Career growth opportunities – Attractive reward and recognition	**Convatec:** – Group-wide interaction via our intranet, app and regular town halls – Employee recognition activities – DE&I and wellbeing initiatives – Customer stories – Employee surveys – Union representation and works councils (where relevant) – Performance reviews – Compliance helpline and website (Speak up) **Board:** – Regular town halls led by the Executive Directors, and employee focus groups and other forums attended by the Board Workforce Liaison Champion – Board and Committee site visits (2024: Lisbon, Portugal (Global Business Services), and Osted, Denmark (Infusion Care)	**Convatec:** – Incorporation of insights to shape our people strategy, talent processes and development/training programmes – Ensure a cadence of communications and engagement that encompasses employee feedback – Read more about how we enable our people to thrive on pages 45 and 46 **Board:** – Provides first-hand insight into culture and sentiment within the business – Helps the Board make broader strategic decisions
Suppliers and other supply chain partners	Our suppliers and partners are critical to Convatec's ability to deliver our products and services to our customers and patients. They need: – Long-term relationships – Fair pricing and commercial terms – Predictable business – Transparency on suppliers' expected ESG standards	**Convatec:** – Commercial dialogue – Supplier due diligence, assessments and audits **Board:** – The Board is briefed on suppliers and supply chain partners periodically through updates from the Executive Directors and CELT	**Convatec:** – Development of valuable partnerships to address consumers' needs – Value chain emissions reporting – Supplier awards – Read more on behaving ethically and transparently on pages 49 to 51 **Board:** – Provides assurance that Convatec is operating responsibly and behaving ethically and transparently. – Ongoing monitoring enables the Board to weigh the benefits of plans appropriately against any adverse impacts on suppliers and ensure that any potential environmental impact is also considered

Stakeholder group	Stakeholder needs	How Convatec and our Board engage	Outcomes
Channel partners[1]	Our channel partners are critical to ensure that Convatec's products and services are available to those with chronic conditions. They need: – Effective, competitively priced products – Fair pricing and commercial terms – Continuity of supply	**Convatec:** – Commercial dialogue – Marketing activities – Tender processes – Distributor due diligence and compliance training – Quarterly reviews with partners **Board:** – The Board is briefed on channel partners and B2B customers periodically through updates from the Executive Directors and CELT	**Convatec:** – Continued inclusion in tender processes – Development of valuable relationships to address consumer needs **Board:** – This enables the Board to consider the views and needs of these stakeholders given their importance to the Group's commercial strategy and its global manufacturing and quality operations
B2B customers	Our B2B customers are critical to ensuring that Convatec's innovative products can be used with other companies' own products to address patient needs. They need: – Innovative products for use with their own products – Long-term relationships – Fair pricing and commercial terms	**Convatec and the Board:** – Commercial dialogue and partnerships	**Convatec:** – Development of long-term partnerships focused on addressing patient needs
Investors and debt providers	Our investors and debt providers are critical to supporting and maintaining Convatec's ability to operate and deliver. They need: – A clear corporate strategy and delivery on that strategy – Sustainable returns – Responsible business practices – Cash flow to pay dividends and service debt obligations	**Convatec:** – Annual General Meeting – Active investor relations programme: in 2024, we hosted more than 290 investor meetings, including nine roadshows and participation in 14 conferences – Post-roadshow investor surveys plus feedback from corporate brokers – Relationship-led engagement with debt providers **Board:** – The Chair held two meetings with institutional shareholders on governance, covering matters such as risk, employee engagement, remuneration, board composition and oversight, cyber and AI – The Board receives analysts' notes published about the Group and the sector and receives regular updates on investor relations matters (IR) – The Board was provided with a presentation from the brokers which considered investor sentiment – The Executive Directors participate in an active IR programme, including investor roadshows – The Remuneration Committee Chair held meetings with investors to discuss the proposed changes to the Remuneration Policy	**Convatec:** – Quality materials to ensure the capital markets appreciate the health of the business and its future prospects – Strategy, Board composition and succession planning and remuneration policy considers investor feedback – Read more about our capital allocation policy on page 10 **Board:** – Enables the Board to communicate its strategy and financial performance as well as how Convatec operates responsibly – Investors' feedback and insights are taken into account by the Board in our communications to shareholders – The 2025 Remuneration Policy can be found on pages 128 to 134 and shareholders will be asked to approve this at the 2025 AGM
Evaluators who hold us to account for our performance			
Regulators	Regulatory bodies are critical to our licence to operate and ability to deliver for customers. They need: – Adherence to legislation and regulation – Proactive engagement when challenges arise	**Convatec and the Board:** – Regular and ad hoc dialogue in relation to product approvals and other matters. We are committed to working collaboratively with the new US Administration, including at the Centers for Medicare & Medicaid Services (CMS), and their contractors, in the best interests of patients	**Convatec and the Board:** – Implementation of responsible and diligent business practices – Compliance with legislation and regulation – Input into relevant industry consultations
Governments	National and multi-national governments set out requirements. They need: – Adherence to legislation – Responsible business practices – Employment – Income generation via taxes	**Convatec and the Board:** – Ad hoc dialogue in relation to specific matters, including fiscal (e.g. taxation), employment (e.g. apprenticeships) and corporate governance	**Convatec and the Board:** – Making a socio-economic contribution to a range of stakeholders, including through paying taxes as described on page 57
Communities	Communities are core to our people and planet commitments. They need: – Employment opportunities – Medical education – Active management of environmental impact	**Convatec and the Board:** – Ad hoc dialogue in relation to specific matters – Support for a range of medical education initiatives – Charitable partnerships	**Convatec and the Board:** – Investing to enhance the communities where we operate – Building our reputation in our communities and across broader society – Decarbonisation/net zero plans
Industry bodies	Industry bodies help us to ensure that our interests are understood and effectively communicated. They need: – High-quality input into industry policies and standards development – Proactive engagement in relation to relevant issues	**Convatec and the Board:** – Membership of industry bodies – Participation in discussions in relation to industry issues, including best practice	**Convatec and the Board:** – Contributing to improved understanding of key industry issues – Helping to shape relevant agendas and standards

1. Including distributors, large buying organisations, integrated delivery networks, hospitals and national and regional payors.

Stakeholder considerations in decision-making As we continue our journey of sustainable and profitable growth, we are mindful of the importance of staying aware and responsive to stakeholder needs. Our Section 172 statement and specific examples of how our Directors have discharged their duties pursuant to Section 172 of the Companies Act 2006, by considering stakeholders in decision making can be found on pages 36 and 37.

Responsible business review continued

IDENTIFYING KEY ISSUES FOR STAKEHOLDERS

Our ESG focus is on the operational, people-led and environmental issues that are most material to us and our stakeholders.

We regularly engage with stakeholders (see pages 36 and 37) including through a periodic formal ESG materiality assessment. This helps us to identify the most important issues for Convatec as they relate to business success and our impact on our value chain, people and the planet (see right for priority list). The process is guided by third-party expert support and aligned to a range of good practice and standards.

Our most recent materiality assessment involved document research (policies, industry trends, regulatory horizon), engagement with more than 100 stakeholders and an assessment of priority topics for Convatec, our customers, colleagues, communities and shareholders. The matrix was reviewed and approved by our Board. Insights are aligned with corporate governance and our approach to enterprise risk management.

Next year, we will publish the output of our refreshed materiality assessment, consistent with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD).

1. Product quality and patient safety
2. Responsible business
3. Sustainable product and packaging design (circular economy)
4. Developing user-centric solutions
5. Customer access and affordability
6. Talent attraction and development
7. Human rights and labour rights in own workforce
8. Diversity, equity & inclusion and wellbeing
9. Data privacy and cybersecurity
10. Climate change
11. Corporate governance
12. Workers elsewhere in the value chain (inc. health and safety)
13. Waste (operational)
14. Water (operational)
15. Geopolitical risks and value chain resilience
16. Local community engagement
17. Natural capital and biodiversity/ecosystems

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We support the United Nations Sustainable Development Goals (SDGs) which aim to align governments, businesses and the civil society sector in their efforts to end poverty, fight inequality and address climate change. As a supporter since 2018, Convatec joins over 15,000 companies as a participant in the UN Global Compact (UNGC) in which we pledge to follow the UNGC's ten principles on human rights, labour, environment and anti-corruption.

Though all 17 goals are interlinked and important to stakeholders, we have prioritised six goals where we can contribute to a more sustainable future: these are SDG 3 (Good health and well-being), 5 (Gender equality), 8 (Decent work and economic growth), 10 (Reduced inequalities), 12 (Responsible consumption and production) and 13 (Climate action). A description of how our activity contributes to SDG targets can be found on our website at www.convatecgroup.com/sustainability/our-frameworks-and-targets/.

Responsible business review - customers

DELIVERING FOR OUR CUSTOMERS

Innovative and patient-centric products, services and solutions that improve lives

Dr Divakar Ramakrishnan
EVP, Chief Technology Officer and Head of Research & Development

"Convatec has the most exciting innovation pipeline in our history. Significant investment in research, development and clinical evidence is core to our vision. To ensure we're creating trusted medical solutions, consistent with our forever caring promise, we are committed to the highest standards for product quality, safety, and efficacy. People are counting on us to live their lives, and we take that seriously."

2024 highlights

- Four key new product launches or significant geographical expansion plus Convatec's first digital health solution
- Rolled out new customer loyalty programme
- Enhanced quality system
- Improved carbon data capture for raw materials and components

2025 priorities

- Support roll out of new products and continue to develop our product pipeline
- Continue to focus on product quality, efficacy and safety
- Enhance customer loyalty programme
- Strengthen clinical and new product research capabilities

PROGRESS KEY

Achieved | New | In progress

Targets: Delivering for our customers

Target	Progress in 2024	Status	Read more
1 **Quality:** Reduce complaints per million (CPM) by 8% for 2024 against a 2023 baseline	17%[1] (2023: 10%[1])	Achieved	Page 40
Reduce our B2C CPM by 5% for 2025 against a 2024 baseline	See above	New	
2 **Product vitality:** Vitality index of 30% by Q4 2025	30% (2023: 27%)	In progress	Page 40
3 **Product development:** Ensure we have complete and actionable carbon intensity data recorded in our digital product sustainability tool for all Convatec manufactured products' raw materials by Q4 2024. Ensure data is incorporated into our new product design process for carbon footprinting by Q4 2024	Searchable digital carbon-intensity database developed Replacement target can be found on page 52	Achieved	Page 54
4 **Customer centricity:** By Q4 2025, roll out cNPS surveys to each of our main customer groups (healthcare professionals, end users, and key B2B customers) across FISBE markets	Survey rolled out to HCPs in 17 markets, including all of our FISBE markets	New	Page 40

1. Stated to represent direct-to-consumer categories

Innovation journey

To fulfil our vision and drive growth, we continue to strengthen our research and development (R&D) capabilities, alongside bringing new products to market. In 2024, we invested $102 million in adjusted R&D (2023: $104 million) and reached our 2025 target of 30% vitality index, a year ahead of plan. Our approach to innovation continues to build momentum in the following ways:

- **Increased investment:** We have more than doubled spend on R&D investment since 2019, enabling our new operating model which integrates R&D teams across functions to leverage shared capabilities with cross-functional reviews, new product development process gate reviews and semi-annual portfolio reviews.
- **Innovation mindset:** We recognise that the users of our solutions are people, not just patients, and we must focus on the social, emotional and functional needs in our solutions. Our solutions therefore involve digital and service offerings as well as our products. We also understand that many of our products are produced and used in high volume and must be of the highest quality.
- **Simplified processes:** We use a single business and product development process across all product categories, from ideation through to launch, that we refer to as IDEAL. This process goes beyond R&D and involves commercial, technical and operations teams.
- **Leadership and competencies:** We have attracted global talent for R&D, medical, regulatory, intellectual property, digital health and portfolio management. We have five technology centres: one in the US (Boston), and the others close to our manufacturing facilities in the UK (Flintshire and Oxfordshire), Denmark (Osted) and Slovakia (Michalovce).
- **Portfolio management:** Our investment is properly managed in order to maximise value for all our stakeholders. It starts with detailed regular reviews as described above. We prioritised projects where resources are best deployed. In between reviews, we have our budget and strategic planning processes and regular engagement with the Board.

Responsible business review – customers continued

- **Continuous improvement:** While we are building momentum and are now developing and launching multiple medical technology platforms each year, we are also identifying learnings to sustain our existing products and continuously improve our overall new product scale-up process. We continue to incorporate these learnings into our IDEAL process, as well as our overall new product operating system spanning capabilities, metrics, governance, tools and infrastructure. This is enabling us to rapidly and effectively drive continuous improvement in terms of quality, speed and value across our portfolio. Additionally, we have launched an initiative to reduce cycle time for developing, scaling up, and launching our innovation portfolio while prioritising safety and quality.

New products and solutions

In 2024, we continued to launch new products with a particular focus on our FISBE markets, including four key new product launches or significant geographic expansions. We also launched Convatec's first digital health solution, offering significant benefits for users.

Following its introduction in the US in 2023, we launched ConvaFoam™ in Europe in 2024. ConvaFoam™ offers customers a broad portfolio of dressings providing longer wear times due to better absorption and adhesive technology. In Ostomy Care, we launched Esteem Body™, our new one-piece soft convex ostomy system, in Europe and the US – this launch marks a new chapter in ostomy care management, and Convatec's return to leading with data-driven solutions to address evolving trends. We continued to scale GentleCath Air™ for Women 2.0 in Europe and launched our improved female compact catheter offering in the US. Convatec's Neria™ Guard launched in Europe in January 2024 with our partner, AbbVie, to support the launch of Produodopa®, a medicine for advanced Parkinson's disease. Convatec's Neria™ Guard infusion set supports continuous subcutaneous infusion of this medicine.

We also launched Convatec's me+ Companion™ app, our first digital health solution in Continence Care to support new intermittent catheter users and healthcare professionals, enabling users to log and record drink intake and urine output, set hydration goals, log leaks, and create customised summary reports that can be shared with their healthcare professionals to help manage their condition. The app also offers direct access to Convatec's me+™ support programme's suite of educational tools, resources, and support.

During 2024, a total of 38 patent filings were made (2023: 82). The higher number of patent filings in 2022 to 2023 was due to the significant changes we made to R&D investment and closing gaps in the historic patent portfolio. In recent years, there has also been an increase in the number of new platforms developed for first generation products, while in 2024, the number of new filings is representative of our heightened focus on filing product upgrades instead of new platforms and adjusting our patent filing strategy to encompass filing applications that combine related inventive concepts.

Strategic investments

In September 2024, consistent with our FISBE strategy, we completed our acquisition of Livramedom, a homecare service provider based in France. The acquisition will allow us to expand our presence in Europe in the direct-to-consumer market, while enabling us to meet a wider range of needs for both patients and healthcare professionals.

Product quality

We recognise the need for continued progress, and the importance of quality for our customers. We have established ISO 13485 quality certifications in place across the business, and since 2021, our complaints per million (CPM) reduction target has been leveraged as an ESG target. In 2024, we set a target to reduce CPM by 8% against a 2023 baseline. We also commenced a process, working with our major partners, to reevaluate CPM in our business-to-business category. As a result, we calculated CPM with data from our three direct-to-consumer categories and have restated previous calculations for comparison (see page 13). We met this target with a 17% reduction and are working to develop a new methodology for integration of business-to-business data for CPM in future years. See page 59 for the scope of our ESG assurance, basis of reporting and ESG definitions.

Furthermore, in 2025, we continued to build on our commitment to improve quality by:

- Digitising more of our core quality system processes, to enable ease of execution and increase availability of data for proactive analytics
- Implementing automated inspections systems to increase reaction speed in our manufacturing processes
- Embedding problem-solving capabilities
- Enhancing the quality culture via increased connections with our end customers and regular training, including mandatory complaint handling awareness training for all employees

In 2025, we aim to reduce CPM by at least 5% and will also further expand our data segmentation capability to support prioritisation and focus on targeted improvements to maximise impact on the experience of our customers.

Product safety is a priority for Convatec and our customers. In 2024, we successfully maintained the certification of our quality system following a series of external audits and inspections, which required extensive preparation. Regulators consider most of the products and solutions we develop to be of low risk to users. Nevertheless, we have a rigorous supplier audit mechanism and quality management system.

We conducted a total of 107 audits on suppliers during 2024 (2023: 98). Additional information on our supplier engagement can be found on page 50.

From time to time, it may be necessary to conduct a product recall, following a detailed internal quality investigation led by our Quality, Regulatory and Medical and Clinical Affairs teams. In 2024, we executed eight product recalls (2023: three), none of which have been FDA Class 1. Each of the recalls in 2024 occurred where the distributed products did not meet the requirements of our quality system and we took all necessary steps to voluntarily ensure customers and patients were informed and supported.

Customer centricity

In 2024, we continued to strengthen our focus on customer centricity and advance the use of customer Net Promoter Score (cNPS) as the measure of customer satisfaction and loyalty within Convatec. We are working towards capturing cNPS insights for all our main customer groups, initially starting with healthcare professionals and expanding to users and our key B2B customers. Acting on customer feedback is critical to the success of our business. We have processes in place to ensure that action is taken to improve the customer experience based on feedback. We call this our Data > Insights > Action approach.

As a responsible business, our approach to marketing includes:

- Governance: All externally facing content follows a consistent approval and regulatory review process, and colleagues are regularly reminded of this process.
- Socially conscious principles: We are committed to ensuring our marketing is accessible, diverse and respectful. We provide materials to remind our marketers of the need to consider accessibility, reflect all Convatec customers and consider how we sensitively show the lives of people living with chronic conditions.

Access to healthcare

Access to healthcare is a basic human right that should be available to all who need it. This fundamental principle is integrated in our vision and we run our business to ensure the following:

1. **Availability:** We continue to evolve our sales channels to best meet our customers' needs. In Continence Care, the Convatec me+ Companion™ app provides digital support, allowing users to track catheterisation and share progress with healthcare professionals. Our me+ Wellbeing programme further enhances access to psychological support through a ten-module online platform. Our me+ nurses are able to enhance the support they provide through triaging challenging cases for telehealth intervention. In Global Emerging Markets (GEM), our HCP medical educational training programmes continue to expand access to products through a standardised protocol-of-care, such as our Wound Hygiene Academy.
2. **Adaptability:** Based on feedback from users and healthcare professionals, our products address a broad range of patient needs reflecting the different challenges that individual users experience. Getting the range of products right relies on research and stakeholder engagement. In Continence Care, our Expert Consensus Clinical Practice Principles and tools provide evidence-based, product-agnostic protocols for intermittent catheterisation. These principles, endorsed by multiple professional bodies, enable HCPs to adapt care approaches based on individual patient needs.
3. **Usability:** Products may 'do a job' medically but given the social and emotional context of the people we serve, we need to provide solutions which go beyond the provision of a functional device. To lower access barriers, we help patients identify the device which best suits their needs, provide easy-to-follow resources and support. In Continence Care, we provide comprehensive product selection guides and educational resources to help users master catheterisation techniques. Our evidence-based approach facilitates patients to confidently use their chosen catheter products in various daily situations.
4. **Affordability:** Affordability is a key issue which we strive to address through geography-based pricing, patient segmentation, and volume-based pricing. For example, the US, Western Europe, and Japan usually have higher pricing compared to countries in Latin America (LATAM), Eastern Europe, Asia, and Africa.

   Segmentation pricing can be divided into four segments: private insurance, public insurance, the underinsured, and low-income patients. In China, we delivered an Ostomy Patient Access Programme that benefitted over 1,000 patients from low-income backgrounds. Convatec invests in developing new solutions that will be available globally, providing cost-effective treatment options, while complying with local pricing regulations.

Sustainable product design

Our IDEAL processes include a review of the proposed materials against certain externally compiled lists of 'substances of concern', including the requirements of California Proposition 65 and REACH25. This approach is consolidated within our ethical issues and new product design policy: www.convatec.com/marketingzone/mediadownload/?id=f82fbf09-66c4-4301-805f-fad37047cc0f&lid=en-GB.

We are focusing on key product development priorities, while integrating sustainability in line with our net zero carbon transition plan (see page 53). Where possible, we aim to lower the carbon intensity of our products, guided by data obtained through our digital product sustainability database.

Primary packaging is an essential component of our products, forming a sterile barrier. We continually review our primary packaging roadmap and the role of primary, secondary and tertiary packaging in reducing our Scope 3 emissions (see page 54).

Due to significant regulatory restrictions on our industry and our priority focus on safety, quality and efficacy in our solutions, manufacturing environmentally sustainable products is a challenge we face along with our industry peers.

Given the regulatory framework for MedTech products, it is not straightforward to change device form and components. Extensive requalification and reapproval of products are necessary after any change before modified products can be launched to ensure patient safety. It can also be problematic to include recycled content in device materials due to regulatory constraints regarding quality and traceability. We are engaging with industry alliances and partners in our value chain to develop solutions that support our net zero ambition.

Clinical studies

We have continued to make significant progress in 2024 in clinical evidence generation, with 26 active clinical studies (2023: nine) including four global randomised controlled trials (RCTs) (2023: one). In 2024, we shared our evidence generation work through 12 peer-reviewed publications and 69 scientific posters and presentations.

To increase diversity of our clinical data, patients from our ConvaClinics across LATAM are also included in our clinical studies.

PRODUCT SUSTAINABILITY

Hydrofiber™

Hydrofiber™ was first launched as Aquacel® almost three decades ago in 1996. Hydrofiber™ is developed from cellulose fibres, a natural material which is compostable, biodegradable and sourced from sustainable forests across Europe and South America. Hydrofiber™ is certified to world class sustainability standards; FSC and PEFC. When producing Hydrofiber™ for our dressings, for every tree cut down in a plantation forest (usually a eucalyptus), one tree is replanted. In a semi-natural forest, approximately five to ten trees are replanted to protect the forest and its biodiversity. A video overview of the process can be viewed here: www.vimeo.com/922485570/788f5af410?share=copy.

1:1
Tree harvesting to tree planting

>100 million
Aquacel® dressings manufactured in the UK in 2024

Protecting forests and biodiversity

Responsible business review – customers continued

Use of animals in research

At Convatec, we seek to minimise the use of animals in research. Consistent with other leading organisations and established practice, we have adopted the 3Rs – replacement, refinement and reduction of use of animals in research, and continue to identify innovative solutions to gain knowledge and support regulatory submissions without the use of live animal models.

Every effort is made to conduct as much of our research with benchwork, cell cultures, and where appropriate, ex-vivo tissue models. When live animal models are required, our research is highly regulated to ensure responsible, ethical and humane treatment by following local ethical approval boards, laws and regulations. Animal welfare is a priority and we conduct our research at reputable facilities and organisations that are Assessment and Accreditation of Laboratory Animal Care (AAALAC) accredited (or equivalent) with fully trained veterinarians and dedicated welfare teams.

All medical devices are required to show biocompatibility prior to approval and use, per ISO 10993-1:2018. This requirement is enforced by government authorities and is part of the registration process for medical devices. As part of this requirement, certain biological risks are required to be evaluated and mitigated through the use of testing. In some cases, some biological risks are only able to be evaluated through the use of defined and prescribed animal tests. As such, when mandated we will execute the critical biocompatible verification tests required by the ISO standards to ensure patient safety and registration requirements.

We do not willingly perform any animal testing in the development or functional verification of our devices, as described in our Ethical Issues and New Product Development Policy, which we refreshed in 2023, and can be found at www.convatecgroup.com/investors/governance/our-policies-and-statements.

To avoid the use of living animal studies, in 2024 we used porcine (pig) ex-vivo tissue models to assess urethral tissue damaged by novel urinary catheters. All ex-vivo models were collected from animals that were being slaughtered for meat production. Our ex-vivo tissue suppliers are either AAALAC accredited or are UK registered to supply animal by-products (EU Article 23, No. 1069/2009).

In 2024, as part of our biological risk assessment to determine compatibility of our devices within a biological system, we conducted biocompatibility tests using 13 swine, 120 guinea pigs, 38 rabbits and 209 rodents (2023: 9 rabbits and 100 rodents). All studies were approved by local animal welfare committees and/or responsible government authorities.

RANDOMISED CONTROLLED TRIALS

Hard-to-heal wounds

Venous ulcers currently affect a global population of over 143 million patients and pose a significant burden on healthcare systems worldwide, often requiring prolonged treatment and causing substantial morbidity.

In 2024, Convatec announced significant clinical study results from a multinational randomised controlled trial (RCT) showcasing remarkable advancements in the healing of venous leg ulcers with AQUACEL® Ag+ Extra™ compared to standard of care dressing.[1] The multicentre RCT was conducted across 20 sites in Germany, UK and Colombia and investigated the effectiveness of AQUACEL® Ag+ Extra™ compared to standard of care dressing in the management of patients with venous leg ulcers.

The study found that venous leg ulcers managed with AQUACEL® Ag+ Extra™ were 35% more likely to heal completely at 12 weeks and 19% more likely to have satisfactory clinical progress (≥40% reduction in wound area) at four weeks, compared to the standard of care dressing. At 12 weeks, 74.8% of venous leg ulcers managed with AQUACEL® Ag+ Extra™ had completely healed, compared to 55.6% of those managed with the standard of care dressing. The compelling findings from this RCT suggest that AQUACEL® Ag+ Extra™ may provide an effective means of managing these hard-to-heal wounds.

In 2024, Convatec also advanced clinical evidence for InnovaMatrix® AC through two adaptive design RCTs that will evaluate the efficacy of InnovaMatrix® AC in the treatment of patients with venous leg ulcers as well as diabetic foot ulcers.

RCTs enable Convatec to accelerate the execution process, ensuring that these advancements can benefit patients more quickly and efficiently. We expect to publish further information in 2025.

1. S Beraldo et al. J Wound Care 2025; 34(3):170–178

Convatec Advanced Tissue Technologies (ATT) solutions are derived from porcine placentas. These are derived naturally through the birthing process and provided in partnership with a farm. The placentas are subsequently stored at ultra-low temperatures until required. No swine are destroyed or affected in the process.

Reliability of supply

Exceeding our customer expectations continues to be a top priority. Throughout 2024, we continued to make progress in ensuring product availability and reliable delivery. Close collaboration across all relevant teams enables us to plan for short-, medium- and long-term requirements, anticipating demand scenarios and to ensure production, inventory and logistics readiness. This is supported by a rigorous performance framework overseeing end-to-end reliability.

2024 saw the post-pandemic supply chain marketplace recovery continue, notwithstanding present challenges to shipping lanes in the Middle East and the ongoing conflict in the region. We have continued to focus on strengthening resilience throughout our supply chain, in the areas of manufacturing capacity and strategic inventory. In 2024, Convatec was the first MedTech company globally to achieve the British Standards Institution (BSI) Customer Service Kitemark for a number of geographies, and we aim to expand this coverage to all markets in the coming year.

bsi Convatec Customer Services is proudly kitemark accredited

Our delivery on-time, in-full service levels have seen strong improvements across all geographies. Our manufacturing network has seen additional capacity come online to support service and sales growth. We are continuing our efforts to establish dual sourcing for our strategic raw materials. We continue to strengthen our logistics capabilities in the way of network design and the availability of options to move our products globally as such, supporting our agility to avoid delays, satisfy our customer expectations and balance cost.

Data privacy

The Audit and Risk Committee (ARC) has oversight of our privacy governance framework and continued programme of improvements. Executive leadership, accountability and sponsorship is in place for critical personal data classes, with four CELT members accountable for ensuring that the use of personal data across the organisation is properly governed.

In 2024, we continued our focus on the development of Convatec's data privacy function and maturing our data privacy framework and controls under the oversight of the ARC. We invested in strengthening our data privacy team by elevating the role of the VP, Chief Data Privacy Officer, reporting to the EVP, General Counsel & Company Secretary, together with appointing regional privacy officers and managers. Our privacy team is supported by a network of trained privacy champions and provides local support to our people and our business.

Our privacy governance framework includes policies, procedures, controls and records that are implemented globally, and aligned to data protection principles and requirements enshrined in applicable privacy regulations, including the European Union General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA) and the Chinese Personal Information Protection Law (PIPL). This framework and its effectiveness is regularly assessed by our internal audit team and reviewed by our central privacy team to keep it up to date with changes in our business, our risk appetite and the laws and regulations in the countries in which we operate. Employees are informed of their privacy obligations through a training and awareness programme, including mandatory induction training and annual updates for existing employees.

We made significant progress during the year in our four target areas of Governance and Operating Model; Process, Procedure and Technology; Inventory and Data Mapping; and Third-Party Management. In 2024, there were no significant incidents or issues reported to data protection authorities. No significant volume of data subject access requests were received. For further information on our legal, compliance and privacy risk, see page 79.

Artificial intelligence

Convatec's artificial intelligence (AI) strategy aims to leverage the power of AI to enable patient and customer solutions, as well as to support our teams to be at their best.

We are focused on responsibly integrating AI into our day-to-day operations and processes. An executive AI steering committee considers AI initiatives, ensuring its application enhances current capabilities, in alignment with our strategic objectives and core values and appropriate safeguards are implemented consistently. The ARC oversees governance and risk related to AI.

We are embracing opportunities of well-managed AI technologies, in areas like language translations, workplace productivity tools and marketing efforts.

Key elements of Convatec's AI strategy include:

Innovation
AI presents significant opportunities to drive innovation and we plan to explore the potential of AI as a medical device to treat, diagnose, inform and drive clinical management.

Productivity and efficiency
Leveraging available AI technology that enhances productivity, without distracting the organisation.

Governance and compliance
Integrating AI into our operations in a sustainable and compliant way, implementing appropriate governance measures to safeguard Convatec and our patients and customers from potential risks.

Harnessing AI has the potential to reshape the way Convatec operates and delivers value; by embracing AI in the right way, we have the power to increase efficiency whilst driving significant innovation.

Responsible business review – colleagues

ENABLING OUR PEOPLE TO THRIVE

Ensuring the health, safety and wellbeing of our people and using their talent for good

Emma Rose
EVP, Chief People Officer

"We've made important progress this year to strengthen employee engagement, support our leaders to facilitate change, and continued to embed a refreshed HR operating model to ensure we're building a business that enables our colleagues to bring to life our forever caring promise."

2024 highlights

- Refreshed our HR operating model as a foundation for our people strategy
- Centralised and strengthened people solutions and services
- Launched a new employee engagement platform to support ongoing dialogue and feedback
- Sustained momentum across key health and safety, people and culture initiatives

2025 priorities

- Refresh our people strategy
- Integrate and embed our HR operating model
- Support colleague leadership and development
- Advance talent development practices

PROGRESS KEY

Achieved | New | In progress

Targets: Enabling our people to thrive

Target	Progress in 2024	Status	Read more
5 **Health and safety:**			
5.1 Maintain an annual Operations Hazard Observation Rate above 200 per 200,000 hours worked	291 per 200,000 hours worked (2023: 265)		Page 48
5.2 Sustain Operations Lost Time Injury Rate below 0.22 by Q4 2025	0.16 per 200,000 hours worked (2023: 0.22)		Page 48
6 **Diversity, equity & inclusion and wellbeing:**			Page 47
6.1 50% of senior management[1] positions are held by females by Q4 2027	45% (2023: 44%)		
6.2 At least 20% of senior management is ethnically or racially diverse by Q4 2027	Continued to advance self-ID in markets we can where lawfully able to do so		Page 46
6.3 Reduce voluntary turnover to 10% by Q4 2027	9.8% (2023: 10%)		Page 44

1. CELT and direct reports, excluding executive assistants.

At the end of 2024 we employed 10,489[2] people (2023: 10,136). Employee turnover in 2024 was 19.5%[3] (2023: 18.8%). Voluntary turnover in 2024 was 9.8% (2023: 10%). Information on our employee profile is illustrated in the graphs on the following pages, while our definitions for employee count and gender diversity are detailed on page 47.

While our employees are based in 45 countries, 57% of our workforce is employed in countries where we have manufacturing sites (2023: 55%). In addition to our facilities in the Dominican Republic, Mexico and Slovakia, we have manufacturing operations in the UK (two locations), Denmark and the US. Consistent with our corporate theme of simplification and productivity, in 2024, we closed our manufacturing site in Herlev, Denmark, and outsourced operations. Of countries with no direct manufacturing operations, Colombia has the largest concentration of employees.

Our people strategy

We have started to refresh our people strategy to better meet the needs of the business, as we continue to deliver sustainable and profitable growth. Our people mission is: *Creating a winning organisation where our people can learn, grow, thrive and make a real difference.* In 2024, our focus was on three core areas:

- **Build key capabilities:** Anticipate and embed core capabilities to support sustainable and profitable growth through high-performing leadership, talent and teams.
- **Shape our winning culture:** Bring our vision, promise, strategy, values and team principles to life so we can attract, engage and retain the diverse talent we need to win.
- **Unlock potential to enable change:** Strengthen our HR team, digital capabilities and foundation that drives simplification and productivity and improves employee experience.

2. Includes seven Non-Executive Directors. For full breakdown, see page 47.
3. This includes voluntary and involuntary turnover.

Our values

Our values ensure we all work and act in ways that deliver our forever caring promise, every day. These were shaped by thousands of colleagues in 2020 and we continue to embed them across Convatec.

Improve care
We are passionate about serving and supporting people with deeply personal and challenging medical conditions

Deliver results
We consistently deliver excellent work, say what we do and do what we say

Grow together
We celebrate diversity and respect one another. We help our colleagues around us grow, develop and thrive, so they can fulfil their potential

Own it
We take personal ownership of all our work: taking the initiative, innovating and never settling for second best

Do what's right
We behave ethically, are honest and trustworthy, operate with the highest standards of integrity, uphold policies and make a positive difference

Build key capabilities

Aligned with our FISBE strategy, we are focused on building key capabilities and integrated talent practices. We continue to promote learning for all employees, invest in leadership development, and enhance manager capabilities.

In 2024, over 4,000 colleagues accessed our on-demand learning platform, engaging with over 150,000 pieces of microlearning content. We launched instructor-led virtual onboarding, customised for new hires in different parts of the business, to ensure their success. Our mentoring programme has engaged over 250 colleagues.

We also continued to embed high-performing team principles through workshops for leaders and their teams.

Shape our winning culture

Our people mission aims to foster an engaging, inclusive and high-performing culture centred on colleague feedback, which enables colleagues to contribute meaningfully and achieve their potential. Our values guide our behaviours and how we run our business. They are embedded in our policies and processes, including our performance reviews, which assess both the 'what' and 'how' of each employee's contribution.

In 2024, we enhanced employee engagement by scaling up our new digital platform, Peakon Employee Voice by Workday. We piloted the platform, which uses employee Net Promoter Score (eNPS) methodology, in 2023, and throughout 2024 rolled out the tool across the company achieving a 95% aggregated participation rate. We secured a top decile engagement score, according to Peakon's True Benchmark™ for Healthcare, Pharmaceutical, Biotechnology & Life Sciences. We have deployed comprehensive training and support to people managers to engage with the tool and to act on insights, sparking thousands of conversations via the platform. Feedback on the four themes of engagement, transformation and change, health and wellbeing, and diversity and inclusion, is helping shape our refreshed people strategy in 2025.

We continued our global town hall series, engaging colleagues worldwide with our progress, plans, and patient stories. Our CELT Live virtual 'coffee and conversation' series enabled smaller group interactions with our CEO and CFO. Our annual Big Conversation initiative brought teams together for leader-led discussions around our vision, promise, strategy, values and team principles – helping colleagues see their role in the context of the 'big picture'.

Recognising colleagues and their contribution is an important part of our core value to 'grow together'. In 2024, Convatec Champions, our way of celebrating colleague efforts, surpassed 20,000 awards since its launch in September 2022. Through a digital platform, any colleague can make a nomination for an award for good work and behaviours aligned to our promise and values. We also continued to celebrate our annual Convatec Day in 2024, aligned to World Mental Health Day. Convatec Day gives colleagues (whose roles allow) an extra day off to focus on their wellbeing.

Reports are regularly provided to the Board to help assess and monitor workplace practices and culture, including progress on our people strategy, employee engagement, and on talent development and succession planning.

"At a recent Ostomy Care event I met a new patient who was overwhelmed after surgery and unsure about life with a stoma. I recommended the me+ programme for support. She later sent a kind email thanking me for my help and noting how wonderful the customer care team was in setting her up with new products to try. This part of my work is very rewarding."

Feedback submitted through our employee listening platform

Spotlight on leadership development
In 2024, we hosted our Global Leaders Meeting (GLM) at the Science Museum, London, bringing together our top 100 leaders from around the world. The last meeting of its kind was held in 2022 in Boston. Speakers included our Chair, Dr John McAdam CBE, Dave Ricks, Chair & CEO of Eli Lilly and Company and Baroness Manningham-Buller LG, DCB, former head of the UK Security Service (MI5) and Chair of the Wellcome Trust. GLM included immersion learning with visits to patients and customers, including NHS Trusts and leading UK NGOs, and sessions focused on catalysing our high-performing team principles.

Responsible business review – colleagues continued

Unlock potential to enable change

Throughout 2024, we made significant progress with our HR transformation, and continued to strengthen our employee experience by focusing on simplification and standardisation of key processes, including leveraging AI and machine learning capabilities.

Over the last year, we have transitioned almost all HR activity to align to global processes and ways of working. This has brought greater consistency to how HR supports the business and has improved colleague experience through:

- **Processes:** Standardised ways of working and leveraging digital tools, underpinned by data driven insights
- **Improving career pathways:** Bringing to life a consistent career framework, helping colleagues around the world understand where their role fits and future career development
- **Simplifying global payroll offering:** Strengthened payroll compliance, efficiency and consistency, governance and insight through improved automation
- **Refreshing our HR operating model:** Bringing together our HR people partners, Centres of Excellence, HR Service Delivery, as well as our Global Business Services (GBS) capability to support day-to-day HR solutions that benefit colleagues

We continued to navigate a dynamic talent and labour market, including the impact of flexible and hybrid working, automation and digitalisation, cost of living and employee wellbeing and mental health.

Next generation talent

Part of building core capabilities is engaging with and training the next generation. In 2024, Convatec's programmes included apprenticeships, internships, and graduate training across several countries, as described at https://marketingworld.convatec.com/MarketingZone/MZDirect/Source/85334ca0-5f45-4cf3-a281-6c1522523a8f. In addition to hosting placements, Convatec also partnered with universities in Denmark, Slovakia, Dominican Republic and the UK, offering workshops and development opportunities across topics from finance to manufacturing.

In 2024, we welcomed 14 student interns from the UK, Denmark, Slovakia, Mexico, Dominican Republic and the US to assist with the implementation of Convatec Cares through actionable projects. To facilitate their professional development and continuity of the work, each intern presented their project to leaders at the end of their placement.

Diverse and inclusive teams

We have continued to integrate DE&I and Wellbeing practices across the business and recognise the multiple benefits of ensuring our business reflects the diversity of customers and patients we serve, while ensuring that colleagues feel included and able to be themselves.

As a part of our overall ESG governance, our DE&I and Wellbeing Council brings together a range of leaders involved in our commitments. The Council is led by our Chief People Officer, and includes thematic sponsors from across CELT, leaders of our Employee Resource Groups (ERGs) and subject matter experts.

Our employee networks, or ERGs – Women's Network, Pride Network (LGBTQIA+), Black Employee Network (BEN), Latinx, and Ability Network – continue to evolve. In 2025, we will expand ERG activity around disability and neurodiversity and ethnic and racial diversity. ERGs help us learn as a company. We mark key dates on the calendar including Black History Month, International Women's Day, Pride Month, Hispanic Heritage Month, and UN International Day of Persons with Disabilities.

We continued our self-ID campaign, in countries where lawfully permitted, to enable employees to self-identify on a voluntary basis and provide their demographic data for race and ethnicity. This helps us measure progress so that we can respond to a range of stakeholder requirements.

We monitor employee diversity through our HR systems, and the Board reviews our diversity profile on an annual basis. Colleagues are able to update their personal information if they wish.

We have four pillars to our DE&I and Wellbeing approach, with the following key activities in 2024:

1. **Cultivate an inclusive culture for our colleagues**
   - Strengthened our global DE&I and Wellbeing Council
   - Expanded ERG membership to support communities of interest.
   - Launched our Convatec mentoring programme, engaging more than 250 colleagues
   - Delivered diversity-focused training, aligned to our high performing team principles
2. **Build a diverse workforce with greater gender and ethnic diversity across our leadership**
   - Progressed towards our ESG target of 50% female representation in senior management by 2027
   - Continued a campaign to enable colleagues to self-identify on our HR systems
   - Advanced talent acquisition practices to better recruit and retain diverse talent
3. **Support wellbeing as a priority for colleagues**
   - Continued to embed flexible and hybrid working as part of Our Work Life
   - Celebrated our fifth annual Convatec Day (page 45)
   - Strengthened our culture of recognition with Convatec Champions (page 45)
   - Made available over 150 colleagues as Mental Health First Aiders to support colleagues, focused in our manufacturing sites
4. **Enhance our reputation through leveraging our scale, partnerships and programmes**
   - Consistent pay structure, benefits and flexibility for employees aligned to their role
   - Rolled out equalised parental leave in regions covering over 70% of colleagues
   - Reviewed and updated our mobility policy

→ For more on our DE&I and Wellbeing journey visit
www.convatecgroup.com/sustainability/enabling-our-people/dei-spotlight-page/

Increasing diversity

At 31 December 2024, women represented 44% of our Board membership (2023: 44%) and 45% of our CELT and senior management team (2023: 44%). Our gender diversity profile at 31 December 2024 is found below.

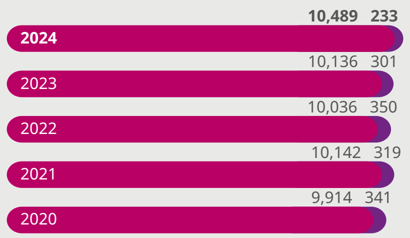
Gender diversity demographic data

		Male		Female	
	Total	Number	%	Number	%
Board[1,2]	9	5	56%	4	44%
CELT[2]	12	8	67%	4	33%
Senior management[3]	66	35	53%	31	47%
Other employees	10,404	3,941	38%	6,463	62%
Total[1,2,4]	10,489	3,987	38%	6,502	62%

1. Includes seven Non-Executive Directors.
2. The CEO and the CFO are included as members of the Board and CELT. Stated total numbers in final row are adjusted to remove duplication.
3. Includes direct reports of CELT, excluding administrative staff. The percentage of women in CELT and senior management combined in 2024 is 45% (2023: 44%). Total population in 2024 is 78 (2023: 79).
4. Excludes freelancers, independent contractors or other outsourced and non-permanent workers who are hired on a project or temporary basis.

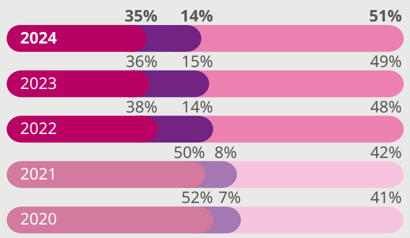
OUR PEOPLE: AT A GLANCE

Employees and contractors



- Employees
- Agency staff and independent contractors

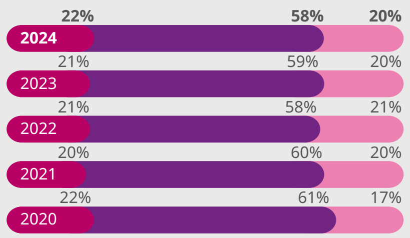
Employees by geography



Geographical areas 2020-2021
- Americas
- APAC
- EMEA

Geographical areas 2022-2024
- Europe
- North America
- Rest of World

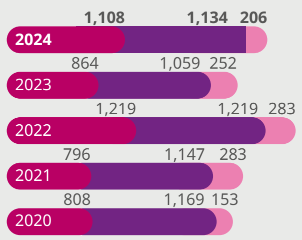
Employees by age



- < 30
- 30-50
- > 50

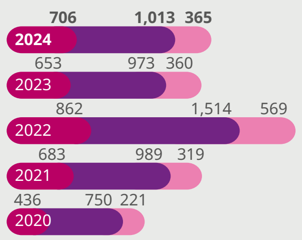
Hires and leavers by age[1]

Hires



- < 30
- 30-50
- > 50

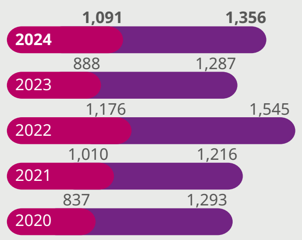
Leavers



- < 30
- 30-50
- > 50

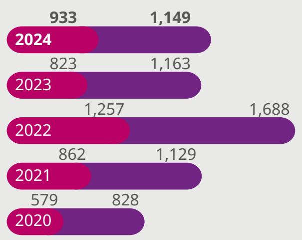
Hires and leavers by gender[1]

Hires



- Male
- Female

Leavers



- Male
- Female

1. Includes voluntary and non-voluntary turnover.

Responsible business review – colleagues continued

Our gender pay gap

The median hourly pay difference between our UK-based male and female employees as of 5 April 2024 was 1.93% (2023: 3.8%), significantly below the UK median pay gap of 13.1% (Source: Office for National Statistics). This reduction reflects our ongoing commitment to gender pay equity. We made progress improving gender balance, strengthening senior female representation in the upper and upper middle quartiles through strategic promotions and inclusive hiring.

This shift was balanced by increased male representation in the lower quartiles, creating a more equitable distribution overall. Our efforts to narrow the gender pay gap include implementing our job architecture to ensure consistent role classification, adjusting salaries to market levels, and focusing on fair compensation and promotion practices to support career growth, particularly within senior roles.

Our Gender Pay Gap statement encompasses all UK-based entities, beyond statutory requirements. We also report gender pay gap in other markets where there is a regulatory requirement, and we are actively working on routes to provide enhanced levels of future pay transparency to enhance visibility and equity across our organisation. We are pleased with our progress and remain dedicated to further reducing the gap. Further information about our pay data is included in our Gender Pay Gap Report, which can be found at www.convatecgroup.com/sustainability/esg-reports-and-data.

Paying a living wage

For the eighth consecutive year, we have been accredited as a 'real living wage' employer in the UK. Every two years we conduct a global living wage assessment, which considers the local total cost of living, as we work towards all locations paying at or above the national or local living wage. In 2024, our regular assessment found that 92% of our employee population were paid at or above the prevailing living wage. The residual gap was due to a sharp increase in the local legal minimum wage in a small number of our markets, which, in turn had driven up the living wage level. We are committed to increasing the salaries of these identified employees to at or above the living wage in 2025. For employees globally we continue with our annual salary review increases and are committed to providing fair pay for our employees. We require all our contractors to comply with local laws on employment rights and continue to work with our contractors to ensure they pay their employees at the same rates.

Employee assistance programme

We actively look at ways to support our colleagues in line with our core values and our forever caring promise. In 2024, as well as maintaining annual pay awards, we continued to raise awareness of wellbeing support available as part of our global employee assistance programme (EAP), which includes a range of resources such as educational sessions and personalised support on topics such as mental health and financial planning.

Health and safety

Our global Environment, Health and Safety (EHS) team support the development of strategy, policies and standards, audit performance and support company-wide teams improve working practices, aligned to both regulatory and company requirements. The team report to the VP, Global Manufacturing, who in turn reports to the Chief Quality & Operations Officer, who is a member of CELT and the ESG Steering Committee. Performance is reported to senior management including CELT and the Board on a regular basis. Manufacturing and R&D sites have a dedicated EHS team at their location.

During 2024, we completed the planned activities associated with the electrical safety programme and continued to target further improvement across our key initiatives: machinery and equipment safety, developing safety-specific standard work instructions, and enhancing our safety culture programme, tailoring delivery to site specific requirements. Site reviews and targeted development activities have supported improved engagement, enhanced working practices and improved performance.

Our Deeside, UK and Michalovce, Slovakia sites maintained their ISO 45001 (Occupational Health & Safety Management) certification, with plans in place to expand to all primary operations locations, reinforcing our commitment and the added value of aligning our practices to international standards.

There were no fatalities on our estate in 2024, maintaining our record of zero events. The target of keeping our Operations Lost Time Injury Rate (LTIR) per 200,000 hours worked below 0.22 by 2025 remains on track.

The continued focus on our proactive approach to engagement and hazard elimination has sustained our Operations Hazard Observation Rate above the target of 200 per 200,000 hours worked for 2024, enabling the identification and elimination of a significant number of hazards across our sites, with in excess of 16,000 potential hazards addressed during 2024.

In addition, continued focus on engagement, visible safety leadership and behaviours has also contributed to a reduction in the total number of lost time injuries incurred, resulting in a reduction of approximately 17% across Convatec, compared to 2023. This year, we also marked World Health and Safety at Work Day, aligned to the theme of the impact of climate change on occupational safety and health.

Our Health and Safety performance[1]

	2024	2023	2022	2021	2020
Fatalities	**0**	0	0	0	0
Convatec Lost Time Injury Rate[2]	**0.14**	0.17	0.18	0.26	0.21
Convatec Hazard Observation Rate[2]	**230**	227	196	148	138
Operations Lost Time Injury Rate	**0.16**	0.22	0.20	0.30	0.23
Operations Hazard Observation Rate	**291**	265	234	190	173
Lost Time Injuries	**10**	12	13	18	15

1 The data is based on OSHA definitions and rates are calculated based on 200,000 hours worked, as described in our Basis of reporting (page 59).

2 Lower rates are desirable for Lost Time Injury Rates; higher rates are desirable for Hazard Observation Rates.

Responsible business review – commerce

BEHAVING ETHICALLY AND TRANSPARENTLY

Protecting and enhancing our reputation with all our stakeholders

James Kerton
EVP, General Counsel & Company Secretary

"Doing business responsibly is key for all our stakeholders. From ensuring labour standards and environmental stewardship to ethical marketing and data privacy, our core value 'Do what's right' applies to everything we do. We hold ourselves accountable for the commitments we make, and expect the same level of transparency from partners."

2024 highlights

- Increased the number of suppliers assessed and audited
- Enhanced and streamlined supply chain risk management process practices
- Expanded mandatory human rights training for employees

2025 priorities

- Standardise corrective action engagement with high risk suppliers
- Drive improvement of sustainability practices of key suppliers
- Increase engagement around human rights training for colleagues

PROGRESS KEY

Achieved | New | In progress

Targets: Behaving ethically and transparently

Target	Progress in 2024	Status	Read more
7 **Human rights:** 7.1 Ensure at least 95% of employees complete mandatory annual Human Rights training by Q4 2025 and in subsequent years	84% trained in first year of launch	New	Page 50
7.2 Procurement and supply chain: Ensure that supplier sites covering 80% of spend across direct, external manufacturing and logistics are registered with our risk assessment platform by end Q4 2025 Target update: Ensure 100% of high risk suppliers are assessed on Sedex by end of 2026	Suppliers representing 39% of spend have been assessed on Sedex. Key suppliers representing 83% of spend have been registered and assessed with EcoVadis. See page 54 for new targets on procurement and Scope 3 emissions reduction.	In progress	Page 50
8 **Code of conduct:** 8.1 Ensure at least 95% of employees complete mandatory annual training by Q4 2023 and in subsequent years	99% trained in 2024 (2023: 90%)	Achieved	Page 50

Ethics and compliance governance

The Convatec Executive Leadership Team (CELT) meets with our Chief Compliance Officer on a quarterly basis to review the ethics and compliance programme, including its risk assessment and mitigation efforts; investigative and monitoring oversight; and policy development and educational delivery. The Audit and Risk Committee (ARC) also meets with the Chief Compliance Officer quarterly. This helps assure that ethics and compliance concerns are discussed and actioned at the highest levels of the business. Regular company-wide and localised communications and education assure that all of our people are aware of the ethical standards expected of them.

Our extensive ethics and compliance programme incorporates several policies and procedures including:

- Maintaining a Code of Ethics and Business Conduct (Code of Conduct) that is updated regularly and mandating annual training for al employees either online, with electronic acknowledgement of completion, or through participation in town hall meetings
- Making available an independent and confidential Compliance Helpline (Speak up) and web link for employees and third parties (www.convatec.ethicspoint.com), to seek guidance and to anonymously report suspected deviations or policy breaches
- Making it easy for issues to be reported by colleagues, reviewed by our Ethics & Compliance team and where appropriate, ensuring that any resulting investigation and outcome of any significant issues are overseen by the ARC (see page 109)
- Regular onsite or computer-based monitoring of business activities to assure that they are consistent with policy, including the Code of Conduct
- Providing an additional line of defence through our risk assessment process, which involves direct engagement with global market or functional leaders, and our commitment, when areas of concern are identified, to work with those leaders on an ongoing basis to improve business practices

Responsible business review – commerce continued

We have a target to ensure at least 95% of employees are trained on our Code of Conduct annually, which we met in 2024 with a completion rate of 99%.

Each year, we enhance our conflict of interest measures by expanding the number of team members that participate in a web-based survey mechanism that invites managers to identify actual or potential conflicts of interest, with plans to expand the scope of survey participants to include all management and senior commercial roles by 2027.

Supplier due diligence and contracting

Our suppliers are central to our success. We work together to ensure we have access to the products, materials, components, and services we need to meet the needs of our customers. Our commitment to responsible, ethical, and compliant business practices extends to everyone in our global supply chain. We believe our suppliers are an extension of Convatec and expect no less from them than we do from ourselves. To help protect against the risk of a third party acting unethically, our teams conduct a range of due diligence and related activities.

To ensure best in class human rights and labour practices throughout the supply chain, all of our suppliers are initially screened by a third-party platform, EcoVadis IQ. Suppliers identified as high risk of modern slavery are required to complete a Sedex self-assessment questionnaire (SAQ) at locations that manufacture Convatec products, provide raw materials or store our goods. Through the SAQ, suppliers with risks identified that have potential to conflict with our Code of Conduct are expected to complete a Sedex Members Ethical Trade Audit (SMETA). We operate processes that are designed to facilitate corrective actions after SMETAs, to ensure vendors are engaged promptly when a risk event occurs and that these events are tracked through to satisfactory closure of the potential risk. We will continue to build on this progress in 2025. Our key suppliers are audited by a Sedex inherent risk assessment, with some also completing a voluntary audit.

To drive sustainability improvements through our supply chain, we also require our key suppliers to complete an EcoVadis assessment with the expectation that they score above our minimum accepted threshold. Key suppliers are defined through our supplier relationship management programme, these suppliers are our most important with high spend, strong levels of collaboration and are involved in driving innovation projects with Convatec. 94% of our key suppliers completed their EcoVadis assessment, with the average score across our key suppliers being 60. We aim to grow the average EcoVadis score of our key suppliers with the ambition for our key suppliers to match our own silver rating.

Any key supplier scoring below 'Committed' on their EcoVadis assessment by the end of 2025 will be required to complete a Sedex SMETA in 2026. Our process of reviewing scorecards and driving corrective actions through EcoVadis enables suppliers to improve their own sustainability performance.

We require that new suppliers agree to adhere to our third-party compliance manual, or demonstrate adherence to the principles stated therein, which may derive from their own codes of conduct. Our manual covers a range of topics including commitments to the International Labour Organisation conventions and the Principles of the UN Global Compact (UNGC) and environmental protections. It extends our Code of Ethics and Business Conduct and our Human Rights and Labour Standards Policy to the supply chain. The manual is introduced to all existing supplier contracts as these are renewed. A copy of the manual is available at www.convatecgroup.com/investors/governance/our-policies-and-statements/.

Working responsibly with partners

We aim to build long-term, mutually beneficial relationships with third parties along the value chain, including suppliers of materials and services, contract manufacturers, and transport and logistics companies. Led by our Global Procurement and Supply Chain teams, we are clear that relationships with third parties must be consistent with our vision and values, and the regulatory framework which underpins our ethical business practices. We believe that developing a more sustainable supply chain will benefit our business over the long term through increased efficiency, product improvements, reduced risk and deeper, more collaborative relationships. Building partnerships through engagement with our key vendors is key to driving sustainable best practice across our value chain. In 2024, Convatec hosted two webinars, engaging over 100 attendees representing over 50 companies. The webinars encouraged ongoing dialogue around our commitments to responsible, ethical and compliant business practices, covering our expectations of suppliers and emissions reduction pathways (see page 54). Our suppliers are an extension of Convatec's business and operations, and we are committed to two-way dialogue and engagement.

Like many MedTech companies, our products are often sold by third parties, such as distributors. We have communicated our ambitions to our partners, including setting out our monitoring arrangements for sustainability performance, expectations around minimum standards and requirements for annual disclosure of greenhouse gas emissions (GHGs), commitment to setting science-based targets and the publishing of carbon reduction plans. We will continue to embed these standards in 2025 across Convatec, including our commitment to monitor and ensure a risk-based audit programme and monitoring of corrective actions are in place. Expectations vary based on their industry and magnitude of the supply relationship, taking a proportionate approach so that we focus on the suppliers and supply categories that have the largest impact and influence on our sustainability performance.

In Q4 2024, we requested emissions information from suppliers that make up over 60% of our Scope 3, category 1 emissions and our key logistic providers. We are committed to working with our suppliers to support them through briefings, training, and other initiatives. See page 56 for our Scope 3 emissions reduction levers.

Convatec's sustainability requirements are now part of our standard request for proposal and contract documentation so that all new suppliers understand and accept these at the start of our trading relationship.

We also engage with stakeholders on ethical topics within our sector. During 2024, we continued to participate in a number of industry meetings and discussions regarding key legal, ethical, compliance topics, including HCP interactions, as well as other areas.

Ratings and disclosures

The landscape of ESG ratings and disclosures continues to evolve, including the forthcoming implementation of the EU Corporate Sustainability Reporting Directive (CSRD). We continue to disclose against various reporting schemes that we believe offer value to our stakeholders and align with our material ESG topics.

In 2024, we disclosed against Carbon Disclosure Project (CDP), Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) (see www.convatecgroup.com/sustainability/esg-reports-and-data/), FTSE Women Leaders Review, Workforce Disclosure Initiative (WDI) and maintained UK Living Wage Foundation accreditation. Our TCFD disclosure is found on pages 60 to 71.

Memberships

We are pleased to have maintained our participation in the UNGC since 2018, reporting annually against the ten principles of the UNGC. We are proud members of FTSE4Good, a global sustainable investment index series, designed to identify companies that demonstrate strong ESG practices measured against international standards.

In the past year, we have engaged on sustainability topics with the Advanced Medical Technology Association (AdvaMed), MedTech Europe, Asia Pacific Medical Technology Association (APACMed) and the Association of British HealthTech Industries (ABHI). We are also members of the All-Party Parliamentary Corporate Responsibility Group.

HUMAN RIGHTS

We are committed to creating a working environment where everyone is treated fairly with respect, dignity and consideration and where there are opportunities for all. We regularly review our Human Rights and Labour Standards Policy, which incorporates principles and guidelines set out in the United Nations Universal Declaration of Human Rights, Modern Slavery Act and the UN Guiding Principles on Business and Human Rights, and addresses a range of issues, including equal opportunities, anti-harassment and dignity at work. The policy underpins the way we work with each other, partners and suppliers.

In 2024, our cross-functional Human Rights Committee, a sub-group of our ESG Steering Committee, continued driving forward this important agenda. Chaired by our Chief People Officer, and including our General Counsel & Company Secretary, as well as colleagues from HR, legal, compliance, supply chain and global corporate affairs, the Committee reviewed and updated our human rights-related policies and practices and identified strategies to strengthen supplier due diligence.

Consistent with our core values, we are passionate about embedding a culture of respect within Convatec, with this in mind a Global Human Rights e-learning module was developed and launched in 2023. Grounded on the principal areas of focus in our Human Rights and Labour Standards Policy, this interactive module guides all Convatec colleagues through important subjects such as human trafficking prevention, compulsory labour, supply chain concerns, speaking up and environmental issues. The training will be expanded each year with additional topics, and apply to our global workforce.

Our Code of Conduct, Human Rights and Labour Standards Policy, and Modern Slavery Act Statement can be found here: www.convatecgroup.com/investors/governance/our-policies-and-statements/.

84%
of colleagues trained on human rights

94%
of our key suppliers completed EcoVadis assessments

WE SUPPORT
UN GLOBAL COMPACT

Ratings

Rating organisation	2024	2023	2022	2021	2020
ISS	B-	B	B	B	B-
Sustainalytics Risk Rating[1]	14.1	16.6	14.5	14.6	15.2
MSCI[2]	AAA	AAA	AAA	AA	AA
CDP	B	B	C	B	B
EcoVadis	Silver	Committed	–	–	–
WDI[3]	90%	73%	43%	54%	60%

1. As at December 2024, Convatec rated low risk. Lower scores are desirable for Risk Rating.
2. Disclaimer: The use by Convatec of any MSCI ESG Research LLC or its affiliates (MSCI) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of Convatec by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
3. Completion rate. Higher scores are desirable.

FTSE4Good

PROTECTING THE PLANET AND SUPPORTING COMMUNITIES

How we operate and our contribution to the world around us

John Haller
EVP, Chief Quality & Operations Officer

"We recognise the importance many stakeholders place on environmental stewardship and remain committed to managing our impact and reducing emissions, working closely with partners and our supply chain, and balancing the various regulatory considerations. Consistent with our core values, we also continue to make a positive social impact, through our programmes in medical education, volunteering, disaster relief and charitable partnerships."

2024 highlights

- 95% renewable electricity procured globally across all Convatec sites
- Advanced our carbon transition plan through a dedicated manufacturing site energy audit programme
- Held supplier webinars to advance our engagement programme
- Restated our Scope 3 emissions footprint using materials specific data for raw materials and semi-finished product
- 100% of strategic buyers and category managers trained on the topic of sustainable procurement
- Over 237,000 HCPs engaged in medical education programme
- Supported the training of 700 Community Health Workers with Partners In Health

2025 priorities

- Advance our transition plan to net zero
- Progress ISO 14001 (Environmental Standard) Certification across all manufacturing sites, with Group certification by 2027
- Enhance our water and waste stewardship efforts
- Continue expansion of medical education programmes

PROGRESS KEY

✓ Achieved + New → In progress

Targets: Protecting the planet and supporting communities

Target	Progress in 2024	Status	Read more
9 **Emission reduction:**		→	Page 54
9.1 Achieve net zero carbon (in line with our SBTi target) by 2045	Scope 1, 2 and 3 reductions (see below)		
9.2 Reduce our combined Scope 1 and 2 emissions by 70% against a 2021 baseline, in line with our SBTs, by 2030	62% (2023: 55%)	→	Page 55
9.3 Reduce our Scope 3 emissions by 52% per sold product against a 2021 baseline, in line with our SBTs, by 2030	2.5% in-year reduction of our SBT Scope 3 emissions per product	→	Page 56
10 **Product sustainability and Scope 3 targets:**		+	Page 54
10.1 Procurement and supply chain: Achieve 100% of key suppliers attaining an EcoVadis score of at least 45 by 2026	84% of our key suppliers have scored at least 45 on EcoVadis		
10.2 Procurement and supply chain: Ensure that suppliers covering 60% of our Scope 3 category 1 emissions have committed to set science-based targets by end of 2026	Commenced new engagement programme with suppliers and held first workshop Suppliers covering 27% of our category 1 emissions have committed to set near-term science-based targets at end of 2024	→	Page 53
10.3: Product development: Establish a Product Stewardship team to maintain our carbon intensity database and green design tools by 2026	The carbon intensity for Convatec manufactured product raw materials has been collected into a searchable database. Data informs the green design assessment required at each development stage of our new product development process	+	Page 54
11 **Community impact:**		→	Page 58
11.1 Contribute $2 million to our community partners to improve lives by end of 2025	Completed the second year of our three-year partnership with Partners In Health (PIH), with $1.25m donated		
11.2 By 2027, touch one million lives in our communities through medical education programming and support of strategic community partners	Since 2023, touched over 80,000 lives through Community Health Workers with PIH and over 475,000 HCPs trained through medical education	→	Page 58
12 **Medical education:**		→	Page 58
12.1 Reach more than 500,000 healthcare professionals (HCPs) with medical education programmes per year by 2027	Over 237,000 HCPs and patients participated in educational programming led by Convatec		
12.2 Expand HCP education programmes through the development of a global medical education digital platform and review of activity to enhance impact by end of 2024	Ongoing development of Medical & Clinical Affairs capabilities	→	Page 58

Convatec is committed to transitioning to a 1.5°C aligned net zero economy, and achieving net zero by 2045.

The global pressures on industries to contribute meaningfully to the low-carbon transition and align with the critical objective of limiting global temperature rise to 1.5°C. For the MedTech sector, this transition presents not only significant risks and challenges, but is also coupled with transformative opportunities to innovate, adapt, and mitigate our impact.

Over the past year, we have continued to focus on mitigation and adaptation activities. To guide this journey, we have grouped our efforts under six key themes, designed to evolve as new risks and opportunities emerge. By working across our value chain and engaging with stakeholders, we aim to maximise our influence and impact, leveraging key levers to accelerate meaningful progress toward a net zero future.

WORKING TOGETHER

We will work together with our stakeholders to meet our ambition and overcome sector challenges:

Our customers and patients
Understanding their needs to ensure we can meet climate ambitions without compromise on the availability, efficacy and safety of products.

Our colleagues
Driving sustainable behaviours and investment in climate-related digital tools that allow teams to make informed decisions that drive our ambition.

Our communities
Fostering responsible commerce, minimising operational impacts and championing local stewardship to ensure our activities contribute positively to our communities.

Our industry
Participate in opportunities for industry collaboration, seeking ways to address key sector challenges such as the need to balance material and design alternatives with product efficacy.

OUR CLIMATE AMBITION

Our net zero and climate resilience objectives requires activating decarbonisation and adaptation measures across our value chain, from product innovation to distribution.

Products
Delivering products and solutions that meet the needs of our patients and customers, ensuring efficacy, quality and safety, whilst exploring design and material alternatives to continually reduce climate impact.

Logistics
Driving efficiency in logistics through better data, consolidating transportation and switching to lower-carbon modes of transport.

Packaging and waste
Reducing the amount of production waste and aligning to waste hierarchy to focus on prevention and recycling for primary, secondary and tertiary packaging.

Operating process
Optimising lower carbon or renewable energy use to enhance efficiency, lower emissions and drive sustainable production in our direct operations.

Supply chain
Working closely with suppliers to achieve shared goals and raise ambition by encouraging suppliers to set science-based targets.

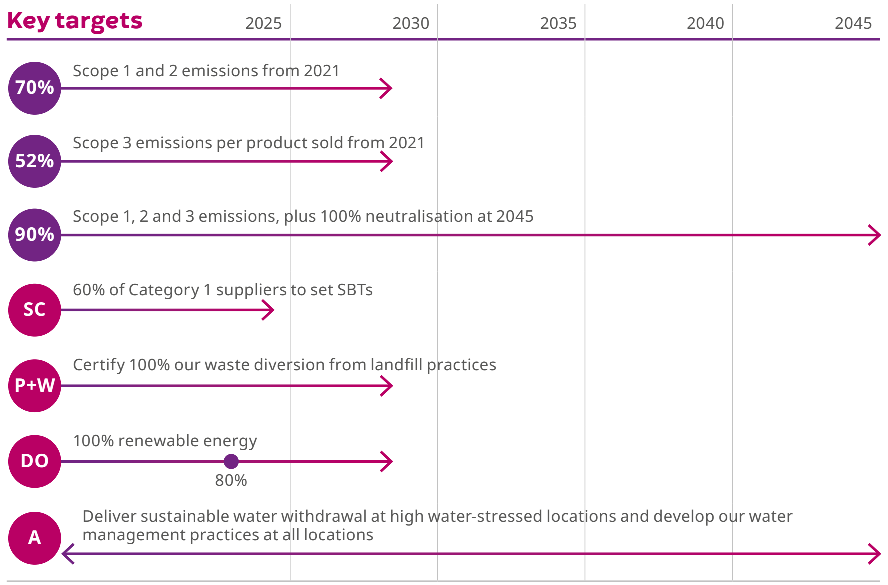
Adaptation
Responsibly managing natural resources and investing in solutions to strengthen resilience to physical climate impacts.

Targets and levers

Our Greenhouse Gases (GHG) emissions reduction pathway is guided by our science-based targets that include our Scope 1, 2 and 3 emissions. This is supported by a set of specific sub-targets across our key impact areas that help drive investment into achieving our climate strategic ambition.

We have identified and begun to activate key decarbonisation levers to reduce our Scope 1 and 2 emissions, including investing in renewable energy, enhancing energy efficiency through technology upgrades, and transitioning to lower-carbon fuels where feasible. For further information on our decarbonisation activities see page 54.

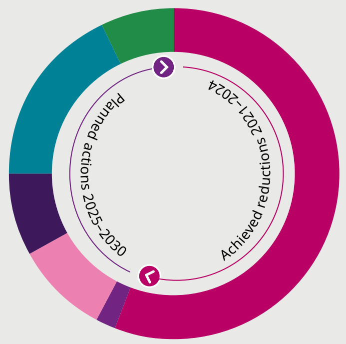
Key targets



SC: Supply chain **P+W:** Packaging and waste **DO:** Direct operations **A:** Adaptation

INVESTING IN DECARBONISATION

- Total spend FY21–FY24: $5–10m
- Spend in FY24: $2–5m
- Committed spend FY25–FY30: $20–35m



- Implemented decarbonisation
- HVAC replacements
- Heat pumps
- Steam & heat decarbonisation
- Vehicle electrification
- Renewable electricity increase

Responsible business review – planet and communities continued

RESPONDING TO CHALLENGES IN THE LOW-CARBON TRANSITION

Our plans to achieve a net zero transition will require broad stakeholder collaboration on a range challenges that affect our ability to implement change, that must be considered within the context of industry-specific medical safeguards.

OUR VALUE CHAIN

Supply chain

Engaging suppliers & procurement processes

Engagement across the whole value chain is essential for business to decarbonise and meet the net zero challenge. In 2024, we held multiple supplier webinars to explain our Scope 3 challenge, targets and requirements, led by our Chief Quality & Operations Officer. The webinars established the importance of our emissions reduction programme and explained how sustainability is now part of our regular Supplier Review Meetings (SRMs). We are encouraged by the efforts of our suppliers, including opportunities for shared learning. We continue to support our procurement colleagues with resources to facilitate ongoing partnership.

Products

Digital tools & baselining

We have refreshed our digital product sustainability database to improve the accuracy of our emissions profile through enhanced carbon intensity data and analytics. This includes the identification of carbon hot spots across our product raw materials to focus assessment of alternative design options and monitor the impact of product changes.

Our focus in 2025 is to expand our Green Design Guidelines which help us to consider the full lifecycle impact of our products. This will include standard operating procedures and expectations of product designers, which will help to drive down the emission intensity of products to meet our Scope 3 target.

Material challenges

Product safety and adherence to medical safeguards is a top priority. This limits changes that can be made to product and packaging material and design.

Due to lengthy regulatory processes and long lifetime of our products, there is a time lag to realise product-related emission reductions.

Our digital tools and resources enable more accurate lifecycle assessments, helping us pinpoint opportunities to reduce environmental impact.

Packaging

Data informed material and design changes

Primary packaging: We continued focus in this area, including our efforts to remove PVC and reduce packaging weight by almost 80% on all baseplates in our Ostomy Care portfolio. We intend to continue rolling out flow wrap in additional geographies in 2025 and 2026.

Secondary and tertiary packaging: 100% of our cartons and shipping boxes continue to be paper-based and recyclable. Our Esteem Body product line successfully launched with lightweight, size-optimised cartons, setting a new standard for our packaging design which we are we are actively extending to other product lines.

Carbon calculations: We are working with our packaging vendors to improve carbon emission evaluations through more granular calculations of packaging weights and their associated carbon footprint, allowing us to make informed decisions that consider both functionality with environmental impact.

Direct operations

Site specific decarbonisation planning

In 2024, energy audits at our manufacturing sites identified 10–20% potential energy savings per site through initiatives like building management system controls optimisation, compressed air system improvements, heat recovery, and motor upgrades using advanced technologies. Longer-term decarbonisation opportunities, including heat pumps, hydrogen fuel, and onsite renewables, were also assessed. By evaluating energy savings, capex, and ROI, site teams prioritised projects and integrated them into environmental roadmaps, driving utility reductions and progress toward low-carbon goals.

Logistics

Logistic planning and efficiency

Reduced air freight: Through effective planning and targeted emissions reduction activities, we have successfully reduced Scope 3 Category 4 emissions by 608 tCO_2e in 2024.

Transport space utilisation: We implemented a pilot project with our third-party supply chain partner to develop a new consolidation tool and increase transport space utilisation. The project delivered a total savings of 32 Transatlantic containers in 2024. An automated transport optimisation tool is now in development to scale up the project during 2025, with forecasted emissions reduction from eliminating 52 transatlantic containers shipped per year.

Data challenges

Accurate data is essential to effectively baseline our emissions, identify impactful reduction opportunities, and measure progress. Otherwise we risk mis-prioritising investments into climate mitigation and adaptation.

To address this, we have ongoing initiatives across the business to improve the collection of primary data, reduce dependence on estimates, and ensure robust data management practices. By investing in digital tools we can ensure climate is appropriately considered in decision making frameworks, to ensure strategic and financial planning dedicates suitable resource which is necessary to meet our targets.

End of life

End of product life management challenges

There are some key challenges in reducing emissions, including navigating a range of regulatory requirements, ensuring safe disposal of hazardous materials, and addressing contamination risks that limit recyclability. These challenges highlight the importance of design for end of life (EOL) strategies, fostering innovative recycling solutions, and collaborating with stakeholders to develop scalable and sustainable EOL strategies. Although EOL emissions are not a significant part of our emission profile (over which Convatec has limited control), we will continue to drive and monitor progress in these areas.

Please see page 61 for ways in which we are adapting and strengthening physical climate resilience.

Environment

Our manufacturing site in Reynosa, Mexico achieved ISO14001 certification in 2024, with our sites in Rhymney and Deeside, UK and Michalovce, Slovakia maintaining their ISO14001 certified status. We are making progress on our plans to expand the certification across all of our manufacturing sites by 2027.

See also our Environmental Policy at www.convatecgroup.com/sustainability/esg-reports-and-data and our TCFD disclosure on pages 60 to 71.

Scope 1 and 2 GHG emissions

Our 2024 Greenhouse Gas (GHG) emissions under the market-based method totalled 13,823 tonnes CO_2e (2023: 16,142), equating to an in-year reduction of 14.4% (2023: 34.5%). This reduction was achieved through improved energy efficiency and sourcing of renewable electricity at all our global manufacturing sites. Our fleet of 1,179 vehicles (2023: 1,312) generated a total emissions of 5,832 tonnes CO_2e (2023: 6,837), and our refrigerant gas emissions amounted to 136 tonnes CO_2e (2023: 776).

Energy consumption

In 2024, total global energy consumption was 127,114,380 kWh (2023: 133,712,897 kWh), of which UK specific energy consumption was 25,340,649 kWh (2023: 25,922,351).

Energy efficiency

In 2024, our overall energy intensity ratio reduced by 10% (2023: 6%) through implementation of our global energy efficiency programme. We are prioritising the reduction of our absolute energy consumption as the key means for reducing emissions. We continue to identify and implement projects to improve our energy efficiency by leveraging sources such as mandatory Energy Savings Opportunity Scheme (ESOS) audits, voluntary internal energy audits and best practice sharing across our sites. In addition, we are committed to obtaining ISO 50001 certification at our manufacturing sites by 2030.

Energy efficiency projects to reduce our Scope 1 and 2 emissions in 2024 included; energy efficient chiller installation, chiller efficiency improvements, smart metering, air handling unit retrofits, onsite renewables and LED lighting.

GHG (market-based method) (tonnes CO_2e)[1,2]

	2024	2023	2022	2021	2020
Scope 1 (Global)	**12,360**	14,632	14,395	14,931	5,608
Scope 1 (UK)	**2,702**	2,867	3,202	3,107	2,012
Scope 2 (Global)	**1,463**	1,510	10,258	21,255	24,650
Scope 2 (UK)	**26**	72	70	29	-
Total GHG emissions	**13,823**	**16,142**	**24,653**	**36,186**	**30,258**
Total UK	***2,728***	***2,939***	***3,272***	***3,136***	***2,012***

GHG (location-based method) (tonnes CO_2e)[1,2]

	2024	2023	2022	2021	2020
Scope 1 (Global)	**12,360**	14,632	14,395	14,931	5,608
Scope 1 (UK)	**2,702**	2,867	3,202	3,107	2,012
Scope 2 (Global)	**23,324**	23,430	23,210	25,872	27,169
Scope 2 (UK)	**2,155**	2,403	2,200	2,348	2,433
Total (Global) GHG emissions	**35,684**	**38,062**	**37,605**	**40,803**	**32,777**
Total UK	***4,857***	***5,270***	***5,402***	***5,455***	***4,445***

Scope 1 and 2 GHG emission intensity (tonnes/$m revenue)[1,2]

	2024	2023	2022	2021	2020
GHG emission intensity (location basis)	**15.6**	17.8	18.1	20.0	17.3
GHG emission intensity (location basis, UK)	**2.1**	2.5	2.6	2.7	2.3
GHG emission intensity (market basis)	**6.0**	7.5	11.9	17.8	16.0
GHG emission intensity (market basis, UK)	**1.2**	1.4	1.6	1.5	1.1

1. Please refer to our Basis of reporting for accounting methodologies (page 59).
2. In 2024, 3.5% of total Scope 1 and 2 emissions is estimated (2023: 3.0%).

Total energy consumption (by function) (MWh)[1,2]

	2024	2023	2022	2021	2020
Manufacturing locations	**93,004**	95,374	103,131	103,207	95,523
Non-manufacturing locations	**8,647**	9,969	9,770	10,736	6,205
Company vehicles	**25,463**	28,370	24,713	28,017	–
Total energy consumption	**127,114**	**133,713**	**137,615**	**141,961**	**101,728**
Total UK energy consumption	***25,341***	***25,922***	***25,856***	***25,339***	***10,381***

Total energy consumption (by fuel source) (MWh)[1,2]

	2024	2023	2022	2021	2020
Non-renewable electricity	**3,391**	3,451	22,748	43,252	66,047
Renewable electricity	**63,610**	64,464	50,999	31,869	10,607
Natural gas	**33,452**	35,218	38,609	38,130	24,766
Propane	**3**	1	–	–	–
District heating	**834**	1,538	464	642	254
Diesel	**361**	671	82	51	53
Company vehicles	**25,463**	28,370	24,713	28,017	–
Total energy consumption	**127,114**	**133,713**	**137,615**	**141,961**	**101,728**

Energy intensity (GWh/$m revenue)[1,2]

	2024	2023	2022	2021	2020
Energy intensity	**0.056**	0.062	0.066	0.070	0.054

1. 2.1% is estimated for 2024 data (2023: 2.5%).
2. See our Basis of reporting (page 59) for reporting methodology.

Responsible business review – planet and communities continued

Renewable energy

As part of our Scope 1 and 2 science-based targets, we have met and exceeded our target to procure 80% of our electricity from renewable sources by 2025, reaching 100% by 2030. As of 2024, renewable electricity accounts for 95% of total electricity consumed (2023: 95%) with 100% renewable electricity procured at all of our manufacturing sites.

During 2024, we generated 2,313 MWh (2023: 1,448 MWh) from on-site renewable energy sources. We continue to develop project feasibilities within our efficiency project pipeline.

Information about the methodology we use for disclosing renewable energy in relation to our Scope 1 and 2 emissions can be found in our Basis of reporting document (page 59).

Scope 3 emissions

The provision of material specific carbon emissions data, compiled in our digital product sustainability tool has improved the accuracy of our Scope 3 emissions data. As such, replacing spend-based emission factors in our footprint data triggered the requirement for a rebaseline and restatement of our emissions, in line with our policy. Updated Scope 3 data is provided in the adjacent table.

During 2024, we continued to progress engagement with our suppliers and partners to collect primary data to ensure accuracy of emissions data and allow us to track our suppliers decarbonisation efforts. During 2024, we collected 10% of Scope 3 data from primary sources (2023: 8%). These numbers were collected through direct engagement or use of third-party platforms such as EcoVadis, which we encourage our suppliers to use to improve transparency and encourage continuous improvement. Our supplier webinars promoted engagement by actively sharing our requirements whilst promoting collaboration on emissions reduction throughout the value chain.

In 2024, our Scope 3 GHG emissions totalled 239,255 tonnes CO_2e (2023: 246,771 tonnes), a 10% absolute reduction from 2021. See our Basis of reporting (page 59) for exclusions and details of our re-baselining and restatement.

Our GHG reporting follows the methodologies set out in 'The GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)', developed by the World Business Council for Sustainable Development and the World Resources Institute.

Scope 3 emissions (tCO_2e)[1]

	2024	2023	2022	2021
Category 1: Purchased goods and services	**113,190**	119,537	119,473	142,591
Category 2: Capital goods	**22,912**	24,929	25,067	16,748
Category 3: Fuel and energy related activities	**7,479**	7,670	8,214	8,732
Category 4: Upstream transport and distribution	**32,502**	33,110	48,130	40,279
Category 5: Waste generated in operations	**2,468**	3,524	3,055	5,200
Category 6: Business travel	**12,829**	9,440	6,315	6,147
Category 7: Employee commuting	**6,555**	6,703	7,315	7,284
Category 12: End of life treatment of sold products	**41,320**	41,858	40,020	39,670
Total Scope 3 emissions	**239,255**	**246,771**	**257,589**	**266,651**
Total emissions (Scope 1, 2 and 3)	**253,077**	**262,913**	**282,242**	**302,837**

1. All Scope 3 data for 2021 to 2024 has been restated using updated emission factors and material-specific data where available.

Water

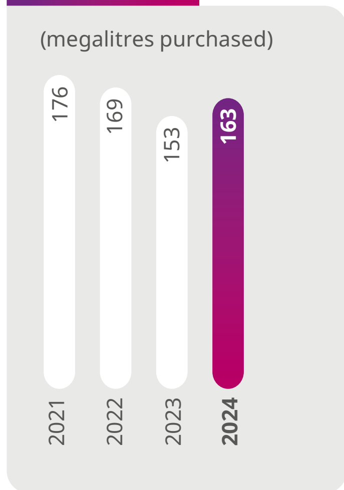
During 2024, we have continued our high-level review of all our manufacturing facilities using the WRI Aqueduct and Ecolab Smart Water Navigator, based on our 2023 operational data. This allows us to track progress and maintain understanding of the risk to our operations. Our manufacturing site in Reynosa, Mexico, remains the only site with high baseline water stress and consequently a medium water withdrawal risk and we are continuing our progression towards becoming water stewards. Our Reynosa facility has prepared a water stewardship plan, setting out SMART targets to implement and identify water efficiency projects, to ensure delivery and review success.

Whilst our water use within Haina, Dominican Republic, is indicated in the high level review to be within a sustainable water use, the Aqueduct analysis indicated that it could be impacted by water risks. We have undertaken data gathering on specific water risks and opportunities at this site. A facility level assessment was completed to identify opportunities to reduce our clean water demands and improve water efficiency, including considering rainwater harvest. In addition, a survey identified key water opportunities and challenges within the local catchment (both surface water and groundwater), and key water stakeholders have been identified and mapped.

In 2024, we withdrew approximately 163 megalitres of water (2023: 153 megalitres), all of which was provided by municipal water suppliers or other public or private water utilities. The increase in water withdrawal is related to the installation of sprinkler systems for business continuity purposes. No water is abstracted directly from lakes, rivers or other bodies of water. Data is compiled from invoiced amounts and meter readings. In 2024, our focus will remain on achieving our sustainability water targets and becoming positive water stewards at all of our plants. We will continue to monitor water risks at our facilities and we are committed to achieve Alliance for water stewardship certification at our priority sites by 2027.

5,781 tonnes of water (2023: 6,015 tonnes) are tankered offsite as hazardous waste, the vast majority relating to our Rhymney site in the UK, where as part of the production process water becomes contaminated with Industrial Denatured Alcohol (IDA) and is segregated for further processing. After processing, a significant proportion of the IDA is recovered and reused at the site. The remaining treated water is returned to the environment via a sewer as part of a permitted discharge. Other uncontaminated wastewater is discharged via a sewer.

Water use



Waste

Throughout 2024, we have advanced our waste data analysis processes across all global sites, leveraging our bespoke data collection tool to assess site-specific waste generation and disposal practices at a greater level of granularity. This provides us the opportunity to better understand our waste and what we can do to reduce its impact. This year's efforts included a comprehensive cross-analysis against production workflows, allowing us to establish normalised baselines for our key waste-related metrics.

These metrics will be used to support all sites on their journey towards Waste Diverted from Landfill certification. Alongside this, we have now appointed our certifier and have begun pre-audits at key strategic sites. The remaining sites are scheduled over the next few years with an overall ambition of achieving certification globally by 2030.

Recycling continues to be the predominant disposal route across our sites, driven significantly by liquid waste recycling at our manufacturing site in Rhymney, which constitutes our largest waste stream at 39% of total waste generated (2023: 34%). However, landfill ranks as the second-largest disposal route at 31% of total waste generated (2023: 37%). This has highlighted our manufacturing sites in Haina, Dominican Republic, and Reynosa, Mexico, as key targets for improvement. General waste is one of our largest waste streams and its treatment is country-specific, with 2% recycled, 30% sent for energy recovery and 68% either incinerated without energy recovery or sent to landfill. We have active projects currently underway to optimise source-segregation, maximise recyclability and find the most sustainable disposal routes for all remaining residual waste. In 2024, hazardous waste made up 40% of total waste generated (2023: 35%). 99% of this hazardous waste was recycled.

We are piloting reuse initiatives and actively sharing best practices across our manufacturing sites to facilitate implementation and further minimise our global environmental impact.

Waste generated (tonnes)

	2024	2023	2022	2021	2020
Non-hazardous waste					
Disposed of	**6,962**	8,499	9,655	13,599	11,806
Recycled	**1,750**	2,779	3,425	2,990	2,120
Generated	***8,712***	***11,278***	***13,080***	***16,589***	***13,926***
Hazardous waste					
Disposed of	**73**	98	69	82	72
Recycled	**5,855**	6,073	5,789	5,606	5,337
Generated	***5,928***	***6,171***	***5,858***	***5,688***	***5,409***
Total generated	**14,640**	**17,449**	**18,938**	**22,277**	**19,335**

Fate of non-hazardous waste generated (%)

	2024	2023	2022	2021	2020
Recycled	**20%**	25%	26%	18%	15%
Incineration (with energy recovery)	**27%**	18%	27%	16%	10%
Incineration (without energy recovery)	**1%**	1%	0%	0%	0%
Landfill	***52%***	56%	47%	66%	75%

Socio-economic contribution to society

Through running our business, we aim to make a socio-economic contribution to society. This contribution, which is important to a range of stakeholders, is summarised in the table below. We also recognise that there are a range of benefits to communities and society as a result of our products, services and jobs directly and indirectly created.

	2024 $m	2023 $m	2022 $m	2021 $m	2020 $m
Direct economic value generated	2,289.2	2,142.4	2,072.5	2,038.3	1,910.8
Economic value distributed					
Operating costs[1]	947.6	937.1	990.4	962.3	891.7
Employee wages and benefits	767.2	701.3	648.5	650.1	579.7
Payments to providers of capital[2]	349.2	223.2	312.8	262.7	254.0
Payments to governments[3]	82.3	61.2	45.7	47.6	56.3
Community investment[4]	1.8	1.3	0.7	1.5	0.7
Economic value retained	**141.1**	**218.3**	**74.4**	**114.1**	**128.4**

1. Operating costs exclude depreciation, amortisation, impairment charges, asset write-offs and operating taxes. Employee wages and benefits, payments to governments and community investments are normally part of operating costs, but have been excluded as they appear on separate lines in the table.
2. Payments to providers of capital have been included on an accruals basis and include interest paid on long-term debt, capital and interest payments on right-of-use assets, net debt repayment, dividends and own share reserve purchase paid to Convatec shareholders.
3. Payments to governments include corporate income taxes, sales taxes, real estate taxes and other taxes, but exclude employer portion of payroll taxes, as they are included in employee wages and benefits.
4. Calculated as costs associated with charitable community donations. See page 59 for calculation of value to communities.

Contribution to governments

We are fully committed to meeting our legal tax obligations in each of the countries in which we operate. We fully support and embrace greater transparency with tax authorities and the initiatives being introduced by the Organisation for Economic Cooperation and Development (OECD) and governments to ensure clarity and adherence to the tax laws of each jurisdiction in which we operate. Our Tax Strategy is available at www.convatecgroup.com/investors/governance/our-policies-and-statements/.

Responsible business review – planet and communities continued

SUPPORTING COMMUNITIES

Our forever caring promise guides how we engage with our communities.

Globally, our approach is to support community partnerships on issues that closely align with our vision and values, and where the majority of our people are based and their impact is made. In recognising that the way in which we operate enhances the contribution we make to local communities, we maintain partnerships with select non-governmental organisations (NGOs) to achieve maximum impact. These partnerships focus on issues of healthcare access/equity, education and disaster relief.

Partnerships

Disaster relief

We continued our disaster relief programmes throughout 2024. In May, we worked with humanitarian partners in response to catastrophic flooding in South Brazil which displaced more than 160,000 people. We also helped support those affected by the 7.6 magnitude earthquake that hit the Noto peninsula in Japan, contributing to a safety net system to support ostomates in the areas who may have difficulty accessing products and supplies. We continued our support for the Disasters Emergency Committee, through a $150k donation to their Middle East Appeal.

Health equity and education

In 2024, Convatec entered the second year of a three-year collaboration with the international NGO Partners In Health (PIH). Focused on key geographies of Mexico, Peru and the United States, the partnership aims to advance innovative methods for recruiting, training and deploying Community Health Workers (CHWs) and enhance treatment of chronic conditions. The combination of financial support, product donations, and medical education has so far trained 700 CHWs in underserved communities, by extension touching over 80,000 lives. To see more about the partnership, its objectives, and impact numbers, see www.convatecgroup.com/sustainability/protecting-the-planet-and-supporting-communities/supporting-communities/.

Engagement and volunteering

Throughout the year, Convatec colleagues spent hundreds of hours in their communities, participating in volunteering activities on issues that matter to them. For the third year, we hosted 'Forever caring month' to encourage colleagues to get involved in their communities and utilise company supported volunteering time. Stories are shared and celebrated as a way to witness our forever caring promise for communities.

Developing meaningful relationships with community partners is especially important for colleagues at our manufacturing sites, where we have significant footprints in the area. For years, colleagues near our sites have cleaned up beaches and roadsides, fundraised through football, and spent time with children with cancer and elderly residents at local care homes.

Our two-day volunteering policy makes it easy for colleagues to engage in community service. Business units, functions and our ERGs contribute to local market activities as well.

→ For a summary of Forever caring month, watch this short video: www.vimeo.com/1047416089/0fa70334a2?share=copy

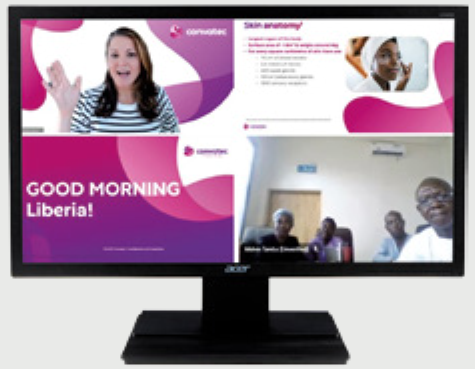
Medical education

In line with our forever caring promise, we support HCPs through our medical educational programme. We provide grants to support HCPs and third parties (such as scientific congresses, regional bodies, medical associations, educational and hospitals) supporting their engagement with educational and scientific meetings, programmes, workshops, events, activities, and public education, non-contingent on the use of Convatec products. We progressed on our target to reach more HCPs with medical education programming and patient education programmes – supporting over 2,300 HCPs with medical education grants and engaging over 237,000 HCPs in educational programmes.

FOREVER CARING IN ACTION

Wound care training

As part of our partnership with PIH, last year we kicked off a medical education training programme in Liberia. The session, held at the J.J. Dossen Hospital in Liberia, centred around the fundamentals of wound healing and was designed to build on the current knowledge of healthcare providers at the hospital. Managed by our Medical and Clinical Affairs team, the virtual sessions addressed a series of topics around AWC for PIH HCPs in Haiti, Liberia and Sierra Leone. The sessions were recorded and compiled in a training library for the sites. For more information on PIH, visit their website at www.pih.org.



Partners In Health

2024 VALUE TO COMMUNITIES

In line with our forever caring promise and values, we supported our communities through:

$1 million +
to community partners through programming and disaster relief

$2.5 million
Product value donated to charity partners[1]

237,000+
HCPs and patients participated in educational programmes

~$457,000
in medical education grants supporting over 2,300 HCPs

1. Product value calculated using regional average sale price. Includes discounted contribution from products with shortened shelf lives.

STATEMENTS

Independent assurance

In line with our commitment to transparency, we commissioned Deloitte LLP for the third year to perform limited assurance procedures on selected key performance indicators as detailed in our Responsible business review 2024. The assurance was completed in accordance with the International Standard on Assurance Engagements 3000 (revised) (ISAE 3000) and 3410 (ISAE 3410). Details of the procedures performed are outlined in Deloitte's independent assurance opinion, which can be located at www.convatecgroup.com/investors/governance/our-policies-and-statements/.

Performance data

The scope of Deloitte's work covered the following 2024 disclosures (performance data) from the review:

- Greenhouse gas emissions: Scope 1 (12,360 tonnes CO_2e); Scope 2 (market based) (1,463 tonnes CO_2e); Scope 2 (location based) (23,324 tonnes CO_2e) (page 55)
- Emission intensity (location based: 15.6 tonnes CO_2e/$million revenue and market based: 6.0 tonnes CO_2e/$million revenue) (page 55)
- Energy consumption (127,114 MWh) (page 55)
- Energy intensity (0.056 GWh/$million revenue) (page 55)
- Health and safety: operations lost time injuries rate (0.16) and hazard observation rate (291) (page 48)
- DE&I and Wellbeing: percentage of females in senior management and CELT (45%) (page 47)
- Quality: Complaints per million (22.8) (page 13)

Deloitte's full Assurance Statement, including opinion and basis of opinion is available at www.convatecgroup.com/sustainability/esg-reports-and-data/.

Basis of reporting and ESG definitions

We regularly assess the scope of our ESG assurance and covered metrics. Convatec's basis of reporting for the above metrics and all other ESG target definitions can be found at www.convatecgroup.com/sustainability/esg-reports-and-data/.

Completeness of information

The information contained in the Responsible business review section of our 2024 Annual Report and Accounts covers all operations over which we had financial control for the 2024 financial and calendar year. It also covers all of the issues identified in our ESG framework and places emphasis on the most material issues.

Where a reported KPI does not relate to the entire organisation for the whole year, the scope of its boundaries is indicated. Businesses acquired or disposed of during the year are not included in our reporting for that year except where disclosed otherwise.

Task Force on Climate-related Financial Disclosures

Statement of Compliance

Convatec is committed to the continued adoption and alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as a means to effectively integrate climate considerations into our business. Our disclosure is compliant with the UK Government's Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the FCA Listing Rule UKLR 6.6.6(8) on climate-related financial disclosure.

The table below summarises how we comply with the TCFD recommendations. Further supporting information can be viewed in our ESG section of the annual report under the 'Protecting the planet and supporting communities' pillar on pages 52 to 59.

Recommendations	Relevant information	Status	Page ref
GOVERNANCE			
a) Board oversight	– Responsibility for the identification and management of climate-related matters – Frequency of engagements on climate-related matters	Comply	Page 61
b) Management's role	– How climate is integrated across business processes and frameworks	Comply	Page 61
STRATEGY			
a) Climate-related risks and opportunities	– Description of time horizons used in the analysis – Climate risks and opportunities identified	Comply	Page 62
b) The impact of climate-related risks and opportunities	– Climate scenario analysis, including qualitative and quantitative impact assessment results and the management response measures – Climate integration in financial planning processes and climate transition plan on alignment to net zero	Comply	Page 63
c) The resilience of the organisation's strategy	– Description of climate scenarios used – Conclusion on climate resilience under different scenarios	Comply	Page 64
RISK MANAGEMENT			
a) Describe the organisation's processes for identifying and assessing climate-related risks	– Process and methodology to identify and assess climate risks and opportunities	Comply	Page 70
b) Managing climate-related risks	– Process to identify and select risk controls	Comply	Page 70
c) Integration into overall risk management	– Overview of climate integration in Convatec enterprise risk management framework	Comply	Page 70
METRICS AND TARGETS			
a) Climate metrics	– Overview of climate metrics and targets used to monitor performance – Climate metrics used to monitor risk and opportunity exposure	Comply	Page 71
b) GHG emissions	– Scope 1, 2 and 3 GHG emissions reported in responsible business section	Comply	Page 71
c) Climate targets	– Climate commitments to align with the low-carbon transition and to reduce our exposure	Comply	Page 71

GOVERNANCE

The responsibilities of the Board and management on climate-related issues are described on pages 34 and 35. The CEO has overall responsibility for climate matters, whilst the Board has strategic oversight of Convatec's climate ambition and transition plan (see page 54). The Board is supported by the following governance bodies with climate-specific roles relating to the identification, assessment, management and disclosure of climate risks and opportunities (R&Os):

- **ESG Steering Committee:** The Committee is chaired by the CEO and discusses the progress of Convatec's Climate Transition Plan including its Climate Strategic Ambition, as well as supporting the overall implementation of the Group's vision and ESG strategy through the strategic planning process.
- **Audit and Risk Committee (ARC):** The ARC is responsible for ensuring compliance with all relevant regulations and laws, including TCFD, and monitoring programmes to achieve compliance. In addition, the ARC is also responsible for reviewing and approving Convatec's management of all risks, including any material climate-related risks. Risk controls are identified by affected business units, with the support of the TCFD working group and risk team. In a bottom-up approach, risk owners are identified in each business unit and responsible for identifying appropriate controls, monitoring risk exposure, and providing two of four quarterly updates. In addition, some controls are defined as top-down as climate change is managed under the Principal Risk 'Environment and Communities'. **Convatec Executive Leadership Team (CELT):** The CELT has delegated responsibility from the Board to set the direction of Convatec's strategy, ensure climate-related issues have appropriate management in place, and cascade this through the organisation.
- Remuneration Committee: Responsible for setting and monitoring variable compensation performance metrics for CELT members, which include performance against ESG objectives. The Remuneration Committee has a close relationship with the ESG Steering Committee for the preparation and sign-off of public disclosures, which include TCFD-related information.

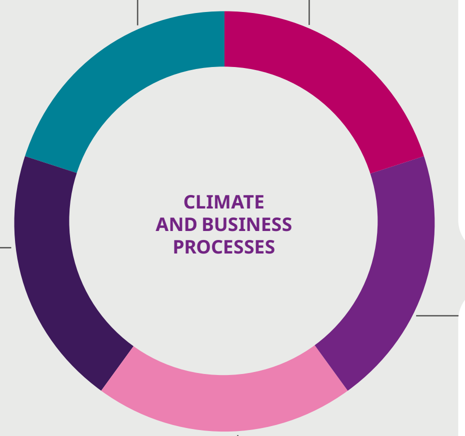
Frequency of engagements on climate-related matters: ESG, including climate-related matters, is a regular agenda item across most Board and management committees. In FY2024, there were two formal updates on climate-related matters in 2024 Board meetings. For further details on the frequency of meetings please see page 35.

Our approach to climate resilience

Climate-related risks and opportunities have been assessed and managed as a Principal Risk since 2021. Since then, Convatec has continued to embed climate change into its business practices and operations to strengthen climate resilience and help drive actions to reduce our value chain GHG emissions.

Strategy management
Our strategy includes the environment as an ESG priority aspect. In our annual strategic planning cycle, each business unit considers actions and resources required to meet our ESG objectives, which includes climate. This helps to inform the development of the annual business plan and budget.

Goals and targets
We are committed to the net zero transition, and reducing our environmental impact across emissions, waste, water and product life cycles. We have updated our climate strategic ambition, and will use this to inform actions required to deliver on our climate-related targets.



Risk management
Our in-depth climate scenario analysis informs the Environment and Communities Principal risk and ensures suitable resources are allocated to risk controls. For example, we are committed to implementing decarbonisation initiatives to minimise our environmental impact and reduce exposure to transition risks. Additionally, we maintain comprehensive insurance coverage across our sites and have established dependency flows to support business continuity in the event of disruptions.

Performance monitoring
We have KPIs associated with our environmental ambition and report our annual performance alongside multiple years of historical data.

We are working on ways to improve data collection and reporting processes by assessing data sources and internal and external reporting requirements. As part of this process, we will also establish additional metrics as relevant.

Decision-making frameworks
Climate considerations are included in M&A due diligence as well as capital allocation. We have also developed tools and resources like the Green Design Guidelines which foster sustainability behaviours in day-to-day activities.

TCFD disclosure continued

STRATEGY

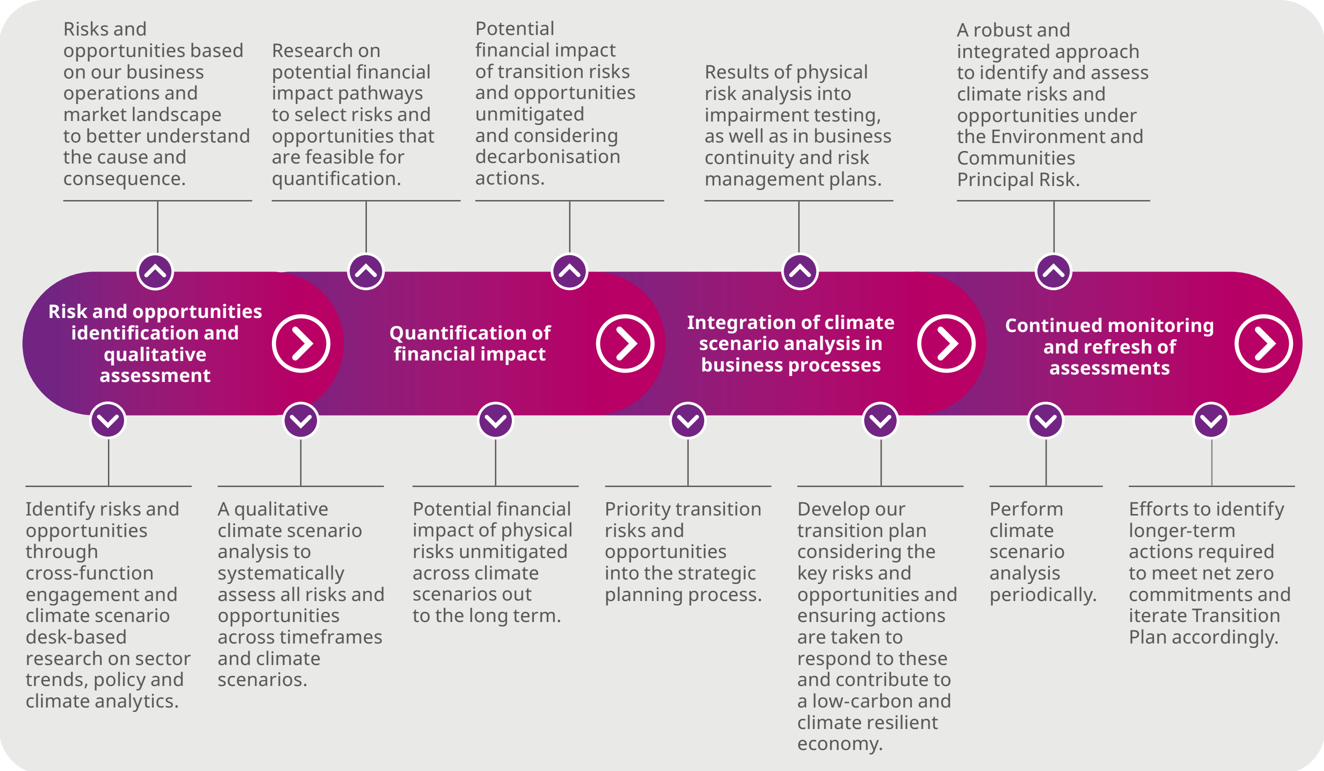
Our climate scenario analysis approach

This is the third year we are reporting against the TCFD recommendations, and we have taken the opportunity to further develop our climate scenario analysis (CSA) approach with each iteration. In this reporting period, we are compliant across all TCFD recommendations, and our climate scenario analysis combines both qualitative and quantitative assessment of potential physical and transition impacts, the outputs of which help to inform our management response and better integrate climate considerations into our business.

Summary of our climate scenario analysis development:

- **FY2022: Established** process for our first qualitative CSA of transition and physical impacts (for material manufacturing sites).
- **FY2023: Supplemented** our assessment with quantitative CSA including financial impacts from a selection of transition and physical value drivers.
- **FY2024: Updated** our CSA with the latest climate models and expanded our physical climate assessment to include all owned manufacturing sites.

Our analysis approach is reviewed annually, and formally refreshed at least every three years as part of our continual monitoring and integration of climate considerations within business processes and operations. It will be fully refreshed next in FY2026.



Our climate scenario analysis approach

Risk identification: By using the TCFD guidance, climate scenarios and our own industry perspective, we can identify relevant climate impacts which we then interpret and align to the specifics of our business value chain. Information sources include a review of regulatory requirements related to climate change, climate policy and climate scenario research, a review of peer disclosures and internal engagement with business function leads.

Time horizons: Climate impacts can vary over time. For the assessment of climate impacts, short-term time horizon (zero to one year) aligns with that of our risk management and business planning near term period, medium term (two to five years) aligns with the strategic planning cycle in which climate matters are integrated, and long-term (six years to 2050) aligns with Convatec's goal of achieving net zero and the longer term nature in which climate issues may manifest.

Qualitative assessment methodology: Identified climate-related risks have been assessed qualitatively against the likelihood of occurrence, magnitude of impact and vulnerability, where vulnerability is a function of exposure, sensitivity and adaptive capacity. Sensitivity reflects the predisposition of organisations, assets, societies, processes, or systems to be adversely affected by risk. Adaptive capacity refers to characteristics or actions that may reduce the risk posed by a hazard and alleviate vulnerability. Climate opportunities have been scored based on the potential size of opportunity through avoided costs, increased revenue, and the ability to realise the opportunity.

Scoring: Semi-qualitative scoring allows for the prioritisation of possible impacts on which the business agrees to focus control measures and investment. Each term is scored on a five-point scale, and scoring thresholds are defined for each indicator to ensure a consistent and comparable approach is applied across all impacts, climate scenarios and time horizons. Our materiality threshold is determined by qualitative scoring of 1-5 across different criteria, informed by stakeholder engagement and desk-based research. Risks that are deemed to be most significant to the business will typically involve a critical asset, cause disruption to multiple assets, or affect a large portion of our supply chain or customers. Significant opportunities are those where we consider the business to be in a good position to realise the opportunity, either due to alignment of business strategy or low market competition. Where methodologies allow, we have sought to better understand the business impact from a selection of priority physical and transition impacts through the quantification of potential financial impact across different climate scenarios.

Financial assessment methodology

Physical risk

This year, Convatec has refreshed its financial assessment of potential losses associated with physical climate risk to include all manufacturing sites and apply the latest climate data projections. The forward-looking assessment modelled the potential impact of productivity loss and asset damage driven by various climate indicators which are categorised into the following hazards: flood, wildfire, heat stress, storms, and water stress.

The climate analytics are sourced from Climate Insights, a tool owned and developed by ClimSystems (part of SLR). The data from the Climate Insights tool shows the potential future change in climate variables based on global climate models (GCMs), using the scenarios described on page 64. The climate data provided is correlated to our business data, including building value and revenue generation, to provide an annual assessment of the potential value at risk (VaR) experienced from repair costs for asset damage, and revenue loss due to decreased productivity driven by the likes of employee efficiency and site closures. As such, it is not a forecast of potential annual costs or revenue losses but is a helpful indication of the potential impacts of physical climate change events which are likely to increase over time. The analysis does not consider any mitigation actions that the business has or would implement.

We have considered the potential increase in losses over time, compared to exposure in 2024 as a baseline. We have presented this as the net present value of the cumulative cash flow impact for the period 2024 to 2050, discounted at the Convatec WACC. The results are presented for the 50th percentile, indicating the 'best guess' on the potential impact under each scenario. To provide a 'worst-case' view for the purpose of ensuring appropriate risk controls we have not accounted for physical risk mitigation or adaptation measures that reduce our exposure.

The updated climate variable data has resulted in an overall increase in the unmitigated potential financial risk, which is due to enhancements to data models and methodologies used. Whilst the financial values have increased, these figures are only indicative and our overall assessment outcomes in terms of site exposure to climate variables and the extent of this has not changed.

Transition risk

Our financial assessment of transition risks has focused on the potential increases in costs of direct operations at our manufacturing sites – associated with energy prices and carbon taxes, as well as increases in costs from raw material suppliers – using carbon tax as a proxy. The potential impacts are determined for two business cases. A reference case where no further decarbonisation action beyond what is known and planned is taken, and a mitigation case where Convatec achieves its near- and long-term emission reduction targets.

The climate-related information is sourced from the IEA's World Energy Outlook which outlines current trajectories as well as the required level of policy action to limit global warming to 1.5⁰C b y the end of the century.

This information is overlayed with our business data on projected energy consumption and emissions profile to 2050.

The projections on our energy and emissions correspond with the same data used for our net zero and transition plan modelling to ensure consistency and alignment in the level of investment required to mitigate risks, achieve targets, seize opportunities, and align with the low-carbon transition. As such, our long-term emissions projections have been updated. This reflects our decarbonisation pathway modelling, which highlights opportunities for greater reductions due to technological advancements and areas where we have significant influence and control. The outcome provides a climate-adjusted view of cashflows. These are hypothetical absolute costs which could affect the cost base of our operations in the future. To understand the potential downside, we have assumed a 'worst-case' and less likely scenario where our major operations (all manufacturing assets and material suppliers) are subjected to carbon pricing as a proxy to transition costs. Across the different scenarios analysed, we used the price projections to inform the range in ambition level but assumed a start date of carbon tax impact in 2030 for our raw materials as there is uncertainty in the applicability and likelihood of suppliers being subject to additional transition costs that will be wholly passed on to us.

TCFD disclosure continued

Climate scenario modelling

We assess identified climate-related risks and opportunities across a range of forward-looking climate scenarios to account for future uncertainty in regional mitigation and physical climate change. Our analysis draws upon multiple scenario sources that align with three broad scenario pathways, including Ambitious Policy, Middle of the Road and High Warming. By using multiple climate scenario sources, we can draw on a broader range of scenario indicators that help describe how future climate-related outcomes could impact the business. The selected climate scenarios and the underlying scenario data sources are described in the table below.

In the risk and opportunity matrices (pages 65 to 67), we present the most significant risks and opportunities identified and show the relative significance of the potential impact over the short to long term and across three climate scenarios.

Our climate scenario selection

	Ambitious Policy Scenario	Middle of the Road Scenario	High Warming Scenario
Scenario storyline	1.5°C aligned scenario, where global CO_2 emissions are cut severely, with ambitious and gradual efforts to limit temperature rise.	Slow, less ambitious policy action or a time lag before sudden ambitious action. Emissions remain stagnant in the near term with notable shifts occurring between 2030 and 2050.	Limited to no action, with society continuing along past trends and emissions increasing significantly, resulting in extreme warming.
Rationale for selection	Analysis of a 1.5°C scenario is key to understanding our business's compatibility with the commitments of the Paris Agreement. In addition, it allows us to consider how growing regulatory pressure on energy systems, directly on our operations and on our supply chains, may generate or exacerbate transition risks and opportunities.	Analysis of a 'middle-of-the-road' scenario is useful for having a view that is consistent with the pace of current climate regulation but that anticipates that this may accelerate as we reach a point of inevitable policy response which could be disordered and aggressive due to the delayed nature. As temperatures are warmer, this scenario indicates the potential blend between significant physical and transition risks.	Analysis of a high warming scenario provides us with a view on the upper range of physical risk that might be expected, should climate action deteriorate or if the climate system is more sensitive to GHG concentrations than expected by current models.
Temperature range outcome by 2100	1.3°C – 2.4°C	2.1°C – 3.5°C	3.3°C – 5.7°C
Sets of climate scenario sources	NGFS Orderly transition REMIND-MAgPie Net Zero scenario IEA Net Zero scenario IPPC's SSP1-2.6	NGFS Disorderly transition REMIND-MAgPie Delayed Action scenario IEA Announced Pledges scenario IPPC's SSP2-4.5	NGFS Hot House World REMIND-MAgPie Current Policy scenario IEA Stated Policies scenario IPPC's SSP5 8.5

Our climate-related risks and opportunities described

The identified risks and opportunities are grouped into four themes that represent the value chain and impact drivers:

1. Supply chain and raw materials used includes risks and opportunities related to material availability and price
2. Direct operations and processes includes risks and opportunities related to our manufacturing and day-to-day operations
3. Stakeholder expectations includes risks and opportunities related to corporate regulation as well as shifting requirements from suppliers, customers, investors and other stakeholder groups
4. Physical damage and disruption includes risks and opportunities related to changing weather conditions over time

Risk and opportunity themes	Ambitious Policy potential scenario impact	Middle of the Road potential scenario impact	High Warming potential scenario impact
Supply chain and sustainable design	Convatec will have access to sustainable materials but will face high competition to procure alternatives. Investment into R&D will increase quickly to adapt existing products and design new products that align with a transitioned economy.	Convatec will be investing in its R&D of new products to use lower emission materials if available. Suppliers may increase their costs to Convatec over time, as they are faced with a surge in price due to transition policies.	Sustainable and low emissions technology will be limited. Convatec will focus on creating lower emission products whilst still producing its current portfolio to meet customer needs.
Direct operations and processes	Direct operational costs will change, predominantly driven by the energy transition which brings volatility in purchase agreements. There is also the possibility of a global carbon pricing mechanism which puts a cost on our carbon emissions.	Convatec will continue to decarbonise its operations and will experience a significant demand for renewable energy, increasing competition and cost in 2030.	Convatec would continue to decarbonise against its 2045 net zero target with no surge of efforts required until 2045.
Stakeholder expectations	To comply with new climate policies set by governments and sectors, Convatec will need to increase its resources in sustainability management to meet regulatory requirements and show progress against ESG metrics and targets.	Strict climate policies and targets are implemented suddenly, which require Convatec to comply quickly. This would result in a large request of resource and allocated capital.	Convatec would have to comply with its existing climate targets and stakeholder expectations. Resource increase would be minimal as Convatec would move to a performance platform to measure success against ESG metrics.
Physical damage and disruption	The physical climate will not significantly divert from the climate we experience today, as such Convatec sites will have low exposure to key climate hazards.	Changes in climate would affect Convatec's high-exposure sites, resulting in expensive building repairs and insurance premiums. Convatec's insurance may not be available in specific locations, increasing the potential exposure to losses and capital costs. Disruption in production would occur in high-exposure areas.	All Convatec sites will experience high-frequency and high-damage events, with large expenses dedicated to building repairs and maintenance and making up for lost time in production disruptions. Production loss would be frequent, and customers may not want to continue their relationship with Convatec, if other suppliers demonstrate better resilience.

Climate scenario analysis results

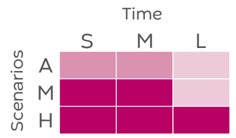
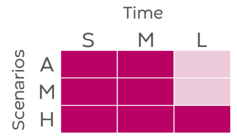
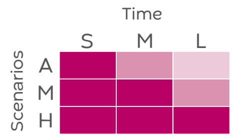
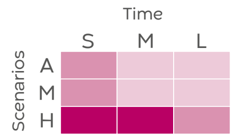
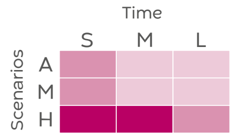
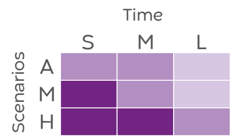
The table below identifies the risks and opportunities which sit within each of the four themes (described on page 64).

Relative risk impact	Relative opportunity impact	Scenario	Time period
Low	Low	**A = Ambitious**	S = Short term (0–1 years)
Medium	Medium	**M = Middle of the road**	M = Medium term (2–5 years)
High	High	**H = High warming**	L = Long term (6+ years to 2050)

In the table of results (below), we include both qualitative and quantitative financial impact assessment results. The assessment score for each risk and opportunity is our qualitative assessment of the relative potential financial impact to Convatec, showing how the impacts may vary over time and climate scenarios. The methodology of the qualitative assessment is outlined on page 62, and the quantitative assessment on page 63. To date, the quantitative financial impact assessment has included the impact from physical risks at all key manufacturing assets and the potential costs associated with the low carbon transition on our material procurement and site operations.

Supply chain and sustainable design

The largest proportion of emissions in our value chain are derived from the materials Convatec uses, the majority of which come from petrochemicals. Exploring the feasibility of sustainable design options across our product portfolios and packaging, focusing on new product development, is an essential activity required to reduce the embodied GHG emissions and manage transition risks associated with a change in material availability and price.

Risk/opportunity	Assessment	Risk/opportunity	Assessment
HIGHER SUPPLIER COSTS: Increase in price for purchased goods and services as suppliers transition costs may be passed on to Convatec.		**ALTERNATIVE MATERIAL AVAILABILITY:** Lack of opportunity for sustainable material alternatives and possible bottlenecks in advanced materials due to expected high demand.	
PETROCHEMICAL RELIANCE: Period of increased competition for petrochemical-based materials as road transport demand for oil declines.		**MATERIAL REGULATION:** Regulation (e.g. taxes on single-use plastics) and sudden shifts in consumer perception of materials could inhibit the use of certain materials.	
PRODUCT EFFICACY: Limited options to use sustainable materials without compromising product efficacy, or restricted access to solutions if competitors patent designs.		**SUPPLY DIVERSIFICATION:** Lower emission materials may also increase diversity and resilience of supply, e.g. by reducing reliance on petrochemicals.	

Financial impact

The potential cost increase from raw material suppliers passing on carbon-related costs is expected to range $40m – $55m across climate scenarios. This represents the net present value for 2025 to 2050 assuming we achieve our net zero decarbonisation plan, refer to page 54 for calculation methodology.

Strategic insights

Suppliers face increased costs during transition to a low-carbon economy which increases procurement costs. This could impact profit margins or result in a loss of sales if products are not priced competitively.

Increased competition for sustainable materials, as well as lack of these alternatives, in addition to decline of petrochemical based materials, could result in material shortages. This may disrupt production and increasing investment in R&D, as well as costs to meet regulatory compliance for any product design changes.

Management and resilience response

We have created a supplier engagement strategy to increase the number of suppliers with green credentials to improve our use of sustainable materials. Our suppliers are encouraged to set an emissions reduction target and provide its annual emissions to Convatec to help strengthen our Scope 3 footprint and promote positive action through our suppliers.

We are continuing the integration of the Green Design Guidelines and the associated digital product sustainability tool that calculates the emissions associated with materials used in Convatec's product library and our packaging solutions to reduce our product's emissions and environmental impact. In addition, we are collaborating across our industry and lobbying of governments, to drive innovation and identify sustainable solutions which support the decarbonisation of the sector while meeting the needs of patients.

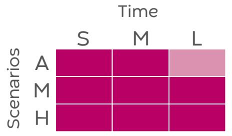
TCFD disclosure continued

Direct operations and processes:

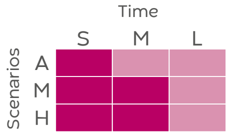
In transitioning to a low-carbon economy, Convatec will be affected by global and national policy interventions which will increase the cost of emitting carbon. While Convatec is not currently subject to global carbon pricing mechanisms, it may face a change in the cost of energy as well as restrictions on energy-intensive processes such as sterilisation. During the energy transition, there is uncertainty about how the supply of renewable sources will meet the exponential increase in demand, and Convatec could be faced with reduced availability of renewable energy or price volatility.

Risk/opportunity | Assessment

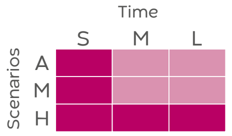
ENERGY COSTS: Change and volatility in energy prices, increase the operating costs of direct operations.



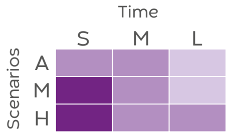
CLIMATE INVESTMENT: Cost to invest in climate mitigation and adaptation of operations.



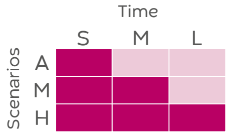
RENEWABLE ENERGY: Limited availability of renewable energy.



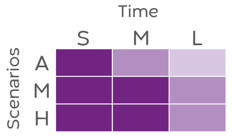
ENERGY EFFICIENCY: Implementing energy efficiency projects in offices and manufacturing plants.



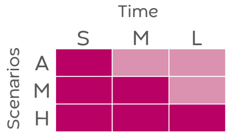
CARBON TAX: Increased pricing of GHG emissions applied to direct operations.



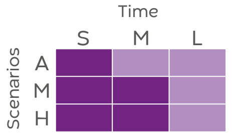
SELF-GENERATION: Investment in on-site renewable generations or power purchase agreement.



MANUFACTURING REGULATION: Increase in regulations that affect our manufacturing processes.



HEAT DECARBONISATION: Decarbonisation of heat to reduce reliance on fossil fuels in manufacturing operations.



Financial impact

The potential cost impact from changes to energy prices, renewable energy procurement and potential introduction of carbon pricing mechanisms is not expected to cause a negative financial impact on our operational costs. This is due to our planned decarbonisation which minimises potential costs from carbon taxation mechanisms, whilst our procurement of low-carbon and renewable energy minimises the potential risk of higher prices from fossil fuels and impacts of volatility. We are aware that our decarbonisation plan requires upfront capital expenditure as described on page 53, and that there could be some financial impacts from energy costs due to volatility and uncertainty during the energy transition. As such, we are committed to the continual monitoring of this risk.

Strategic insights

Convatec may experience an increase in operational costs associated with renewable energy procurement, changes to energy price driven by the expansion of global carbon pricing mechanisms, as well as large upfront costs to direct capital for decarbonisation initiatives.

However, Convatec is dedicated to reaching its emissions targets by reducing its emissions across its manufacturing portfolio. Implementing efficiency measures and avoiding transition costs will achieve operational cost savings, which will help combat initial costs associated with investments in mitigation activities.

Management and resilience response

We have decarbonised a selection of our sites through improved efficiency and renewable electricity procurement, as well as having installed on-site renewable energy at three manufacturing sites, and are currently procuring 95% renewable energy.

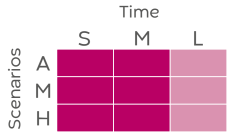
Switching from natural gas to lower-carbon or renewable energy sources for heating will reduce Convatec's exposure to future increases in the cost of consumption of fossil fuels and volatility of electricity prices.

We plan to introduce a bespoke carbon price to use within capital allocation to support the investment direction towards projects that avoid GHG emissions or deliver GHG reductions.

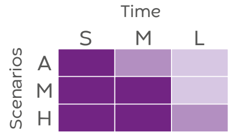
Stakeholder expectations:

Convatec recognises that managing climate-related risks and opportunities is essential for delivering long-term value and building climate resilience. Stakeholder expectations on transparency, ambition level and performance against ESG and climate matters are evolving rapidly.

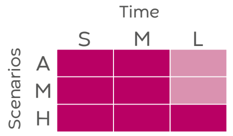
REGULATION COMPLIANCE: Additional costs to comply with evolving regulations and exposure to climate-related litigation.



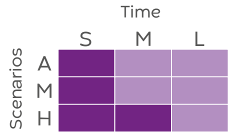
SUPPLIER RESILIENCE: Increase resilience in the supply chain to be able to better absorb climate-related shocks.



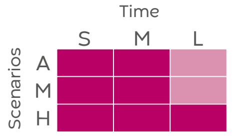
INVESTOR TRANSPARENCY: Increased investor concern and scrutiny over climate credentials.



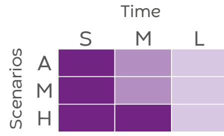
USING CLIMATE DATA: Use of data to manage climate risk and seize opportunities.



CUSTOMER REQUESTS: Customers request greater climate ambition and transparency.



INDUSTRY COLLABORATION: Collaboration in industry and lobbying of governments to address climate impacts.



Financial and strategic impacts

There is an increasing volume of legislation and reporting requirements which require appropriate resources to respond to and manage increasing stakeholder scrutiny. This could result in reduced access to capital or increased cost of capital may occur if investors switch to better climate-performing stocks.

Stakeholder (including investors and customers) requests for climate information are rising, with high expectations on ambition, transparency of disclosure, and management of risks and opportunities. For example, the NHS has laid out a supplier roadmap to net zero, which sets out requirements to 2030, such as reporting progress against net zero and enhancing product-specific data. There is the potential impact on tenders if Convatec does not meet the 'rules of engagement'. Customers may switch to alternative suppliers demonstrating accelerated climate action, resulting in sales and market share loss.

Management and resilience response

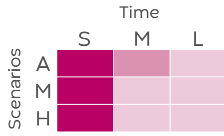
We are undertaking frequent reviews of investor priorities through consistent engagement to ensure Convatec meets expectations. This has involved reviewing performance and reporting on progress against environmental targets using ESG rating indices to indicate evolving investor expectations on climate performance.

Convatec is continuing its investment, use and roll out of data management tools and software, e.g. increasing supplier engagement through EcoVadis and TransVoyant to reduce and monitor distribution costs and increase the efficiency of logistics to identify any hotspots that require additional attention to continue our progress.

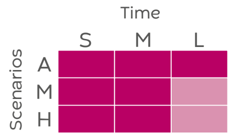
Physical damage and disruption:

In the future, gradual climate changes and the increased frequency of extreme weather events will impact global value chains. While Convatec is aware of the physical climate hazards most prevalent across our manufacturing sites and can implement adaptation and control measures to reduce the risk, Convatec has less influence over how suppliers manage climate risk.

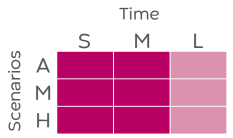
DAMAGE AND PRODUCTIVITY LOSSES: Increase in repair costs, and loss of productivity at manufacturing sites due to extreme and gradual climate changes.



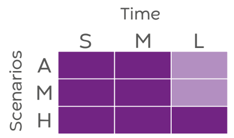
TRANSPORT DISRUPTION: Disruption in transportation both upstream and downstream due to extreme weather conditions.



SUPPLIER DISRUPTION: Delays in receiving goods or unfilled orders from suppliers disrupted by climatic events.



WATER EFFICIENCY: Reduce water intensity of operations.



Financial impact

The potential additional financial cost for repairs, maintenance and loss revenue from decreased productivity is expected to range \$80m – \$180m across climate scenarios. This represents the unmitigated net present value for 2025 to 2050, refer to page 63 for calculation methodology.

Strategic insights

Increased costs to manage damage and disruption at manufacturing sites and relocation of operations could result in reduced product production, loss of sales, and an increase in insurance premiums.

Disruption in upstream and downstream transportation due to extreme weather conditions, which, for example, may prevent travel on roads (snowstorms) or unloading/loading at ports (storms), would result in Convatec being unable to meet customer orders on time.

Management and resilience response

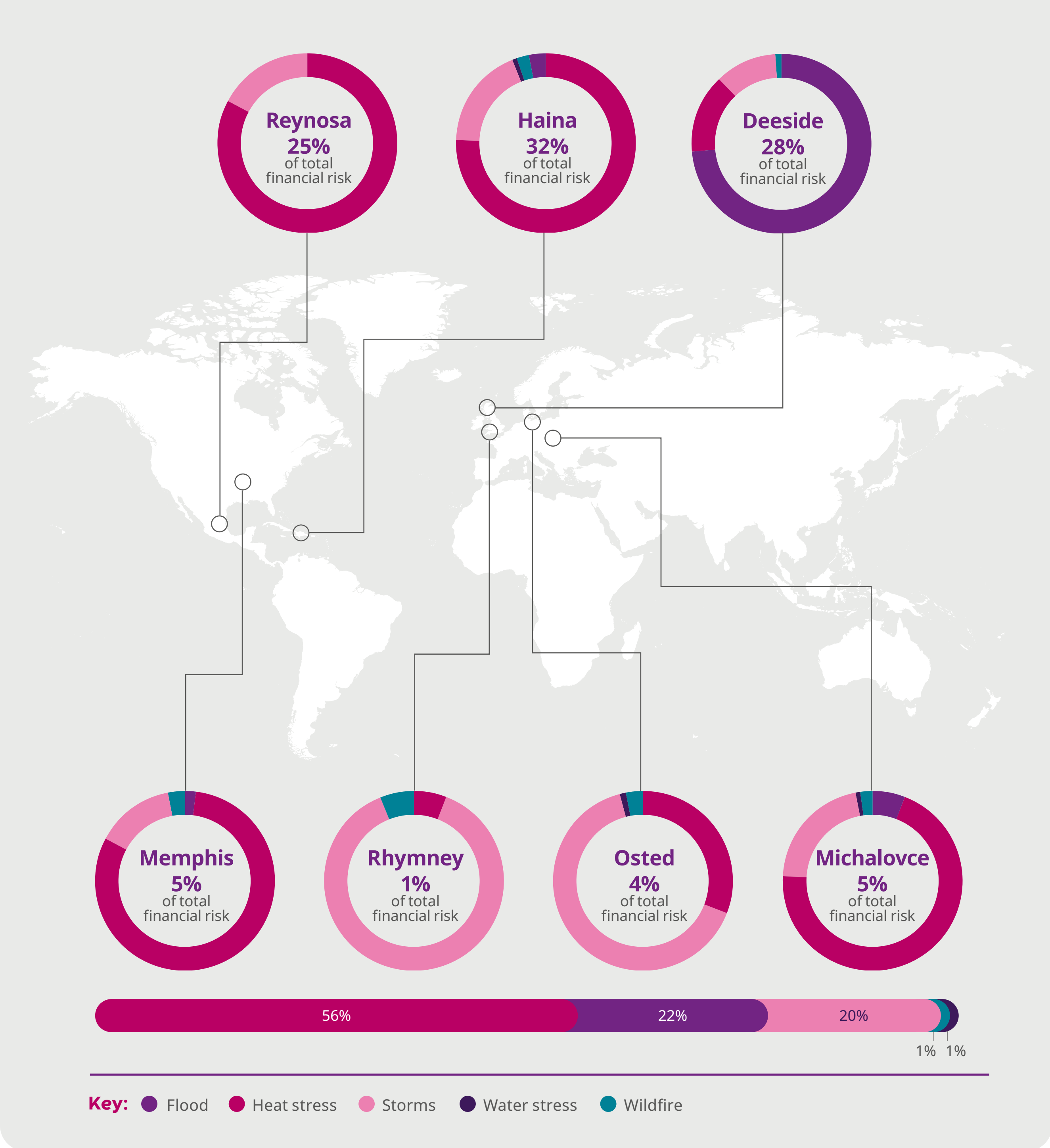
Convatec has site-specific dependency flows and business contingency plans for each manufacturing and distribution location. We also have premium insurance coverage at our high-risk sites to cover major climatic events.

Infrastructure investment is being made to mitigate potential climate-related business disruption, e.g., back-up generators at our plant in Mexico to address power disruption due to extreme cold weather in the US and additional drainage measures at our plant in Deeside, UK, to address flood risk.

We have implemented water efficiency measures, including replenishment initiatives, and are exploring alternative water sources at priority sites (especially those in high-water-risk regions, Haina and Reynosa). This will mitigate the potential impact of degrading water quality and water availability due to climate change.

TCFD disclosure continued

SIGNIFICANCE OF CLIMATE PERILS TO OUR MANUFACTURING SITES



Using ClimSystems' Climate Insights data, as described on page 63, we have assessed our value at risk across a range of climate perils. This provides an initial view on the potential scale of unmitigated financial risk related to damage and repairs as well as productivity losses. This view allows us to see what climate perils our manufacturing portfolio are most financially exposed to, as well as which sites represent the greatest contribution to the unmitigated risk. This shows that our three largest manufacturing sites represent the majority of the financial risk (85%) and our operations are most susceptible to heat stress, flooding and storms.

Actual impacts

Convatec's assessment of actual impacts is based on experiences across its manufacturing sites over recent years. This includes the closure of our plant in Haina, Dominican Republic, as a result of a severe tropical storm, and power disruption to our plant in Reynosa, Mexico, as a result of extreme cold weather. In both examples, our business continuity plans were implemented to carefully manage any impact on our business and the financial impact was negligible.

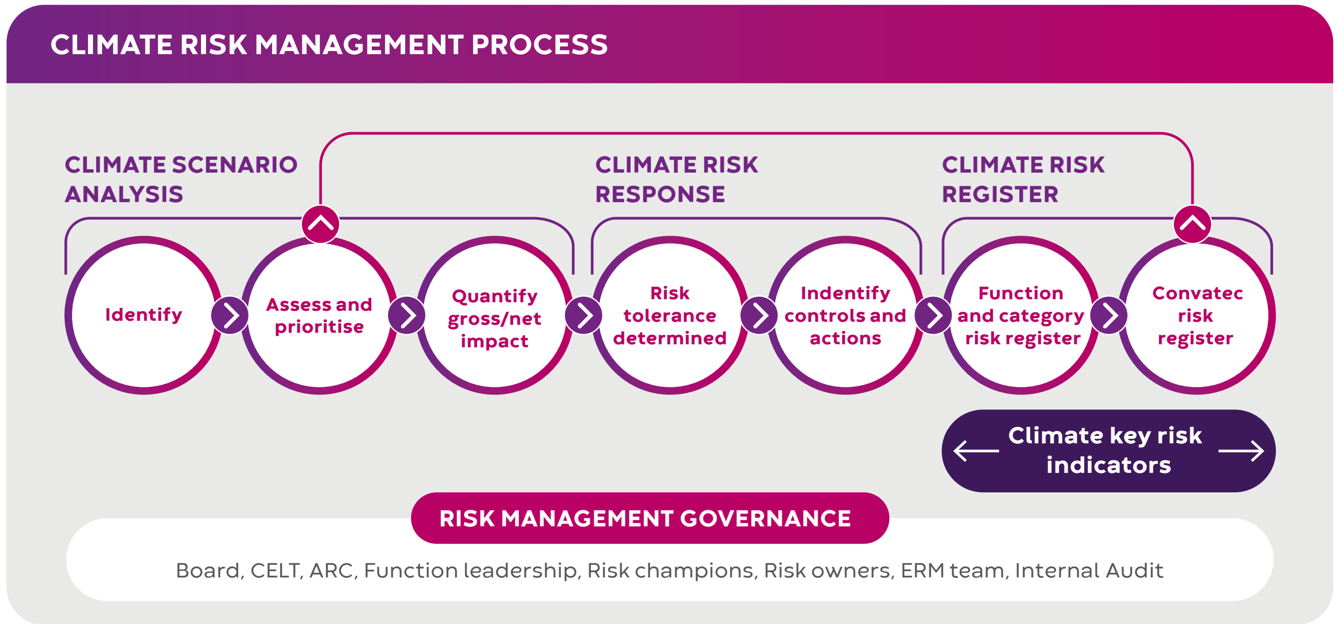
Resilience assessment

The climate scenario analysis outcomes inform the assessment of both unmitigated and mitigated potential climate financial impact which collectively provides a view on our overall climate resilience now and in the future.

Climate resilience	Our responses
TRANSITION IMPACTS Our commitment to decarbonisation and the corresponding climate action significantly reduces our exposure to potential net zero transition financial impacts, and contributes to the achievement of our climate strategy. However, sector specific challenges (including the need to prioritise product efficacy and adhere to lengthy regulatory review periods) limit the speed at which we can implement product related carbon reductions. We have quantified the financial impact across climate scenarios for a selection of transition drivers, including raw material supplier pass on of carbon-related costs, energy prices, renewable energy procurement and potential introduction of carbon pricing mechanisms. The results support our view that the potential residual financial impact from these indicative transition value drivers is within acceptable limits.	– **NET ZERO**: Our net zero targets drive carbon emission reductions in the near and long term. – **SUPPLIERS**: Increasing the number of suppliers with green credentials, sustainable materials and emissions reduction targets. – **PRODUCT DESIGN:** Our Green Design Guidelines and the associated digital product sustainability tool calculates product material emissions. – **PACKAGING:** Investment in packaging solutions reduces our product's emissions and environmental impact. – **DISCLOSURE & TRANSPARENCY:** We review our performance and report on progress using ESG rating indices and systems monitoring across our value chain e.g. CDP, supplier engagement through EcoVadis and TransVoyant to reduce and monitor distribution costs and increase the efficiency of logistics.
PHYSICAL HAZARDS We believe Convatec is resilient to potential impacts under a range of climate scenarios, from those limiting global warming to 1.5°C to more extreme scenarios exceeding 4°C. Convatec's physical risk exposure reveals varying levels of vulnerability across five key climatic hazards at our sites (see page 68). Understanding the potential financial impact of physical hazards is critical to evaluating whether adequate controls are in place at our manufacturing sites. While our qualitative and quantitative climate scenario analyses illustrate the potential unmitigated financial impacts, in practice, our established adaptation strategies and business continuity plans across our manufacturing sites mitigate potential disruptions (see page 67).	– **CONTINGENCY PLANS:** Convatec has site-specific dependency flows and business contingency plans for each manufacturing and distribution location. – **INSURANCE:** We have insurance coverage at our high-risk sites covering major climatic events. – **ADAPTATION MEASURES:** Infrastructure investment is being made to protect against climate-related events such as power disruption and flood risk (see page 53). – **WATER EFFICIENCY:** Replenishment initiatives and alternative water sources at priority sites in high-water-risk regions, to mitigate degrading water quality and water availability.

Climate change remains a cornerstone of our strategy, embedded within our ESG framework and business objectives, ensuring that we continue to manage risks and capitalise on opportunities in the transition to a sustainable future.

TCFD disclosure continued



RISK MANAGEMENT

Identifying, assessing, and managing climate risks using a climate scenario approach

Convatec has conducted a scenario based assessment of identified risks and opportunities, as described on pages 65 to 67. The staged approach to assessment means we have a foundational understanding of all identified risks and opportunities to reference to. This means that where, to date, we have not been able to quantify the potential financial impact we still have a comprehensive assessment to reference.

Our climate resilience assessment and responses to both transition impacts and physical hazards are set out in the table on page 69.

Risk governance

Climate-related issues are embedded within the Environment and Communities Principal Risk, reflecting Convatec's strategic commitment to aligning with the net zero transition and integrating a low-carbon economy into our operations.

The Board conducts a bi-annual assessment of Convatec's principal risks, supported by CELT, the risk management team, and a network of risk champions across the organisation. This network ensures the continuous identification, assessment, and management of key risks, as well as the implementation and monitoring of control measures throughout the year.

Relevant members of CELT are accountable for owning and managing risks, maintaining the effectiveness of internal control processes, and implementing robust risk mitigation plans. Oversight of the Environment and Communities risk is led by the Chief Quality & Operations Officer.

Integration of climate in risk management

Convatec's approach to climate risk is fully integrated into our broader risk management framework, as outlined above. Beyond company-wide assessments, we conduct climate scenario analysis to ensure a comprehensive evaluation of climate issues over long-term horizons. Risks and opportunities are identified with consideration of the specific geographies, business units, functions, and assets affected.

Our risk management processes combine top-down and bottom-up approaches to inform decisions on controlling, mitigating, or accepting climate-related risks. The Environment and Communities Principal Risk sets the risk appetite, guiding the allocation of resources and investments. This principal risk is further refined by bottom-up scenario analysis, which highlights the scale of potential impacts across timeframes and climate scenarios.

Many of the measures we use to mitigate climate risks also present opportunities to strengthen resilience, achieve cost savings, and drive revenue growth.

These opportunities align with our strategic commitment to the net zero transition. Each year, our strategic planning process defines the commitments and actions of each business unit to address key risks and opportunities and contribute to net zero alignment. Details on our current and planned responses to climate risks and opportunities are set out on page 69.

We refresh our quantitative climate scenario analysis annually, using the latest business data. Additionally, we commit to updating our climate analytics for both qualitative and quantitative assessments at least every three years to maintain alignment with evolving conditions.

METRICS AND TARGETS

Convatec uses a range of metrics to assess our baseline environmental impact, focusing on four key areas: emissions, energy use, waste, and water. Monitoring performance provides critical insights and having associated targets ensures accountability and drives active management of climate impacts. Our commitments to minimising environmental impacts and supporting the low-carbon transition are detailed on page 54, along with the actions we are taking to achieve these goals. Using advanced tools and software, we identify the most significant impact areas and their underlying drivers for decarbonisation. This analysis enables us to implement targeted solutions that address root causes and deliver the greatest environmental benefits.

TCFD Metric Category	Metrics	Target	Unit	2023	2024	Link to climate-related risks and opportunities
GHG Emissions	Scope 1, 2 and 3 emissions.	Reducing absolute Scope 1 and 2 GHG emissions by 70% by 2030 from a 2021 base year and Scope 3 GHG emissions from Purchased Goods and Services, Upstream Transport and Distribution, and Waste by 52% per sold product by 2030 from a 2021 base year.	See carbon and energy performance table page 55			Our value chain emissions are a helpful indicator of our exposure to transition risks in our direct operations (Scope 1 and 2) and our supply chain (Upstream Scope 3), providing an indication on the carbon intensity and potential carbon costs pass through in our cashflows.
Energy	Energy consumption, and renewable sourcing.	Aim to reach 100% renewable electricity throughout the estate by 2030.	See carbon and energy performance table page 55			Increasing our consumption of renewable energy, and self-generation reduces our reliance on fossil fuels and exposure to volatility in the market during the energy transition.
Climate risks and opportunities	Review of qualitative and quantitative climate scenario analysis results annually to inform the appropriate response for priority risks and opportunities.					
Capital deployment	Capital expenditure on carbon decarbonisation initiatives and adaptation activities.	We have an estimated capex spend of around \$20-\$35 million over the next five years.	\$m	\$10m	\$4m	The allocation of finance and resources to climate mitigation and adaptation ensures that we minimise our risk exposure and limit the potential impact of risk to the business, whilst being able to benefit from climate-related opportunities.
Remuneration	Proportion of overall CELT bonus remuneration linked to sustainability performance.	Continued implementation of climate in remuneration policies.	%	5	5	Linking climate KPIs as part of the ESG objectives of CELT members helps to cascade sustainable behaviours across the organisation, which means we are more likely to achieve our climate commitments and meet stakeholder expectations.

Managing our risks

Understanding and managing our risks maximises potential opportunities to deliver our strategy and realise our vision

Risk culture

The Board is responsible for risk management. The Board promotes a transparent and accountable culture, which does not inhibit sensible risk-taking, critical to growth and delivery of the Group's vision and strategy, but also sets the boundaries for such risk-taking. The Board and its committees set the tone for CELT and other senior management to promote and cascade this culture through the Group and with external stakeholders.

The Board, its committees and CELT ensure that our risk management framework and systems are robust, effective and take account of appropriate exposures. The Board supports effective risk management across the Group by implementing and overseeing a framework of appropriate and effective controls that enable risk to be assessed and managed.

The risk-related responsibilities of the Board's committees

Audit and Risk Committee (ARC)

Monitors and reviews all risk management processes, including the effectiveness of risk identification, appetite, mitigation and control measures.

Nomination Committee

Oversight to ensure that the Group has a talented, diverse and effective Board and CELT, combining experience corporate experience with knowledge of our markets and regulatory environment, as well as a pipeline of future senior talent capable of identifying and managing risk to enable effective strategy delivery.

Remuneration Committee

Oversees the implementation of appropriate reward arrangements to drive a high-performing culture that manages risk in line with our risk appetite.

Our risk appetite

The Board sets the level of risk we are prepared to accept to deliver our strategy and realise our vision. In 2024, we formally reviewed our risk appetite and the risk tolerance levels of each principal risk. Our risk appetite is defined through four risk appetite statements, which are detailed on this page, and each principal risk is aligned to one of the four statements, with risk tolerance levels set in line with the current and forecast business environment.

On an ongoing basis, the ARC monitors the level of risk to which the Group is exposed and how the business continues to mitigate the risk and operate within the stated risk appetite levels. In 2024, we enhanced our risk appetite model through implementing identified group-level metrics (key risk indicators) to measure actual business performance against our agreed risk tolerance. In 2025, we will continue to enhance the governance over each principal risk by developing our assurance over key material controls. These additional enhancements further support the Group to operate within our risk appetite, and as a management tool for business decision making.

Board risk appetite statements

Seek

Risk is taken in order to choose strategic options that offer potentially higher business rewards and/or there is confidence in the level of robust systems of internal control to respond effectively and limit the duration of potential impact.

Accept

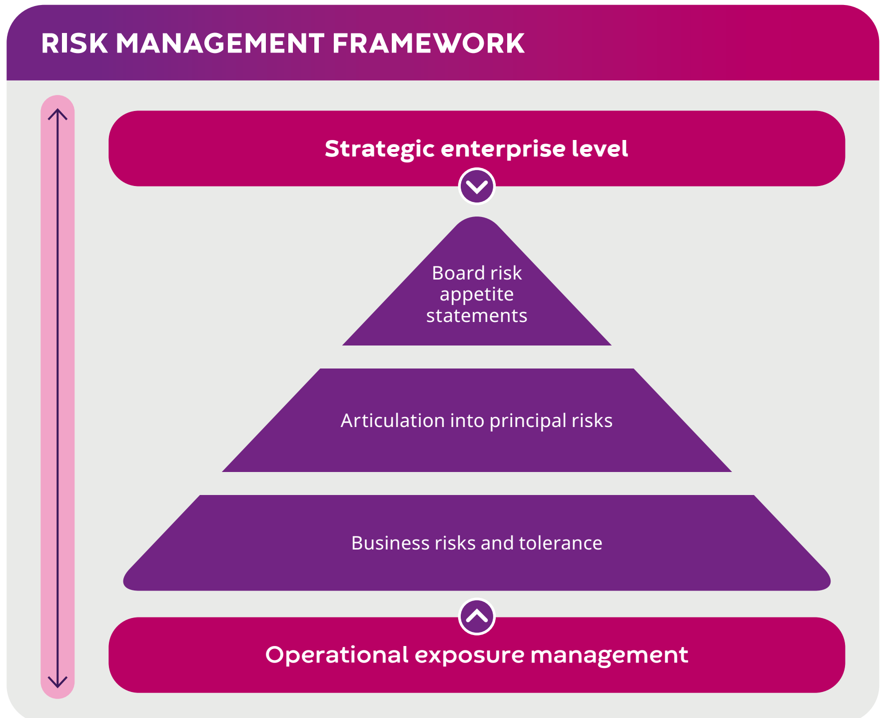
Risks that arise from events that are outside realistic boundaries for Convatec's immediate direct influence and control. A focus is required to build a reasonable level of resilience to impacts on strategic objectives.

Manage

Risk is accepted by Convatec in order to achieve strategic objectives, and where the risk is able to be managed to a level that would not result in material impact to strategic objectives.

Cautious

Risks arising from Convatec's people, processes, and systems that are controllable and where there is no appetite for risk taking in this area. The objective is to eliminate the risk or to reduce it to an absolute minimal level of tolerance.



Risk management framework

We continue to strengthen our risk management approach through the development of a process that is based upon ISO 31000, Risk Management, and complies with the requirements of the UK Corporate Governance Code.

Our process undertakes a continuous bottom-up review of risk (current and emerging), across each area of our business, to identify the main threats to delivery of our strategy. The resulting business risk profile is used to inform our biannual principal risk update process, working with subject matter experts from the business and supported by CELT sponsor(s). We identify, assess and prioritise our business and principal risks in accordance with our defined risk assessment criteria. Risk ratings are used to prioritise our risks and are a product of the expected impact and the likelihood of that impact to occur as a result of an event. Risk controls have been identified and certain additional risk mitigation measures implemented and monitored to further reduce our risk exposure and ensure alignment with our risk appetite. Consequently, this process results in our principal risks being managed at the residual risk level rather than inherent risk. The ARC oversees the risk management process each quarter. For further information see page 108.

Governance and oversight

The work of the Board and the ARC is underpinned by a formal structure of delegated authority and supported by Group policies covering key areas of operation, including risk management. The diagram below shows the key roles, responsibilities and overall arrangements for collecting, monitoring and reviewing risk information.

Risk information top down

Board
- Sets the Group's risk appetite
- Ensures appropriate risk management and internal control frameworks and systems are in place to enable the identification and robust assessment of the principal and emerging risks
- Ensures effective processes exist to manage the principal risks and takes a balanced view of those risks against Convatec's strategy and risk appetite
- Assesses the Group's prospects and resilience through the Viability statement
- Sets the 'tone from the top' and the culture for managing risk
- Sets strategic priorities in light of the Group's risk profile

Audit and Risk Committee (ARC)
- Considers the risk environment through reporting from management, internal audit and the external auditor and considering external developments (e.g. geopolitical events)
- Reviews, and reports to the Board on the effectiveness of the internal control environment and risk management framework and systems
- Sets the internal audit annual plan and external audit scope to provide assurance on a materiality basis that the Group operates within the Board's approved risk appetite through appropriate and effective controls and mitigations

Convatec Executive Leadership Team (CELT)
- Sponsors a coordinated approach to establishing and embedding enterprise risk management
- Employs a central risk team to establish and facilitate the risk management process across the Group to provide risk information for management oversight and decision
- Manages the principal risks appropriately to operate within the Group's risk appetite and monitors appropriate key risk indicators
- Ensures that risk recognition and appetite are integral to determining strategy
- Delivers strategy by managing risks

Principal risks: Risks with potential material consequences at a Group level or where the risk is connected and may trigger a succession of events that, in aggregate, become material to the Group. Risks may materialise individually, simultaneously or in combination to impact the delivery of our strategic priorities and the long-term value of Convatec.

Emerging risks: Risks with potential material consequences at a Group level as a result of changes in the business environment that may impact over a longer timeline than that of the current business objectives. Emerging risks may materialise individually, simultaneously or in combination with other risks in one or more areas of the business to impact the delivery of our strategic priorities and the long-term value of Convatec.

Business risks: Risks identified from any aspect of the Group that are relevant to one or more categories, functions and/or Centres of Excellence, and can be owned at that level.

Leadership teams
- Identify new and emerging risks to the Group's strategy
- Review management of their specific risks against the Group's risk appetite
- Identify additional mitigations to reduce risk exposure on an ongoing basis
- Manage business performance in accordance with the key risk indicators
- Assign senior business representatives (risk champions) for each category and function to take a lead role in the identification of risk, and updating risk information for senior management oversight

Risk information bottom up

Risk management continued

2024 risk landscape

Our overall risk profile has moved to reflect both the ongoing enhancement in our business resilience capability and the continuing challenges from the macroeconomic and political environment. Since 2020, the risk profile has been elevated as a result of various global forces, and we continue to manage the challenges facing the wider business landscape and build further resilience into our operations. As such, we remain well placed to successfully deliver our strategy. To support our objectives and mitigate specific external events we increased our focus in certain areas as detailed below.

Strategic risks

In 2024, we continued to build momentum whilst managing the broader risk landscape. This included operating within changing macroeconomic and supply chain conditions, continuing global uncertainties from the wars in Ukraine and the Middle East and any continued or additional impact from geopolitics, in a year of national elections, on regulatory and healthcare reform. In our product development pipeline, we successfully delivered four key products and services to our target markets and continue to improve pipeline delivery through our defined innovation framework. Our focus on ESG continues to gain momentum as we develop our transition plan to deliver our net zero commitment.

Operational risks

While inflation lowered significantly over the year, we continue to manage sustained external supply chain cost pressure on raw materials, freight, utilities and all other aspects of the business cost base. The business continues to effectively manage and respond to the issues faced, increase operational productivity, execute an efficiency agenda and work closely with third parties on potential areas of exposure to minimise any possible impact, including through maintaining sufficient levels of strategic resilience in our inventory holding. We focused work on delivering our people programmes that support the right level of key talent, roles and skills being in place to achieve our strategic objectives now and in the future. We remain focused on ensuring that our diversity goals are met sustainably, reflecting the customers, countries and cultures that we serve; and, that we are contemporary to social movements and issues. Over the course of 2024, we have further improved the robustness of our IT infrastructure and cybersecurity in line with the changing business environment.

Financial risks

During 2024, we demonstrated strong performance across the business with robust organic revenue growth and margin expansion as a result of our dynamic competitive position and portfolio mix across and within categories, delivering simplification and productivity initiatives through improving business cost efficiencies and undertaking new business acquisition to strengthen market capability. Driven by our Strategic Pricing Centre of Excellence (CoE), improving Group pricing practices has continued to positively impact our strong financial performance. We also focused on developing our Global Marketing & Sales CoE to further improve commercial, sales and marketing productivity. We received a US market determination for our Advanced Wound Care solution, InnovaMatrix®, that withdrew its Medicare coverage for specific treatments. We continue to build clinical evidence as part of the reconsideration process and are confident of success in our reapplication. Our overall group performance for the year and outlook for 2025 is unchanged by this event. We continue to maintain a strong balance sheet, banking and credit facilities and level of tax governance to reflect our robust credit standing.

Compliance risks

Over the course of 2024, we strengthened and adapted our compliance framework sustainably as we grew in mature markets and targeted investment in emerging markets. We maintained ongoing compliance in our markets, including the continued provision of ethics training and focused global compliance resources and initiatives. We continued to improve the robustness of our data management and privacy framework in line with the changing business environment. During the period, we identified exposures and addressed risks of non-compliance through implementation of appropriate mitigation programmes. We have continued to progress improvements in our third-party risk management and contract procurement to maintain expected standards of compliance within our third-party partners. Third-party activity is monitored and managed through due diligence by our Compliance team and an external, independent expert.

2025 anticipated risks

We expect certain risks to impact in 2025 and have put in place mitigation measures to reduce any adverse implications for the Group's financial results, operations, reputation and strategy. While these specific risks are embedded in many of our principal risks, further details are provided as follows.

Geopolitical tensions

Volatility in the international political climate increases pressure on our operations. We are reliant on supply chain partners predominantly in North America and Europe, but also from across the world. The integrity of our supply chain depends on access to and the reliability of raw material and energy supply and the storage, logistics, processing and manufacturing infrastructure operated by us and our third-party partners. The current international political climate presents increased possibility of commodity and energy price volatility, unpredictable populism, isolationism, interventionist economics, transactional globalisation, unstable exchange rates, implementation of additional sanctions or other trade limiting actions that could impact our ability to source commodities and raw materials, or maintain a presence in current and future markets and countries. Any break in this supply chain, for example, as a result of interstate conflict, regional tensions or terrorist activity, including acts and threats to shipping channels or cyber-attacks, or as a result of heightening operating costs, could jeopardise our revenues and/or manufacturing productivity and impact supply to customers and patients.

Global macroeconomic pressures

Our operating and financial performance is influenced, amongst other factors, by the economic conditions of the countries and markets in which we operate, and our ability to manage exposure to volatile economic measures. Pressure from economic deterioration, the persistence of inflation, interest rate uncertainty, recessionary impacts and the additional challenge of transitioning to lower carbon generation can all contribute to challenging market conditions. Global economic conditions have broadly continued to improve, but we remain focused on delivering simplification and productivity through efficiencies to our manufacturing and operating cost base in response to the environment and the reality of delivering, and the required investment to achieve, net zero. Whilst the management of our supply chain is a core competence, we continue to monitor the evolving situation and take appropriate steps to prepare for foreseeable challenges in the current environment over persistent inflation on commodities, lead times and shortages for raw materials and manufactured goods, potential tariff reforms, fluctuations and adverse movement in shipping costs, congestion and capacity constraints, which are all expected to have continued uncertainty into 2025.

FISBE market growth and product delivery

We continue to focus on investing in and growing market share across our FISBE markets around the world. We support the business in achieving this through developing critical core capabilities in our Global Marketing & Sales, Global Market Access & Reimbursement, Medical & Clinical Affairs and Strategic Pricing CoEs. The external climate continues to be challenging as a result of national healthcare systems' financial constraints and reforms, and regulatory pressures as seen more recently in the ongoing impact of the market-wide Anti-Bribery and Corruption campaign (ABAC) in China. The capabilities within our dedicated global CoEs allows us to focus and respond to these market and geographical movements and resultant pressure on our future pricing and reimbursement rates. We expect to launch a new product for Ostomy Care and leverage recent product launches by rolling them out in key geographies in 2025. We expect to continue launching new products across all of our categories into 2026 and beyond. Delivery of our product pipeline is supported by our product development and launch process, which acts end-to-end to govern our actions and milestones from ideation through development to scale-up and finally approval and launch in a consistent manner. We will continue to also strengthen our competitive position by evaluating potential partnerships and acquisitions. Any delays or failure to meet market expectations in our growth plans, however, may result in a lack of stakeholder confidence to deliver against stated plans.

Emerging risks

On a biannual basis, our risk management process engages with senior management to identify any emerging risks, which represent a significant change in the business environment that may impact over a longer timeline than that of the current business objectives. In 2024, we continued to enhance our emerging risk model to further develop our measurement of the key exposures and the resilience in place. In 2025, we will develop this model further to enhance our measurement of these key exposures, the resilience in place and identify relevant metrics to aid with detection. As at the date of this report, the following emerging risks have been identified:

Medical advances

Technology and innovation are essential if we are to meet customer demands. If we do not develop the right products, have access to the right technology or deploy it effectively within our FISBE markets, or adjust to medical and surgical advancements and improvements in detection, cure and prevention (including in the development of smart 'artificial device' technology, the emergence of new drugs to treat chronic conditions and artificial intelligence), we may lose market share in multiple FISBE markets to existing and new-entrant competitors.

Future material and operational restrictions

Our future business is dependent on our ability to anticipate and/or adapt to future health, safety and environmental legislation, concerns, studies or the loss of stakeholder confidence in the materials and processes used in the manufacture of current and future products, or where there is a proven greener alternative, for example, to single-use plastics.

Long-term third-party management

Our current and future products rely on regulated manufacturing processes and approved supply chains. We are dependent on our ability to effectively manage the security of supply in our key raw materials and unfinished goods, critical services and manufacturing energy supply to avoid any future chronic sourcing issues/cessation in service by single or sole source suppliers for key product lines.

Future market environment

Our ambition to drive growth and further develop our business is reliant on our ability to adapt to future market and healthcare models, market competition and major unforeseen economic events. The value of customer data and the emergence of artificial intelligence has increased. Any shortfall in our ability to adapt to an increase in the management of customer data, expanding data commercialisation capability and technology and widening range of virtual capability allows for potential disintermediation and/or bundling of other products and services by emerging, non-traditional, competitors entering the market.

Catastrophic loss risks

After an extended period of external major global, industrial and financial catastrophes, we had a growing need to enhance our risk management framework to meet the unpredictable and dynamic challenges that we may face moving forward. In 2024, we implemented a formal strategy to review high impact, low likelihood risks (catastrophic loss risks) and move towards a resilience model for the business to operate within.

Preventing, preparing and responding to catastrophic loss events in a considered manner and ensuring that when events do occur the business emerges more resilient from the experience is a critical activity. Improved visibility should allow for greater challenge and assurance that the business is resilient and prepared for such events and will also strengthen our ability to properly consider the severe but plausible scenarios used in building our long-term Viability statement (pages 82 and 83).

Risks can be assessed through careful crisis management planning as part of a wider resilience framework to maintain the support and confidence of stakeholders, but the costs of risk mitigation will need to be considered to ensure any measures are proportionate to the risk faced.

On a biannual basis, our risk management process engages with senior management to identify any catastrophic loss risks, which are defined as low-likelihood risks (derived from our principal risk model) that lie outside the realm of regular expectations; however, carry an extreme impact, which in some cases were perhaps predictable. As at the date of this report, areas in which we have identified catastrophic loss risk scenarios are grouped as:

Pan-global risks

Worldwide events affecting the Group indirectly and that sit largely outside of our control, such as global financial crises or major health events.

External threats

External events that directly affect the Group and that we have a degree of control over, such as major climate events, man-made environmental disaster, sustained public utilities failure, major loss of IT systems or a complete loss of critical national infrastructure.

Internal threats

Internal events that directly affect the Group and that we have a degree of control over, such as a complete loss of one of our major assets, major product quality failure, key loss of part of our supply chain, or a severe market conduct incident.

We support this area of risk by working with senior leadership across the business to run crisis management exercises. In 2024, we ran a significant product recall scenario, with senior leadership and CELT, to enhance our preparedness and resilience within the business.

Other factors

For further information relevant to our risk profile see:

– Our business model – page 8
– Key performance indicators – pages 12 and 13
– Operational review – pages 14 to 21
– Responsible business review – pages 32 to 59
– The Task Force on Climate-related Financial Disclosures – pages 60 to 71
– Viability statement – pages 82 and 83
– Governance – pages 84 to 148

Understanding our risks

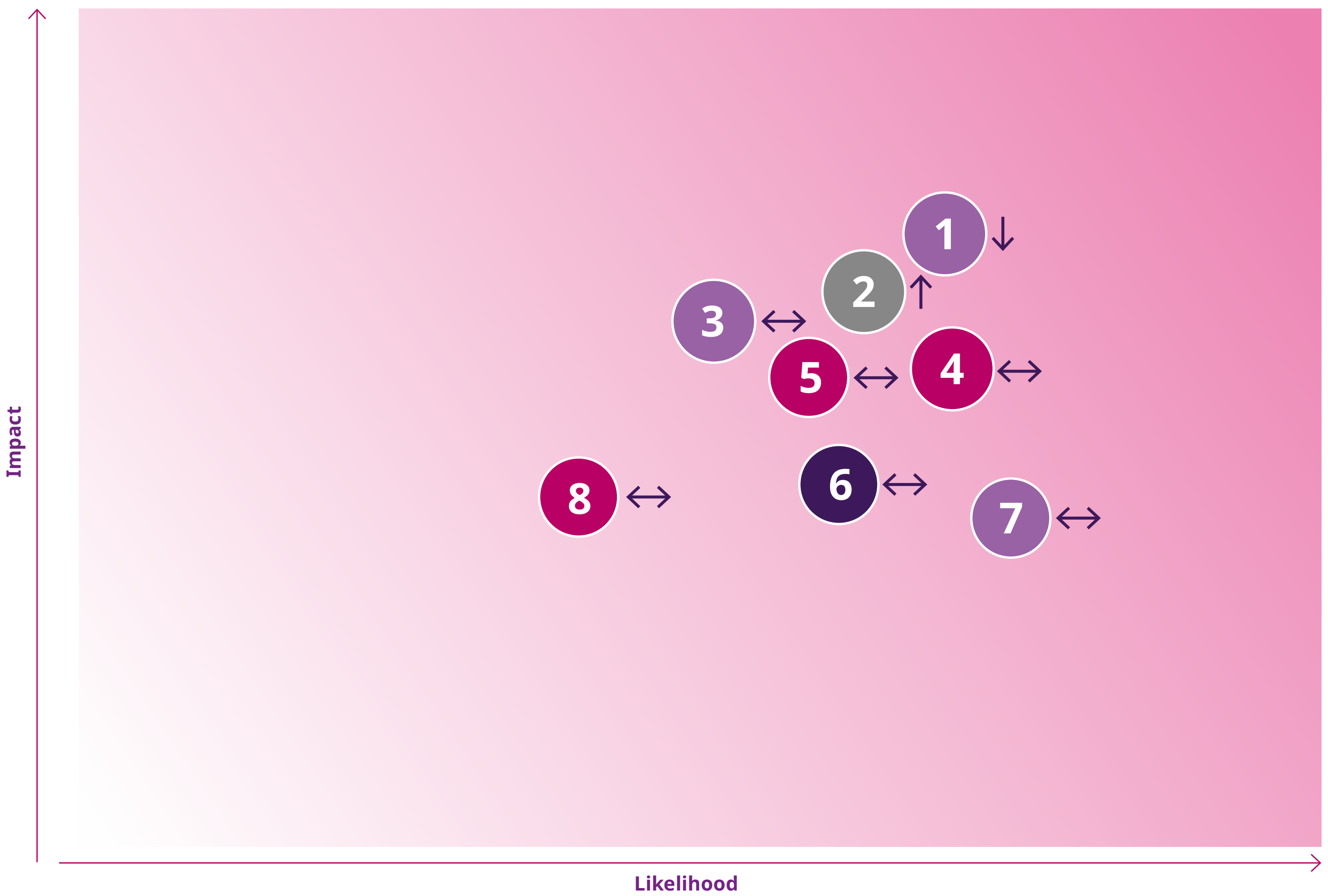
An overview of our principal risks, which could impact the delivery of our strategy and the realisation of our vision, is given below in order of priority. The Board has oversight of all principal risks that the Group faces

The Board reviews and agrees our principal risks on a biannual basis, taking account of our risk appetite and key risk indicators together with our evolving strategy, current business environment and any emerging risks and catastrophic loss risks. The Board also takes account of the effectiveness of our risk mitigation and controls. Our principal risks are set out over the following pages in order of priority (based on the rating of residual likelihood and impact, as described previously). They are also reflected in the key adverse scenarios underlying the Viability statement (see pages 82 and 83).

We have removed our principal risk relating to Tax and Treasury. At the year-end review, Tax and Treasury was not assessed as having a high residual impact or likelihood but still underpins and is material to the delivery of the Group's strategic objectives. We have successfully implemented structural changes, controls and risk mitigation to our financial and tax frameworks and systems that have demonstrated, during a period of volatile uncertainty, a good track record of robust financial performance, credit standing and governance over reporting obligations and disclosure. We will continue to actively assess and monitor the remaining risk exposures and drivers. We do not, however, forecast any material issues in this area over the next three years (reflected in the Viability statement) as we have limited tax uncertainties and a robust financial balance sheet with no debt maturities due until 2027.

Risk heatmap

The graphic below summarises our assessment of the expected impact and the likelihood of that impact to happen as a result of our principal risks occurring after taking into consideration the mitigating actions and effective controls in place to manage each risk, with an indication of the change in the risk profile since December 2023.



KEY

1. Operational Resilience and Quality
2. Customer and Markets
3. Cyber and Information Security
4. Political and Economic Environment
5. Innovation and Regulatory
6. Legal, Compliance and Privacy
7. People
8. Environment and Communities

Risk category:
- Strategic
- Operational
- Financial
- Compliance

↑ Increased
↔ Unchanged
↓ Decreased

1. OPERATIONAL RESILIENCE AND QUALITY

Risk

Supply and manufacture of products and packaging are reliant on the resilience of supply chain partners and manufacturing assets, and robust clinical and quality system processes. We invest in and develop our assets, systems and processes to provide a level of operational integrity and performance. Failure to respond to events, including geopolitical issues and any increase in extreme weather patterns from climate change, that result in production and/or supply chain delays, adverse product quality and health, safety and environmental incidents could result in underperformance, a requirement to recall a product, reputational harm or a loss of stakeholder confidence in our ability to deliver our strategic ambitions.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Operational **Appetite:** Manage **Accountability:** John Haller, EVP, Chief Quality & Operations Officer	– Lost time injury rate – Operations gross productivity	Increase the efficiency and effectiveness of operations to support future market and customer demands.	2024: decreased – further strengthening and investment in operational resilience and advancement of simplification and productivity initiatives.

Key drivers

- Supply chain resilience capabilities
- Single source or sole suppliers for raw materials and services
- Business continuity management
- Quality standards and resolution of existing and emerging quality issues within the supply chain, manufacturing and packaging processes
- Health and safety of employees and contractors. Protection of the environment
- Maintaining manufacturing plant performance

Risk mitigation

- Operational strategy in place to continuously enhance our operational resilience response to external factors. Business continuity plans for manufacturing facilities, inventory movement and our key supply chain processes to maintain capability to respond rapidly and appropriately to incidents
- Procurement and supply chain processes to monitor, manage and provide assurance to supply-based risk across our markets, inventory, energy security, key suppliers and supply routes, ports and countries of operation
- Dedicated health, safety and environment, and quality project teams, management systems and processes to prioritise and address risk to manufacturing processes, facilities and people

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Customers/patients – Direct enablers – Evaluators	Aligns with issues within: – Products & customer – Environmental – Social – Governance	Considered in scenarios: – Manufacturing incident – Business interruption – Cyber incident – Regulatory issue

Read more on pages 32 to 71

2. CUSTOMER AND MARKETS

Risk

Growth and value in our markets rely on our product portfolio, future innovation, M&A pipeline and digital strategy delivering to expectations and meeting customer demands, in-line with our commercial policy. There is continued pressure on pricing and cost containment from global inflation rates and large and consolidating buying groups, as well as on reimbursement rates for products sold into the home care setting from government or commercial payers managing and reducing their costs. Competitor behaviour, attractiveness and effectiveness of our portfolio to market trends or public perception, and maintaining a low-cost base, all increase competition for sales and reduce prices and margins. Failure to identify, react or plan effectively to changes in market conditions, competition, customer demand, expectations and behaviours or a deterioration in counterparty exposure, cash-flow and liquidity could result in suboptimal decisions, underperformance and adverse results.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Financial **Appetite:** Manage **Accountability:** Presidents and Chief Operating Officers	– Customer net promoter score – In-market sales growth versus segment	Grow portfolio and market share through cost-efficient, innovative products that strengthen the relationship with our customer base.	2024: increased – global economic challenges continue to pressure healthcare systems' financial constraints with potential effects on future pricing and reimbursement rates.

Key drivers

- Local or national government healthcare budget provisions impacting reimbursement
- Operational, contracting and price review process
- Competitive markets and behaviours and consolidation of buying groups
- Manufacturing costs in a low-margin driven pricing environment and as a result of changes in consumer and government behaviour/attitude to sustainability
- Changes in customer buying patterns and service level expectations
- Product portfolio rationalisation. Strategic M&A and divestures realisation

Risk mitigation

- FISBE market and geographies focus supported by the Global Strategic Pricing CoE established in key regions to adapt and provide insight to changing market conditions, with regular pricing analysis and reviews undertaken. Global Market Access & Reimbursement CoE focus on reimbursement market rates
- Executive operational reviews in place to drive manufacturing cost efficiencies and focus through dedicated R&D and technology innovation teams on new product development and launch. Digital strategy capability for patient and customer interaction and voice of customer processes in place. Clinical trial capability and programme in place
- Key strategic market and geographies monitored and in-market activity and environment assessed for further growth opportunities. Supply chain team manages and mitigates market and region challenges and logistics

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Customers/patients – Direct enablers – Evaluators	Aligns with issues within: – Products & customer	Considered in scenarios: – Reimbursement reduction – Key global markets

Read more on pages 14 to 21

Principal risks continued

3. CYBER AND INFORMATION SECURITY

Risk

Effective operation of our global business relies on the resilience of our technology systems, network and information management processes. Failure to ensure that our systems, data management and related controls are effective, available, integral and secure, and recoverable, including those of our third-party partners, could adversely affect our ability to maintain continuity in our operations and the trust of our customers and other stakeholders. Any real or perceived failure to comply with standards, laws and regulations, or to adjust to a change in conditions and increase in scrutiny, could result in adverse consequences such as penalties, regulatory investigation, a decrease in corporate trust from stakeholders or additional compliance measures.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Operational **Appetite:** Manage **Accountability:** Jonny Mason, Chief Financial Officer	– Security incidents – Vulnerability patching	Enhance the efficiency and resilience of our IT and data management systems and processes to support effective delivery of our operations.	2024: no material change – privacy moved to Legal, Compliance and Privacy to reflect CELT accountability.

Key drivers

- Cybersecurity
- IT and network resilience, business continuity and disaster recovery arrangements
- Digitisation
- IT network alignment to business needs
- Internal IT control
- Data optimisation

Risk mitigation

- Cybersecurity steering committee provides risk governance and oversight. Global Information Security and Compliance function supports the business with an IT general control framework and technical benchmarks in place to protect systems and data. Independent cyber assessment and data review programme in place
- Critical IT system recovery plans, overarching IT recovery plan and backup solutions have been designed. Third-party partner contracts with controls and assurance in place
- Security operations team respond to threats and ensure the security of IT. Policies, technical standards, guidance documents and workforce training in place to manage the use and governance of IT systems. Cyber threat monitoring in place across IT systems

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Evaluators	Aligns with issues within: – Governance	Considered in scenarios: – Cyber incident

Read more on pages 83 and 108

4. POLITICAL AND ECONOMIC ENVIRONMENT

Risk

Our global operations and markets are subject to political interventions and changes to corporate governance requirements, particularly in relation to global inflationary and supply chain pressures, fluctuations in interest rate and foreign exchange movements, security of raw material and energy supply, healthcare system reform, regulatory reform, governance of industry operations, amendment to tax and disclosure regimes and fiscal terms, and protection of consumers and business customers. Continuing volatility in the international political climate increases the possibility of tariff structure changes, sanctions or other trade limiting actions. Failing to identify and adapt to these factors could impact sourcing commodities and services, financial performance and our ability to maintain a presence/develop in current and future markets and countries.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Strategic **Appetite:** Accept **Accountability:** Jonny Mason, Chief Financial Officer	– Sales growth – G&A	Effective minimisation of political and macroeconomic disruption will enable us to identify areas for operational improvement, deliver further value and maintain our competitive market positions.	2024: no material change.

Key drivers

- Financial markets, inflationary and supply chain pressures and macroeconomics
- National healthcare reforms, political movements and trends
- Geopolitics and security of the supply chain. Uncertainties effected by global pandemics, interstate conflict and social unrest affecting FISBE markets
- Adverse national trading relationships, customs duties and tariffs
- Compliance with sanction frameworks
- Responsible and sustainable group performance to retain stakeholder confidence and maintain perception and expectations

Risk mitigation

- Strategic Pricing CoE established in key regions provides control on local and regional pricing. Compliance, IR, Legal, Regulatory and Tax teams support the business, liaise with external stakeholders and respond to changing requirements where appropriate
- Global supply chain function manages our presence in markets and across regions. Third-party contracts in place to maintain the security of supply. Monitoring of supply chain through implemented systems and third-party partners
- Dialogue with governments in relation to specific matters. Membership of appropriate industry bodies and participation on industry issues including development and implementation of best practice. External support via third-party logistic service providers and consultants to identify and manage supply chain risks

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Direct enablers – Evaluators	Aligns with issues within: – Products & customer – Governance	Considered in scenarios: – Reimbursement reduction – Key global markets

Read more on pages 2, 3 and 5

5. INNOVATION AND REGULATORY

Risk

Failure to invest in and develop safe, effective, profitable and sustainable long-life products to meet customer and market expectations, fill unmet medical needs or respond to disruptive new technologies, could result in lost market share, underperformance and a lack of stakeholder confidence to deliver in line with expectations. We are subject to oversight by a number of regulatory jurisdictions that continue to implement significant obligations and scrutinise how we operate. Failure to fulfil emerging obligations, provide safe clinical processes, or produce products and packaging that meet stringent and transparent customer, environmental and performance criteria, or operate inadequate or environmentally inappropriate manufacturing and quality systems could impact our ability to supply or a requirement to recall product(s). This may lead to the potential for regulatory action and/or liability claims, a failure to meet stakeholder expectations or patient harm from faulty products.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Strategic **Appetite:** Cautious **Accountability:** Dr Divakar Ramakrishnan, EVP, Chief Technology Officer and Head of Research & Development	– Vitality index – Customer complaints per million units	Create a leading and responsive position in the regulatory environment, and through a sustainable development pipeline, improve the long-term customer experience, meet market demands and capture growth opportunities in our markets.	2024: no material change.

Key drivers

- Product innovation transition from end-of-life technology and ageing products
- Compliance with regulatory frameworks and anticipation of emerging regulatory environment
- Disruptive and new technologies. Artificial intelligence. Changing customer and market needs
- Maintaining legal manufacture structure, authorised representatives and assurance process for pre-market, manufacture, and post-market compliance
- Managing safe clinical services for sustainable growth
- Sustainable approach to responsible products, packaging and development

Risk mitigation

- Central Technology & Innovation team provides strategic direction for continued R&D investment, product development, medical education, regulatory approval, M&A initiatives and new product reimbursement and launches to cultivate the product pipeline
- Product portfolio reviews, with Executive oversight, provide oversight on near-, medium- and long-term innovations and the balance across product categories and market regions. Product 'sustainability' metrics in place
- Regulatory teams and regulatory intelligence framework supports the business to meet the latest standards and expectations in all our jurisdictions and manages our relationship with regulatory bodies

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Customers/patients – Direct enablers – Evaluators	Aligns with issues within: – Products & customer	Considered in scenarios: – Regulatory issue

Read more on pages 39 to 43

6. LEGAL, COMPLIANCE AND PRIVACY

Risk

Our business is subject to a complex environment of laws and regulations across multiple jurisdictions. Any real or perceived failure to comply with required and/or new and emerging laws, regulations and sanctions or to adjust to a change in conditions and increase in scrutiny, or exposure to litigation from contractual obligations or intellectual property could result in adverse consequences such as penalties, government investigation, a decrease in corporate trust from stakeholders, competitive disadvantage or additional compliance measures. Loss of data management and privacy integrity can lead to IP and data theft, fraud or accidental disclosure and result in non-compliance with global data protection laws.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Compliance **Appetite:** Cautious **Accountability:** James Kerton, EVP, General Counsel & Company Secretary	– Whistleblower case monitoring – Compliance training (Workforce)	Create an industry-leading legal and compliance approach to our obligations and stakeholder expectations.	2024: no material change – privacy moved to Legal, Compliance and Privacy to reflect CELT accountability.

Key drivers

- Privacy and data management
- Market conduct compliance
- Legal obligations in relation to customer conduct, including sales practices and distributor activity
- Product and patient liability
- Commercial litigation. Complexity and transparency of IP and patent environment, including in tax and operations
- Financial crime

Risk mitigation

- Our Code of Conduct and policies govern how we conduct our affairs through our values and culture. Executive Compliance Steering Committee and the ARC provide oversight on compliance assurance programme, training and emerging exposures. Independent whistleblower process in place. Sanction framework checks in place with shareholder register, Compliance, Treasury, Banking Partners, Supply Chain and Finance
- Executive Privacy Committee and privacy team provide governance and oversight with policies, methodologies, training, accountability and control frameworks in place to manage the protection and use of personal data
- In-house legal counsel team with external counsel engaged when appropriate. Contract database, contract approval process and Grant of Authority scheme in place. Third-party risk control framework for onboarding due diligence process and distributor training. Patent counsel manages patent protection and ongoing market IP monitoring processes

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Customers/patients – Evaluators	Aligns with issues within: – Governance	Considered in scenarios: – Cyber incident – Regulatory issue

Read more on pages 43 and 49 to 51

Principal risks continued

7. PEOPLE

Risk

Failure to effectively recruit, retain and develop a diverse and inclusive workforce with strong succession to align the right talent, particularly in our senior management and through the development of the talent pipeline, to enable key business imperatives. Global cost of living and inflationary pressures continue to challenge retaining and/or recruiting key talent and skills. Failing to successfully manage transformation and/or the effects of high business disruption could impact employee effectiveness, engagement and wellbeing and adversely affect our ability to achieve our strategic objectives and deliver growth.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Operational **Appetite:** Manage **Accountability:** Emma Rose, EVP, Chief People Officer	– Employee engagement – Voluntary turnover	Create a sustainable level of expertise and key skills across the Group.	2024: no material change.

Key drivers

- Attraction, recruitment and retention of key skills and capabilities, including salary and remuneration inflation challenges in critical areas
- Effective succession and knowledge management planning strategy for senior leadership and key roles
- Mental and occupational health and wellbeing of the workforce
- Resource planning, people capability and capacity, including the speed and volume of management change
- Performance and development management, diversity, equal opportunities and labour relations
- Company culture, values and workforce engagement

Risk mitigation

- Executive and senior leadership focus on maintaining a diverse and effective leadership team with a pipeline of senior future talent and retention and development of key skills across the organisation. Employee Resource Groups (ERG) in place and mentorship programme launched
- Employee engagement surveys and initiatives in place. Appropriate remuneration and reward arrangements attract and retain top, senior talent, maintain strength in key skills and respond to key regional market challenges
- Global diversity, equality, inclusion and wellbeing strategic framework with key initiatives in place. Established employee assistance programme and occupational health activities to support workforce

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Direct enablers	Aligns with issues within: – Social	No long-term viability risk events were considered severe but plausible for the People principal risk.

Read more on pages 44 to 48

8. ENVIRONMENT AND COMMUNITIES

Risk

Long-term success relies on addressing the challenges to the sustainability of our operations (including environmental and social aspects), supply chain resilience, products and the ability to manage the impact of climate change, developing trends in the political environment and increasing pressure and scrutiny from external groups, society, customers and communities in which we operate. The level of requirements and expectation from stakeholders continues to increase, which requires a robust, transparent and equitable level of sustainable corporate culture to underpin the way in which the Group operates. Failure to implement appropriate plans across environmental, social and governance aspects, including incorporating the recommendations of the TCFD and SBTi and deliver on a net zero commitment, could hinder efforts to mitigate long-term risks and bring a range of reputational and commercial impacts to the business across a range of stakeholders.

Risk details	Key risk indicators	Opportunity	Risk profile change
Category: Strategic **Appetite:** Manage **Accountability:** Emma Rose, EVP, Chief People Officer.	– Carbon footprint reduction (Scope 1 and 2) – Carbon footprint reduction (Scope 3)	Achieve an effective balance between short-term needs and delivery versus longer-term requirements and commitments, in response to anticipated exposures from changes and events in the climate, the environment and society.	2024: no material change.

Key drivers

- Environmental and climate change strategy delivering our net zero commitment and Science-Based Targets initiative
- Recommendations of the TCFD and emerging ESG reporting requirements and standards
- Responsible and sustainable behaviours across the supply chain
- Product impacts, sustainable product design and product stewardship
- Sustainable corporate culture in DE&I and transparent ways of working
- Community investment programme

Risk mitigation

- Executive ESG Steering Committee, including functions from across the business, provides oversight and direction on Group strategy and execution, with regular Board engagement
- ESG framework implemented, aligned to Group strategy and our Group reporting and regulatory requirements. Published policies and independent third-party expert assurance in place
- Supply chain partners managed through contracts, supplier code of conduct and performance monitoring with third-party assurance process in place for key suppliers

How the principal risk links to: Strategy	Key stakeholders see pages 36 and 37	ESG topics	Viability statement
	Important to groups within: – Customers/patients – Direct enablers – Evaluators	Aligns with issues within: – Products & customer – Environmental – Social – Governance	No long-term viability risk events were considered severe but plausible for the Environment and Communities principal risk.

Read more on pages 52 to 59

Non-financial and sustainability information statement

In accordance with the requirements of Section 414CB of the Companies Act 2006, the information below is provided to help our stakeholders understand our position in relation to key non-financial and sustainability matters including, where appropriate, the relevant policies and processes we operate.

Key matter	Position and policies and processes we implement	Page
Environmental matters	Climate change and environmental strategy	Pages 32 to 35 and 52 to 60
	Climate-related financial disclosures	Pages 52 to 71
Employees	Our vision and values	Page 33
	Code of Conduct	Pages 49 to 51
	Diversity, Equity & Inclusion and Wellbeing	Pages 44 to 48
	Our people strategy	Pages 44 to 48
	Employee induction, training and development programmes	Pages 45 and 46
	Employee engagement	Pages 36 to 45
	Diversity targets and review of metrics	Pages 46 and 47
Human rights	Human Rights and Labour Standards	Page 50
	Modern Slavery Act Statement	Page 50
Social and community matters	Community engagement	Pages 58 and 59
Anti-corruption and anti-bribery	Third-Party Compliance Manual	Page 50
	Compliance helpline and website	Page 50
Principal risks and impact of business activity		Pages 72 to 80
Non-financial key performance indicators		Page 13
Our business model		Page 8

→ You can find more information, including copies of our policies, processes and statements at:
www.convatecgroup.com/investors/governance/our-policies-and-statements/
www.convatecgroup.com/sustainability/esg-reports-and-data/

Viability statement

Convatec's future prospects and viability

An understanding of the Group's strategy, to deliver sustainable revenue growth and expanding operating margin, and its business model (pages 8 to 11), are central to allowing the Board to assess Convatec's prospects, liquidity, resilience and viability. The principal and emerging risks being addressed by the Company (see pages 72 to 80) are reflected in the determination of the Group's strategy and its successful implementation.

Assessment of future prospects

The Directors are of the view that the appropriate period of assessment remains a three-year period from January 2025 to December 2027 (the Viability Period). Although the Directors have no reason to believe that the Group will not be viable over a longer period, the Board has chosen to conduct the assessment for this three-year period because:

- Our R&D and production cycles tend to be of a duration of less than three years with key innovation pipeline programmes targeting launch within the Viability Period.
- Significant capital investments are being made to realise the Group's strategy over the medium to long term. The Group's business model means that its capital investment is discretionary, and it has the ability to respond in a timely manner to reasonably possible Group specific and market events, and therefore does not require a longer time horizon assessment.
- Implicitly, it is harder to accurately forecast the latter years of a five-year plan.

The Group's performance management process consists of monthly monitoring of progress against the financial budget and key objectives for the current year by CELT and the Board, and reforecasting throughout the year in respect of the expected outcome for the current year. It also includes the preparation of a detailed budget for the following year and updating a rolling five-year strategic plan, which forms the main basis on which to assess the longer-term prospects of the Group.

In 2024, the Board approved a detailed operational plan and execution model to deliver sustainable and profitable growth that underpins the Group's five-year strategic plan. The five-year financial plan from 2025 to 2029 forecasts the Group's profitability, cash flows and funding requirements, inclusive of the Viability Period.

Our strategy is consumer-centric, agile, focuses on innovation and ensures clear accountability. It has been developed from strategic plans for each of our business units and functional areas, supplemented by items managed at a Group level and assumptions such as macroeconomic activity, market sector growth forecasts, competitor activity and exchange rates. This has then been supplemented by CELT's plans for improving the operational effectiveness and execution across the Group.

Key factors affecting the Board's view of the Group's prospects over the period of the viability assessment and the longer term are:

- The fundamentals of our markets, products and brands remain sound, as does our current and future strategy of leveraging our product portfolio for growth in attractive segments and geographies, developing and commercialising new technologies and services and striving to reduce complexity and increase efficiency.
- Established positions in large, structurally growing markets; strong brands and a range of differentiated products; a well-diversified business platform across a range of market segments and geographies.
- Strong cash generation capabilities and a sound financial base, with the Group's $250 million term loan committed until November 2027, which is towards the end of the Viability Period, $950 million revolving credit facilities committed until 2028, and the Group's $500 million senior unsecured notes due in 2029.
- The evolved five strategic pillars that support the delivery of the strategy, which are set out on pages 10 to 11.

The key assumptions considered in the strategic plan, on which this viability assessment is based, include:

- Our markets remain structurally sound and continue to grow at existing levels with no significant change to reimbursement environments.
- Margin improvement is driven by successful execution of our operational excellence programmes in order to deliver productivity gains in excess of inflation and other headwinds.
- Climate impact has been considered but is not expected to have a bearing during the viability assessment period of three years.
- Through the execution of our strategy, we continue to simplify our business, remove excess costs and re-invest in capacity and future innovation.
- The Group will be able to refinance its $250 million term loan in November 2027.
- Dividends growing progressively over the Viability period.

Viability assessment

Throughout the year, the Board has undertaken a robust assessment of the principal risks affecting the Group and also emerging risks, particularly those that could threaten the business model and the Group's viability over an extended period, including an assessment of the likelihood of them materialising. These risks and the actions being taken to manage or mitigate these risks are explained in detail on pages 72 to 80. This analysis has then been applied to allow the Board to assess the prospects, liquidity, resilience, and viability of the Group.

The viability assessment has consisted of stress testing the forecasts underlying the strategic plan by modelling severe but plausible scenarios in which a number of the Group's principal risks and uncertainties materialise within the Viability Period. We have modelled scenarios which group together principal risks where we believe interdependencies exist between risks, in addition to scenarios where unconnected risks occur simultaneously. These scenarios focused on both external factors and internal factors, such as the impact of economic recession leading to higher interest rates and increased inflation headwinds, and affecting reimbursement rates, or consequences of regulatory compliance issues resulting in a loss of revenues.

We continue to strengthen and develop the link between the Group's principal risks and the viability assessment and scenarios. The Group's principal risks are updated through the lens of our risk appetite together with assessing our evolving strategy, current business environment and any emerging risks. We reviewed the severe but plausible risk events from each principal risk and prioritised those by relative impact to form revised long-term viability scenarios.

As a result, six severe but plausible risk scenarios have been chosen. We have added a new scenario in addition to the five scenarios we have modelled in 2023. We included a significant business interruption, leading to loss in revenues, caused by a major climate event in Dominican Republic, which is one of our strategic manufacturing plants. This risk is linked to the operational resilience and quality principal risk, and reflects our consideration of longer-term climate change impacts or an extreme weather event to the business. We have maintained our other five risk scenarios from 2023, in relation to an EHS incident in Deeside, UK, significant cyber incident, regulatory issues within product lines, significant adverse change to reimbursement rates and financial market distress, and macroeconomic forces and/or sanctions restricting access to a key global market due to geopolitical challenges. This reflects the importance of all these areas to our business as we grow new and emerging markets as well as the changing and emerging external environment that our current and future operations work within. The main severe but plausible scenarios are included in the table below.

The scenarios and sensitivity testing have been based upon the current Board-approved strategic plan and forecast revenues, operating profit and balance sheet and were reviewed against the current and projected liquidity and funding position. In addition, as a result of recent Medicare announcements, we have also considered the crystallisation of the reimbursement risk, affecting the reimbursement of our InnovaMatrix™ product within the Viability Period financials.

The individual scenarios took no account of any corporate mitigating actions available to and within control of the Directors. For combined scenarios, where required, controllable corporate mitigations have been applied through adjustments to the Group's strategy and other means in the normal course of business, for example, reducing expansionary capital investment. In the Board's estimation, these events would not plausibly occur to a level of materiality that, in themselves, would endanger the Group's viability.

This assessment was informed by Management's and the Board's combined judgement as to the potential financial (particularly liquidity and debt financing financial covenants) impact of these risks if they were to materialise, together with their likelihood of occurrence. The Board reviewed and discussed the process undertaken by Management and also reviewed the results of reverse stress testing performed against the forecast to determine the performance levels that would result in a breach of covenants or lack of liquidity. The outcome of this test was considered implausible given the Group's strong global market position and diversified portfolio of products and mitigations available to the Board and management.

In addition, the Board undertook an independent review of market information, including investors' and analysts' views on the future viability of the Group and market prospects. This review was undertaken to ensure that where there was an external view or information that was contradictory to the views of Management, the Board understood the rationale for the difference of opinion and agreed with Management's view. This independent review and the scenario tests enabled the Board to conclude on the Group's viability and resilience.

Viability statement

Having assessed the Group's principal risks and uncertainties, and the consolidated financial impact of sensitivity analysis, including any corporate mitigating actions available to the Group (that can be deployed in the unlikely event that two of the scenarios occur at the same time), plus the Group's level of cash generation and existing financing facilities, and the timing of the forecast peak cash outflows, the Board has determined that it has a reasonable expectation that the Group will be able to continue to operate within its existing bank covenants and meet its liabilities over the Viability Period to December 2027.

The Group's Going Concern statement is detailed on page 161.

The Strategic Report comprising pages 4 to 83 was approved by the Board on 25 February 2025.

Karim Bitar
Chief Executive Officer

Jonny Mason
Chief Financial Officer

Scenarios	Linkage to risks on pages 76 to 80
Impacts from a significant manufacturing incident modelled on a plant fire – Impact on supplying customers before plant production is restored – Reduced production or extended period of shut down – Loss of sales could have a material adverse impact on the Group's reputation – Impact of supply disruption	– Operational Resilience and Quality
Impacts from a significant business interruption, linked to an extreme climate event at an important supply chain location – Impact on supplying customers before island infrastructure and plant production is restored – Impact of supply disruption from reduced production or extended period of shut down – Loss of sales could have a material adverse impact on the Group's reputation	– Operational Resilience and Quality
Impacts from a significant cyber incident producing a significant interruption – A significant data privacy breach, leading to a regulatory penalty and fine, and subsequent costs for investigation and remediation	– Cyber and Information Security – Operational Resilience and Quality – Legal, Compliance and Privacy
Impacts from significant regulatory issues in a key product line – Significant breach of regulatory compliance in a product line – Reduced production and loss of sales due to adverse impact on the Group's reputation – Impact of supply disruption	– Legal, Compliance and Privacy – Innovation and Regulatory – Operational Resilience and Quality
Reimbursement reduction and financial market distress – Significant reimbursement reduction in a major market resulting in adverse change to pricing – Increased costs as a result of sustained inflationary pressure matched by sustained high interest rates – Impact of reduced market refinancing appetite and/or competitive terms	– Customer and Markets – Political and Economic Environment
Macroeconomic forces and/or sanctions restrict access to key global markets – Failure to deliver stated growth targets in a key global focus market – Supply chain issues to our manufacturing and distribution from the affected key global focus market	– Customer and Markets – Political and Economic Environment

What's inside

Governance

Governance at a glance

Key Board activities

Throughout 2024, the Board has overseen and regularly reviewed the Group's financial performance, risk and controls, strategic initiatives (including material capital expenditure, M&A and integration), relevant regulatory and market developments, people matters and culture. The Board seeks to engage with stakeholders and considers their interests when making decisions.

ADDITIONAL AREAS OF FOCUS AND ACTIVITIES BY MONTH INCLUDE:

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2025

Jan

- **Approval:** New appointments to CELT, strengthening the leadership team
- **Announcement:** Convatec's partnership with AbbVie allowing our Neria Guard™ infusion sets to be used in AbbVie's Parkinson's therapy and rolled out across Japan and Europe. In October 2024, AbbVie received FDA approval in the US

Feb

- **Approval:** Capital expenditure to support operations automation, plant network optimisation and continuous improvement projects, optimising production lines improving quality and increasing production capacity for future demand
- **Announcement:** Oversaw the launch of Esteem Body with Leak Defense™, the latest ostomy system advancement in soft convexity, in Italy, followed by the US in April 2024

Mar

- **Announcement:** Publication of 2023 full-year results and dividend declared to shareholders

Apr

- **Discussion:** ESG topical update and an update by external advisers on governance and regulatory changes, including relating to audit and corporate governance reform, ESG and AI
- **Approval:** Vitality metric calculation and governance

May

- **2024 Annual General Meeting**
- **Event:** Audit and Risk Committee (ARC) members and senior managers visit our Lisbon office to review progress of GBS transition and to learn more about its contribution to our simplification and productivity agenda

Jun

- **Event:** Board and CELT participate in a two-day strategy session to reassess and review FISBE strategy goals and priorities, with participation from relevant business leadership teams and deep dives into key business category and functional strategic areas
- **Approval:** Ernst & Young (EY) appointment as external auditor from FY2026

Jul

- **Announcement:** Publication of 2024 half-year results and dividend declared to shareholders
- **Approval:** Acquisition of Livramedom, a homecare business in France to build our direct-to-consumer capabilities in Continence Care and Ostomy Care through a homecare channel for our French business
- **Announcement:** Continued scale-up of GentleCath Air™ for Women with FeelClean Technology™, in the UK and Italy, following its successful launch in France

Sep

- **Event:** The Board participated in a two-day visit to our manufacturing site in Osted, Denmark which included:
  - A tour of our site and deep-dives into our Infusion Care (IC) products and pipeline
  - Meeting with a Professor of Neurology from Lund University and an IC patient using our product to help manage type-1 diabetes
  - Meetings with colleagues
- **Deep dive:** Presentations and discussions on Global Quality & Operations, including automation and robotics, plant network optimisation and further capital expenditure investment into quality and production capacity expansion

Oct

- **Discussion:** Group internal controls environment, including cyber security, data privacy and fraud prevention opportunities and considerations

Nov

- **Announcement:** Publication of the ten-month trading update

Dec

- **Approval:** 2025 budget

Chair's governance letter

A culture of doing what's right

"Core to bringing our vision to life is maintaining a culture that is consistent with our core values and underpins our commitment to effective corporate governance"

Dr John McAdam CBE
Chair

Board attendance

Directors' attendance at Board meetings held during the year is outlined below:

Director	Member since	Attended
John McAdam (Chair)	September 2019	8/8
Karim Bitar	September 2019	8/8
Jonny Mason	March 2022	8/8
Brian May	March 2020	8/8
Margaret Ewing	August 2017	8/8
Constantin Coussios	September 2020	8/8
Heather Mason	July 2020	8/8
Kim Lody	February 2022	8/8
Sharon O'Keefe	March 2022	8/8

Dear Shareholder

I am pleased to present this Governance report for the year ended 31 December 2024. This report, together with the Nomination, Remuneration and Audit and Risk Committee (ARC) reports, show how Convatec's leadership and governance framework support Convatec as we continue to build on our long-term, sustainable and profitable growth, whilst engaging with our stakeholders, maintaining our values and culture and conducting our business in a responsible and sustainable way.

Our culture

We maintain strong governance principles across the Company through our culture of doing what's right, one of Convatec's five core values. This is reflected in our vision: pioneering trusted medical solutions to improve the lives we touch, and is supported by our promise to be forever caring. We continue to invest in leadership and sustain strong levels of overall employee engagement. Sharon O'Keefe and I were particularly pleased to join our CEO and his team at Convatec's Global Leaders Meeting during the year – a three-day event that brought together Convatec's top 100 leaders in London. The strength of the talent we have built in recent years is clear, and we can have confidence in our continued success.

Our people

The Board has a critical role in promoting our culture and ensuring that our strategic focus is to deliver on our forever caring promise. Our people are key to this and the Board follows a programme of engagement with Convatec's employees and is regularly briefed on people matters and employee information and surveys throughout the year. In 2024, members of the Board connected with employees during on-site visits to our Osted manufacturing site in Denmark and our GBS site in Lisbon, Portugal. Sharon O'Keefe leads for the Board on workforce engagement and hosted focus groups with employees in Osted and heard about their experiences working for Convatec. Colleagues across different functions and levels of seniority described our engaging and collaborative culture, which enables colleagues to feel empowered and a sense of ownership in our journey. We were pleased to hear our employees talk with pride about their work and the Company as a whole. As a Board, we recognise the importance of their feedback and acknowledge that we must continue to invest in our people through training, development and workplace cultural initiatives to maintain this sense of community and pride in the business.

Further details of Board-level workforce engagement and our culture can be found on page 36 and 45, respectively.

Leadership

Leadership continues to be a particular focus for the Board, and through the Nomination Committee, we have continued to oversee a diverse succession pipeline for the Board and wider leadership team. This year saw a number of new appointments to our executive leadership team supported by the Board, and we are pleased to have in place a team with the right skills and experience to fulfil the Company's vision and support the continued successful delivery of our FISBE strategy. As a Board we review the Group's senior management and talent pipeline to ensure we are growing tomorrow's leaders. Further details are provided in the Nomination Committee Report on pages 101 to 103.

Membership of the Board is set out on pages 92 and 93 and the members of the Board's committees are set out in the respective committee reports on pages 101, 104 and 114. Membership of CELT is set out on pages 94 and 95.

ESG

The Board also continued to oversee our responsible business programme, details of which are included on pages 32 to 59.

We have overseen ongoing progress in embedding Convatec Cares, our approach to ESG, including on emissions reduction and net zero transition planning. Under the remit of our CELT-led ESG Steering Committee, we developed an internal carbon footprint database to enhance decision making in this area. We also made good progress across ESG targets, including a vitality index of 30% in 2024. From a people and culture perspective, we made progress towards our 2027 target of 50% of senior management roles held by women (45% in 2024) and saw strong levels of overall employee engagement. We have also kept compliance with regulatory requirements for sustainability in focus.

Key stakeholders

Our key stakeholder groups are identified and detailed on pages 36 to 37. Our stakeholders are key to the long term sustainable success of our business and we have ensured that all Directors have timely access to information about stakeholder issues and concerns. Information about how the Board has taken account of Section 172 considerations in our Board discussions and decision-making processes is set out on pages 36 to 37 and 98.

Board performance evaluation

In accordance with the Code requirements, a performance evaluation of the Board and Board Committees was carried out in the autumn of 2024. Details of the evaluation process, recommendations and actions can be found on pages 99 to 100.

The Code

We explain how we have applied the Code's principles on pages 89 to 91. These core principles also serve as a framework for the following sections of this Annual Report which explain our governance structure and processes we operate to support the Group's long-term success. More details can also be found on our website: www.convatecgroup.com/investors/governance/.

During the year, the Board, through the ARC, has also monitored plans to address the new requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the workstreams reviewing and improving the Group's internal controls, in preparedness for changes brought about by the UK Corporate Governance Code 2024 which will apply to financial years beginning on or after 1 January 2025 generally and specifically for internal controls from 1 January 2026. More details of the progress made in respect of our internal controls workstream can be found within the ARC Report on page 109.

AGM

Our 2024 Annual General Meeting (AGM) took place as a hybrid meeting, enabling shareholders to attend either in person or remotely. Our 2025 AGM will similarly be held as a hybrid meeting, full details can be found in the Notice of Meeting.

2025 priorities

The Board remains committed to effective corporate governance practices. Looking at the year ahead, Non-Executive succession planning will remain a key focus for the Board, through its Nomination Committee.

As a Board, we will continue to oversee delivery of our FISBE strategy. We will monitor progress on our simplification and productivity initiatives, including the continuing transition of key central functions and activities to our Global Business Services teams in Lisbon, Bogotá and Kuala Lumpur, which has helped to reduce our general and administrative costs and improve the effectiveness of our end-to-end processes, as well as the improvements in our global operations and quality team which will provide us with a best-in-class manufacturing operations and optimise quality, capacity and productivity.

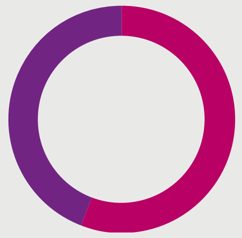
It is clear that our innovation pipeline is delivering with strong growth in products and applications. The Board will continue to monitor the successful development and launch of a range of new products in 2025 and oversee the continuing build of our supply chain resilience to support product delivery. After much progress over the last few years, we continue to monitor the broader regulatory landscape, evolving stakeholder expectations and Convatec's overall response and actions.

In 2025, following extensive shareholder consultation in 2024 and early 2025, we will be asking shareholders to approve a new Directors Remuneration Policy at the AGM, expected to be in place for the next three years. The proposed new Policy can be found on pages 128 to 134 and has been designed to drive retention of our senior leadership, and provide market competitive reward contingent on delivery of robust business performance.

I would like to take this opportunity to thank my fellow Board members, the management team and our colleagues in the wider workforce, who served during another successful year for Convatec and look forward to building on this success during 2025.

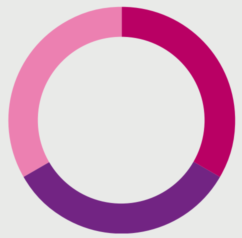
Dr John McAdam CBE
Chair
25 February 2025

BOARD STATISTICS



Gender[1]

Male:	56%
Female:	44%



Length of tenure[2]

2-3 years:	3
4-5 years:	3
5 years or more:	3

BOARD AND COMMITTEE MEETINGS

8 Board scheduled meetings

5 Remuneration Committee meetings

5 Audit and Risk Committee meetings

3 Nomination Committee meetings

1. As at 31 December 2024 and at 21 February 2025.
2. As at 31 December 2024.

Board statements

Throughout 2024, Convatec was subject to the requirements of the UK Corporate Governance Code 2018. During the year, we have complied with the Code other than provisions 40 and 41, employee engagement on executive remuneration. The Remuneration Committee has not undertaken consultation with the workforce when considering executive remuneration, however the Committee has considered wider pay practices at all levels across the Group and all employees have opportunity to provide feedback on pay and other issues. The Committee is mindful of this when applying salary increases. Page 123 of the Remuneration Committee report provides further details of our engagement activities.

During 2024, the Board reviewed the implications and Convatec's preparedness for the changes brought about by the new version of the UK Corporate Governance Code, which will apply to financial years beginning on or after 1 January 2025.

In accordance with the Code, the Board is required to make a number of statements. These are set out in the table below.

REQUIREMENT	BOARD STATEMENT	MORE INFORMATION
UK Corporate Governance Code 2018 compliance	Throughout the financial year ended 31 December 2024, except as explained above, the Company has complied with the Code.	**Pages 89 to 91**
Going concern	The Directors are satisfied that the Group has sufficient financial resources to continue operating for at least 12 months from the date of signing of the 2024 Annual Report and Accounts and, therefore, have adopted the going concern basis in preparing the Group's 2024 Financial Statements.	**Page 161**
Viability statement	The Directors have assessed the viability of the Group over a three-year period ending 31 December 2027, taking into account the principal risks identified by the Board as set out on pages 72 to 80. This assessment led the Board to the reasonable expectation that the Group will remain viable and continue in operation and meet its liabilities as they become due over the Viability Period.	**Pages 82 and 83**
Fair, balanced, and understandable	The Directors consider that the 2024 Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and provide the necessary information for all stakeholders to assess the Group's position and performance and its business model and strategy.	**Page 105**
Assessment of the Group's principal and emerging risks	The Directors confirm that they have undertaken a robust assessment of the principal and emerging risks facing the Group.	**Pages 72 to 80**
Annual review of risk management and internal control systems	The Board undertook, throughout the year, a review of the effectiveness of the Group's risk management framework and internal controls, including those over the financial reporting period, and concluded that these provided assurance that there were no control failures in the year which could materially impact the financial statements or the future financial performance of the Group.	**Page 91**
Stakeholder engagement	The Board has taken steps to understand stakeholders' views and has considered them in its discussions and decision-making process.	**Pages 36, 37 and 98**

How we have applied the Code's core principles

BOARD LEADERSHIP AND COMPANY PURPOSE

Code principles	Application	Where further information is available
A **The Board's role**	The Board is collectively responsible for promoting the long term success of the Company for its shareholders and stakeholders. The Board discharges its responsibilities through a programme of activities. This includes an annual event held over two days where the Board and CELT review and approve the Group's strategic priorities, regular progress reviews of its execution and implementation, discussion on arising key issues and monitoring of performance, to enable the Group to deliver sustainable and profitable growth.	Board focus and principal matters considered in 2024 **Pages 96 and 97** Matters reserved for the board can be found on our website: www.convatecgroup.com/globalassets/2024-schedule-of-matters-reserved-for-the-board---final-and-approved-for-web-
B **Purpose and culture**	The Board endorses the Group's vision statement (which encapsulates our purpose and ambition), our values and our forever caring promise. During the year, the Board regularly considers the Group's strategy, both in the two-day strategy Board meetings in June and as part of scheduled Board meetings. People and culture are a key part of Convatec's strategy. The Board has reviewed several cultural indicators, including regular briefings from the Chief People Officer, employee surveys, interactions between the Board and employees and employee focus groups chaired by Sharon O'Keefe, our designated Non-Executive Director Workforce Liaison Champion. The Chair, Executive Directors and Workforce Liaison Champion all attended a three-day Global Leaders Meeting that brought together Convatec's top 100 leaders (see page 45). The Executive Directors also participated in global town hall events throughout the year to provide employees with key updates, participate in live Q&As and to hear inspirational stories from patients, HCP and caregivers about how our products are transforming lives.	How we realise our vision **Page 7** Shaping our winning culture **Page 45** Chair's statement **Pages 6 and 7** Chair's governance letter **Pages 86 to 87** Culture **Page 44 to 45** Board site visit **Page 97**
C **Resources and controls**	The Board regularly reviews the Group's financial and non-financial resources to ensure that it has the resources available to deliver its strategy. The Board has approved and regularly reviews a series of KPIs that monitor performance and delivery of strategy. The Board has established an effective governance and risk management framework. The ARC helps the Board to oversee the risks to which the Group may be exposed and provides the Board with strategic advice in relation to current and potential risk exposures.	The Group's KPIs **Pages 12 and 13** The Group's risk management framework **Page 72 to 75** Audit and Risk Committee report **Pages 104 to 113**
D **Stakeholder engagement**	To fulfil its duty to promote the Group's long-term success and generate value for shareholders, stakeholders and wider society a number of mechanisms have been established to facilitate shareholder, workforce and wider stakeholder engagement and ensure that the Directors consider all relevant stakeholder issues and concerns when making strategic decisions.	Engaging stakeholders and Section 172 statement **Pages 36, 37 and 98** Board key decisions **Page 98**
E **Workforce engagement**	The Board has ensured that workforce policies and practices are consistent with the Group's values and has established mechanisms, including an independently provided whistleblowing/speaking-up facility, to allow the workforce to raise concerns anonymously. Throughout the year, the Board, through its ARC, received regular reports on the global use of the whistleblowing facility. The Executive Directors also host global town hall events and other engagement events throughout the year to provide employees with key updates and answer questions. We also rolled out additional employee engagement measures in 2024 – see page 45. During the year, Non-Executive Directors met with colleagues to discuss their experience and share insights. The Board has also designated a Non-Executive Director as Workforce Liaison Champion.	Enabling our people to thrive **Pages 44 to 48** Compliance Helpline and website **Page 50** Audit and Risk Committee report **Pages 104 to 113**

How we have applied the Code's core principles continued

DIVISION OF RESPONSIBILITIES

Code principles	Application	Where further information is available
F **The Chair's role**	The Chair was independent on appointment in September 2019 and is responsible for the leadership of the Board and continues to demonstrate objective judgement. The Chair effectively facilitates robust discussions at Board meetings and active participation from all Board members.	The Board's key roles and responsibilities can be found on our website: www.convatecgroup.com/investors/governance/
G **Composition of the Board**	The Board comprises seven Non-Executive Directors, including the Chair and two Executive Directors. Their responsibilities are clearly defined.	Key Board roles and responsibilities can be found on our website: www.convatecgroup.com/investors/governance/. The division of responsibilities between the roles of the Chair and Chief Executive Officer; and, the responsibilities of the Senior Independent Director can be found on our website: www.convatecgroup.com/investors/governance/
H **Time commitment, constructive challenge and strategic guidance**	All Directors have demonstrated that they have sufficient time to fulfil their duties and responsibilities, including taking into account any new significant external appointments during the year. In their roles, the Non-Executive Directors have provided constructive challenge, strategic guidance and held management to account. The Board and Nomination Committee regularly reviews the skills and experience of its members to ensure that the Board continues to be effective.	Nomination Committee report **Page 101 to 103** Board performance evaluation **Pages 99 and 100**
I **Effective and efficient Board**	All Directors have access to an encrypted electronic portal system which enables them to receive accurate and timely information. The Board works with the Company Secretary to ensure effective communication flows between the Board and its Committees, and between senior management and the Non-Executive Directors. The Company Secretary assists the Chair in establishing the policies and processes the Board needs and periodically reviews governance processes. All Directors have access to the advice and services of the Company Secretary and, through him, have access to independent professional advice in respect of their duties, at the Group's expense.	Board key activities during 2024 **Page 85** Board activity and actions **Page 96 to 98** Board performance evaluation **Pages 99 and 100**

COMPOSITION, SUCCESSION AND EVALUATION

Code principles	Application	Where further information is available
J **Board appointments and succession planning**	The Nomination Committee is responsible for reviewing Board composition and leads the process for Board appointments. These are based on merit against an objective criteria and with due regard for the benefits of diversity in all forms on the Board. The Nomination Committee regularly considers Board and senior management succession. There is a formal, rigorous and transparent process for all appointments. The Board engages international search and selection firms to provide support, most recently using firms including Egon Zendher, Korn Ferry and Russell Reynolds. None of them have any connection with the Group, or any Director, other than they may be engaged to assist with Board and senior management appointments and ordinary course succession planning from time to time.	Nomination Committee report and Board appointment procedure **Pages 101 to 103** Board appointments **Page 103** Talent and succession planning **Page 103** Board Diversity, Equity and Inclusion Policy www.convatecgroup.com/investors/governance
K **Skills, experience and knowledge of the Board**	Our Board is balanced and diverse and its members have proven leadership capabilities as well as relevant healthcare, operational skills, financial expertise and experience. Board member tenure is such that there is a balance of deep knowledge of the Company and fresh perspective and challenge. None of the Non-Executive Directors have currently served more than nine years on the Board.	Directors' biographical information **Page 93** Skills and experience matrix **Page 92** Board member tenure **Pages 86, 87 and 103**
L **Annual evaluation**	In compliance with the Code, during 2024, the Board undertook an evaluation of its performance and that of its committees. The evaluation was by way of an externally facilitated questionnaire and reporting process, the conclusions of which are contained within this report. The Non-Executive Directors meet with the Chair, without the Executive Directors present, to discuss performance against agreed objectives. Led by the Senior Independent Director, the Non-Executive Directors also meet without the Chair to appraise his performance. The Chair provides performance feedback to each Non-Executive Director throughout the year as and when the need arises.	Board performance evaluation **Page 99 and 100**

AUDIT RISK AND INTERNAL CONTROL

Code principles	Application	Where further information is available
M **Independent and effective internal and external audit functions**	The Board has delegated a number of responsibilities to the ARC, including oversight of the Group's financial reporting processes, and ensuring the effectiveness and independence of the external and internal auditors. The ARC Chair regularly briefs the Board on how the Committee has discharged its responsibilities. The ARC assesses throughout the year the effectiveness of the internal and external audit functions, including a formal assessment, taking into consideration management's views, once per year.	Audit and Risk Committee report **Pages 104 to 113**
N **Fair, balanced and understandable assessment**	The Strategic Report sets out the performance of the Company, the business model and the risks and uncertainties relating to the Company's prospects. When taken as a whole, the Directors consider that the Annual Report is fair, balanced and understandable and provides information necessary for shareholders to assess the Company's performance, business model and strategy.	Audit and Risk Committee report **Pages 104 to 113**
O **Risk management and internal controls**	The Board is ultimately responsible for overseeing how we manage both internal and external risks (current and emerging) that could impact our business model and strategic goals. The Board also determines the Group's risk appetite and monitors adherence to it through reports received by the ARC and from the VP, Internal Audit, Enterprise Risk & Insurance. The Board regularly reviews the Group's principal risks and, on an annual basis, reviews the effectiveness of our risk management and internal control systems and undertakes horizon scanning to identify new emerging risks. The ARC reviews the effectiveness of the Group's risk management and internal control frameworks and systems regularly throughout the year. Following this review, the Board is satisfied that the Group's risk management and internal control frameworks and systems provided assurance that there were no control failures in the year that could have a material impact on the Group's financial statements or its future financial situation.	Risk management **Pages 72 to 75** Principal and emerging risks **Pages 74 to 80** Audit and Risk Committee report **Pages 104 to 113**

REMUNERATION

Code principles	Application	Where further information is available
P **Remuneration policy and practices**	Our Remuneration Policy is designed to support our strategy, be aligned to our vision and shareholder interests, and promote long-term sustainable success. Our current Policy was approved by shareholders in 2023. We will be tabling proposed changes to our Policy for approval by shareholders in 2025, following an extensive consultation exercise with our key shareholders.	Remuneration Policy **Pages 128 to 134** Directors' Remuneration report **Pages 114 to 144**
Q **Development of remuneration policy and packages**	The Remuneration Committee is responsible for setting the remuneration for Executive Directors. The Remuneration Committee reviews remuneration packages of CELT members to ensure that they support our strategy and provide an appropriate balance between motivating and challenging our senior leaders. No Director is involved in making decisions on their own remuneration.	Remuneration Policy **Pages 128 to 134** Directors' Remuneration report **Pages 114 to 144**
R **Independent judgement and discretion**	Following a formal procedure, the Remuneration Committee sets the remuneration for the Executive Directors and oversees the remuneration of senior management. In doing so it applies judgement and, if required, discretion to ensure a considered outcome on remuneration issues.	Directors' Remuneration report **Pages 114 to 144**

Experienced leadership

A diversely skilled Board with proven leadership capabilities and relevant healthcare, operational and financial skills and experience

1 Jonny Mason, Chief Financial Officer
2 Sharon O'Keefe, Non-Executive Director
3 Dr John McAdam CBE, Chair
4 Heather Mason, Non-Executive Director
5 Karim Bitar, Chief Executive Officer
6 Brian May, Non-Executive Director
7 Margaret Ewing, Senior Independent Director
8 Kim Lody, Non-Executive Director
9 Prof Constantin Coussios OBE, Non-Executive Director

SKILLS AND EXPERIENCE

The skills and experience matrix has been created on the basis that all members of our Board have previous operational experience or have acquired a working knowledge through their tenure at Convatec in each of the areas. Any additional capabilities with a director being either advanced or expert are indicated below.

	John McAdam	Karim Bitar	Jonny Mason	Margaret Ewing	Brian May	Constantin Coussios	Kim Lody	Heather Mason	Sharon O'Keefe
Board experience	Expert	Advanced	Expert	Expert	Expert	Advanced	Expert	Advanced	Expert
Corp. transactions & M&A	Expert	Advanced	Expert	Expert	Expert		Expert		
ESG		Advanced	Advanced	Advanced	Advanced				
Finance	Advanced	Advanced	Expert	Expert	Expert		Advanced	Advanced	
Global	Expert	Expert	Expert		Expert		Expert	Expert	
Healthcare		Expert				Expert	Expert	Expert	Expert
Leadership	Expert	Expert	Expert	Expert	Expert	Advanced	Expert	Expert	Expert
Operational	Expert	Expert			Advanced	Advanced	Expert	Expert	Expert
Strategy, transformation & org design	Expert	Expert	Expert	Expert	Expert	Advanced	Expert	Expert	Expert
T&I	Expert	Advanced	Advanced	Advanced	Expert	Expert	Advanced	Advanced	Advanced

Key

Advanced. Director demonstrates significant skill and knowledge and/or previous experience. (5-8 years)

Expert. Director demonstrates extensive experience, identifiable by occupation, profession and career. (8+ years)

Dr John McAdam CBE
Chair
N*

Date of appointment: September 2019

Independent: Yes (on appointment)

Relevant skills and experience
- Extensive chair and board leadership experience, including as former Chair of Rentokil Initial plc and United Utilities Group PLC and as a Non-Executive Director of a number of FTSE 100 and US companies.
- Extensive experience of leading companies undergoing transformation including as Chief Executive of ICI PLC between 2003 and 2008.

Current external appointments
Adviser to BlackRock's Long-Term Investment Group.

Karim Bitar
Chief Executive Officer

Date of appointment: September 2019

Independent: No

Relevant skills and experience
- Significant board level and leadership experience including as Non-Executive Director of Spectris PLC between 2017 and 2021 and Chief Executive Officer of Genus PLC between 2011 and 2019.
- Successful business transformation track record.
- Extensive and broad management experience.
- Relevant sector knowledge and experience, including 15 years with Eli Lilly, where from 2008, Karim was President of Europe, Australia and Canada.

Current external appointments
Member of the Advisory Board of the University of Michigan, Ross School of Business.

Jonny Mason
Chief Financial Officer

Date of appointment: March 2022

Independent: No

Relevant skills and experience
- Seasoned CFO with an extensive track record in listed and international businesses.
- Was formerly CFO of Dixons Carphone PLC, now known as Currys Plc, from 2018 to 2021, CFO of Halfords PLC from 2015 to 2018, CFO of Scandi Standard AB, CFO at Odeon and UCI Cinemas and FD of Sainsbury's Supermarkets.

Current external appointments
None.

Margaret Ewing
Senior Independent Director
AR* N

Date of appointment: August 2017

Independent: Yes

Relevant skills and experience
- Chartered Accountant with significant financial and executive experience, including as former Managing Partner of Deloitte LLP and CFO of BAA PLC.
- Extensive audit and risk management experience.
- Strong board experience, having served as a Non-Executive Director of Whitbread plc and Standard Chartered PLC and CFO of BAA PLC and Trinity Mirror PLC (now Reach PLC).

Current external appointments
Non-Executive Director, Chair of the Audit and Risk Committee and member of the Nomination Committee of ITV PLC. Non-Executive Director, member of the Audit and Compliance Committee and the Nominations Committee of International Consolidated Airlines Group, S.A.

Brian May
Non-Executive Director
AR N R*

Date of appointment: March 2020

Independent: Yes

Relevant skills and experience
- Significant financial and international business experience, including as Chief Financial Officer of Bunzl plc from 2006 to 2019. Prior to that, Brian held a number of senior management finance roles with Bunzl, including divisional Finance Director, Group Treasurer and Head of Internal Audit.
- Experience as a Non-Executive Director including of United Utilities Group PLC between 2012 and 2021, where he was also Chair of the Audit Committee.
- Extensive experience of significant strategic initiatives that delivered growth and sustained shareholder returns over the long term.
- Chartered accountant.

Current external appointments
Non-Executive Director of Ferguson Enterprises Inc., where Brian is also a member of its Nominations and Governance Committee and Audit Committee. Non-Executive Director of OFI Group Limited.

Heather Mason
Non-Executive Director
AR N

Date of appointment: July 2020

Independent: Yes

Relevant skills and experience
- Significant international healthcare experience leading fully integrated global businesses, including 27 years with Abbott Laboratories, where Heather held a number of global senior operational and strategic leadership roles, including Senior Vice President of Abbott Diabetes Care and most recently Executive Vice President of Abbott Nutrition.
- Extensive relevant international, commercial and operational experience.
- Proven track record of overseeing the development of commercially viable new product pipelines and brand building.

Current external appointments
Chair of Assertio Therapeutics, Inc.; Chair of SCA Pharmaceuticals, LLC. Non-Executive Director of Immatics, Inc., and Non-Executive Director of Pendulum Therapeutics, Inc.

Prof Constantin Coussios OBE
Non-Executive Director
N R

Date of appointment: September 2020

Independent: Yes

Relevant skills and experience
- Internationally recognised key opinion leader, awarded an OBE for Services to Biomedical Engineering with a track record of translating research into commercial technologies.
- Significant experience in drug delivery devices and technologies, including previously leading the Oxford Centre for Drug Delivery Devices, a cross-disciplinary centre working with pharmaceutical and medical device companies and the NHS.
- Significant experience in antimicrobial technologies and advanced wound care, including as co-investigator of a national programme on antibacterial technologies beyond antibiotics.

Current external appointments
Director, Institute of Biomedical Engineering, University of Oxford. Professorial Fellow Magdalen College, Oxford, Founder and Director of OrganOx Limited, OxSonics Limited and OrthoSon Limited. Trustee of the Oxford Transplant Foundation and Trustee of Magdalen College Oxford.

Kim Lody
Non-Executive Director
N R

Date of appointment: February 2022

Independent: Yes

Relevant skills and experience
- Extensive healthcare, reimbursement, and MedTech experience specialising in commercial strategy, product innovation, branding, business development, and growth.
- Leadership experience as President and CEO of NYSE listed Sonida Senior Living Corporation (retired); President of GN Hearing North America, President of Resound US; President of Coloplast Chronic Care US, Chief Operating Officer of Senior Home Care, and Executive Vice President and Chief Marketing Officer of Gentiva Health Services.

Current external appointments
Non-Executive Director and Chair of the Talent & Compensation Committee, Ball Ventures; Non-Executive Director and member of the Audit Committee of Mozarc Medical; and Non-Executive Director and Treasurer, Geauga Hunger Task Force.

Sharon O'Keefe
Non-Executive Director
N R

Date of appointment: March 2022

Independent: Yes

Relevant skills and experience
- Extensive healthcare and executive experience, with focus on driving quality, efficiency and innovation.
- Previously President and Chief Operating Officer of UChicago Medicine, Non-Executive Director of Aviv REIT and of Vocera Communications.
- Holds an M.S. in Nursing Administration from the Loyola University of Chicago, and a B.S. in Nursing from Northern Illinois University.

Current external appointments
Non-Executive Director of Adtalem Global Education Inc.

N Nomination Committee

AR Audit and Risk Committee

R Remuneration Committee

* denotes Chair of the respective Committee

Convatec Executive Leadership Team (CELT)

CELT is responsible for the management and performance of Convatec with frequent reporting to, and oversight by, the Board

1. James Kerton
EVP, General Counsel & Company Secretary
2. Mark Jassey
President & Chief Operating Officer, Continence Care & Home Services Group
3. Kjersti Grimsrud
President & Chief Operating Officer, Infusion Care
4. Bruno Pinheiro
President & Chief Operating Officer, Ostomy Care
5. Karim Bitar
Chief Executive Officer
6. Jonny Mason
Chief Financial Officer
7. Emma Rose
EVP, Chief People Officer
8. Evelyn Douglas
EVP, Chief Strategy & Business Development Officer
9. John Haller
EVP, Chief Quality & Operations Officer
10. David Shepherd
President & Chief Operating Officer, Advanced Wound Care
11. Dr Divakar Ramakrishnan
EVP, Chief Technology Officer and Head of Research & Development
12. Anne Belcher
President & Chief Operating Officer, Global Emerging Markets

BOARD MEMBERSHIP

Biographical details for Karim Bitar, CEO, and Jonny Mason, CFO, are provided on page 93.

More detailed CELT member biographical information is available at **www.convatecgroup.com**

James Kerton[1]
EVP, General Counsel & Company Secretary

Appointed to CELT: 2024

James rejoined Convatec in May 2024, having previously held the role of Vice-President, Deputy General Counsel in 2021 to 2022. James was previously General Counsel and Company Secretary at Redde Northgate plc and brings significant listed company and legal practice experience, having previously held senior leadership roles at London Stock Exchange Group plc and practiced as a lawyer at Freshfields Bruckhaus Deringer LLP.

Emma Rose[1]
EVP, Chief People Officer

Appointed to CELT: 2024

Emma joined Convatec in April 2024. She was previously Chief Human Resources Officer at Travis Perkins Plc, the UK's largest distributor of building materials, with more than 20,000 colleagues in the UK and Europe.

Emma is a seasoned HR leader and has had a distinguished career spanning more than two decades across industries, from Kerry Foods and InterContinental Hotels Group, to Mondelez International, Cadbury, Coca-Cola and M&S. She has a very strong track record for delivering transformational people and culture strategies.

Kjersti Grimsrud
President & Chief Operating Officer, Infusion Care

Appointed to CELT: 2018

Kjersti joined Convatec and CELT in 2018. She was a member of the founding team at Axis-Shield and appointed President Europe and the Middle East and President International at Alere, Inc., following its acquisition. Kjersti's 25 years of experience in the MedTech sector includes roles within diabetes care, including General Manager, Operations, Sales, Marketing and R&D positions.

Mark Jassey
President & Chief Operating Officer, Continence Care & Home Services Group

Appointed to CELT: 2024

Mark was promoted and joined CELT in October 2024. Mark joined 180 Medical in 2007, which became part of Convatec in 2012, and has held a variety of leadership roles, including most recently, Chief Commercial Officer, HSG and VP, Head of Global Marketing – Continence Care. Prior to joining Convatec, Mark worked for several years in retail and logistics.

Dr Divakar Ramakrishnan[1]
EVP, Chief Technology Officer and Head of Research & Development

Appointed to CELT: 2020

Prior to joining Convatec, Divakar served as Chief Digital Officer and Vice President for Eli Lilly's Drug Delivery, Device and Digital Health groups, where he led a global R&D team focused on developing innovative and digitally enabled devices to improve patient care. Divakar's career in healthcare spans more than 20 years. He served as Eli Lilly's Vice President of Manufacturing Science and Technology, a role in which he oversaw all the company's process development across its entire product portfolio.

Bruno Pinheiro
President & Chief Operating Officer, Ostomy Care

Appointed to CELT: 2021

Bruno worked for Bristol Myers Squibb prior to its sale of Convatec in 2008. Bruno's diverse experience spans across Sales, Business Development & Global Emerging Markets. Prior to his appointment as interim President & Chief Operating Officer, Global Emerging Markets, Bruno led a diverse team across eight countries in his role as Head of Convatec's Latin America business. Bruno was appointed as President & Chief Operating Officer, Ostomy Care, in May 2022.

Evelyn Douglas[1]
EVP, Chief Strategy & Business Development Officer

Appointed to CELT: 2020

Evy has in-depth expertise in the MedTech sector, having spent 20 years at Becton, Dickinson and Company (BD) prior to joining Convatec in 2020. At BD, she was Senior Vice President of Corporate Development and Strategy, where she supported the company to build its capabilities, focusing on opportunities for partnerships, acquisitions and divestitures. Prior to her role in corporate development at BD, Evy held senior positions in their legal team.

David Shepherd
President & Chief Operating Officer, Advanced Wound Care

Appointed to CELT: 2018

David joined Convatec and CELT in 2018, having previously worked for Johnson & Johnson for 26 years, where he held a variety of sales, marketing, strategic and operations roles, most recently being Vice President, Southern EMEA with responsibility for 15 businesses across the region. Prior to that, he was the US President for Cardiovascular and Speciality Services.

John Haller[1]
EVP, Chief Quality & Operations Officer

Appointed to CELT: 2022

John joined Convatec in 2022 from Next Press, where he was General Manager. Previously, he spent 26 years with Stryker Corporation, a leading global MedTech business, where he played a pivotal role in helping Stryker grow from a $1 billion revenue company to a $13 billion revenue company. John has lived and worked in countries around the world.

Anne Belcher
President & Chief Operating Officer, Global Emerging Markets

Appointed to CELT: 2022

Anne joined Convatec in 2022 after 30 years at GlaxoSmithKline (GSK), where she most recently served as Senior Vice President & General Manager, Nordics. She originally joined GSK as a sales representative in New Zealand in 1991 and went on to hold senior roles globally within GSK. Anne has experience in diverse market environments, including both mature and emerging markets across Asia Pacific, EMEA and the Americas.

1. Members of the ESG Steering Committee.

Board activity and actions

Board focus and principal matters considered in 2024

The principal matters considered by the Board during 2024 and their linkage to the Company's strategic priorities are set out in the table below.

As part of the business of each Board meeting, the Board is briefed by Executive Management on business performance, people and culture, including relevant updates on employee engagement, turnover, DE&I, wellbeing and talent. The Board also receives a report from the CFO providing updates on the Group's financial performance. Members of CELT and senior management regularly brief the Board on business and strategic developments, opportunities, principal and emerging risks and their mitigation, and key operating decisions. The Board also receives regular reporting on Convatec's responsible business agenda, including enterprise risk management, stakeholder engagement, legal and compliance and other topics relevant to the business and the environment Convatec operates in.

Areas of focus	Activities	Strategic priorities
Strategy and delivery – Considering and approving the Group's strategy and any changes and monitoring execution and delivery. – Considering and approving major transactions, capital projects, corporate actions or investments by the Company.	– Two-day strategy meeting to review progress and evolution of the FISBE strategy – Review of corporate development opportunities and capital investments to ensure alignment with our FISBE strategy and business segment plans – Consideration and approval of capital expenditure to support manufacturing capacity expansion across all segments – Consideration and approval of the acquisition of Livramedom, a homecare services business to provide improved support to our patients and Healthcare Professionals (HCP) in France – Regular review of innovation and technology, including the new product pipeline and out clinical evidence generation as well as quality and operations enhancements to improve resilience. In particular, the Board has considered the US Medicare Administrative Contractors (MACs) Local Coverage Determinations (LCDs) for Skin Substitute Grafts/Cellular and Tissue-Based Products for the treatment of Diabetic Foot Ulcers (DFUs) and Venous Leg Ulcers (VLUs) – Reviewed progress of the GBS transition and its contribution to our simplification and productivity agenda – Consideration of the global economy and geopolitics, and the potential impact on growth and performance – Consideration of our customers and those who use our products and services, the competitive landscape we operate in and opportunities for innovation	Focus Innovate Simplify Build Execute
Leadership – Recommendation of directors for re-election, following recommendations from the Nomination Committee. – Reviewing the performance of the Board and its committees, individual Directors and the Group's overall corporate governance framework. – Reviewing wider leadership across the organisation.	– Board evaluation completed and results reviewed in late 2024 (see pages 99 to 100 for details) – Consideration of the composition and skills, knowledge and experience of the Board and Board Committees – Consideration of Non-Executive Director tenure and appropriate succession planning – Consideration of the appointment of three new CELT leaders. – Review of CELT including their performance, retention and career development – Further development of succession plans for CELT including review of potential candidates from the wider leadership team	Build Execute
Our people – Receiving and considering the views of the Company's employees.	– Sharon O'Keefe continued her role as Non-Executive Director Workforce Liaison Champion and provided the Board with regular post-engagement briefings. The Board also considered the 2025 plan for workforce engagement. – The Chair and Sharon O'Keefe attended the Global Leadership Meeting, held in London in April 2024 – The Board met colleagues from across the organisation during site visits	Innovate Build Execute
Business plan and performance – Approving annual budget and business plan and regularly reviewing actual performance and latest forecasts against the budget and business plan.	– Approved 2025 budget and business plan – Regular CEO and CFO reports and briefings on actual performance, horizon scanning and forecasts – Deep-dives into segment performance and plans	Focus Innovate Simplify Build Execute
Financial reporting – Approving final and interim results, trading updates, the Annual Report and the release of price-sensitive information. – Approving the dividend policy, determination of any interim dividend and the recommendation (subject to the approval of shareholders) of any final dividend to be paid by the Company.	– Approval of the Viability and Going Concern statements – Approval of half-year and full-year results – Consideration and approval of trading updates issued in May and November 2024 – Confirmation and approval of the interim dividend and recommendation of the final dividend – Approval of the 2023 Annual Report and Notice of 2024 AGM, held as a hybrid meeting	Focus Execute
Risk and governance – Ensuring the Group has an effective framework and systems of internal control and risk management in place, including approving the Group's risk appetite and principal and emerging risks.	– Review of the effectiveness of the Group's risk management and internal control framework and systems – Review and approval of the Group's risk appetite, ensuring that Group strategy and current performance are aligned with risk appetite – Review and approval of the Group's principal and emerging risks – Regular Governance, Legal and Compliance briefings, including updates provided by external advisers – Briefings to the Board from the Board Committee Chairs on the activities of the Committees – Review of Board Committee terms of reference, with particular reference to the changes brought about by the 2024 UK Corporate Governance Code	Focus Innovate Simplify Build Execute
Stakeholder engagement – Considering the balance of interests between the Group's stakeholders. – Receiving and considering the views of the Company's shareholders.	– The Board met with patients, HCP and thought leaders to gain deeper insights into our products and developments – Briefings provided by the Investor Relations team and the Group's corporate brokers on investor feedback following results announcements and investor roadshows – The Chair and other members of the Board had meetings with our largest institutional shareholders during the year	Innovate Build Execute
Responsible business – Overseeing the Group's responsible business programme. – Reviewing the Group's responsible business strategy and its implementation. – Considering the Group's people and their welfare.	– Regular briefings from the ESG Steering Committee – Oversight of the Group's ESG framework – Reviewed progress against sustainability targets and agreed priorities for 2025 and further embedding ESG into strategy – Review of plans to address the new requirements of the EU Corporate Sustainability Reporting Directive (CSRD) – Review of talent management and progress on DE&I initiatives including gender and ethnicity data – Review of employee gender pay gap data – Review and approval of the Modern Slavery Statement. – Review of results collected from and management's responses to two employee surveys	Innovate Simplify Build Execute

CASE STUDY: BOARD EDUCATION

BOARD FOCUS SESSION ON OUR INFUSION CARE PRODUCTS

In September, the Board enjoyed an in-depth visit to our Infusion Care manufacturing site in Osted, Denmark, spending time with colleagues to learn more about Global Quality & Operations (GQO) and Infusion Care and to see the progress we are making in the execution of our FISBE strategy.

During the visit, Non-Executive Director, Sharon O'Keefe – a former nurse and our Workforce Liaison Champion, held a series of small focus groups to listen directly to colleagues in manufacturing and commercial roles on their perspectives and suggestions, which Sharon shared with the Board as a whole.

Board members also had the opportunity to hear a number of insightful briefings and practical demonstrations from Kjersti Grimsrud, President & Chief Operating Officer, Infusion Care, and members of the Infusion Care team, as well as leading Health Care Practitioner, Professor Per Odin, Head of Neurology at Lund University, who shared insights on Parkinson's disease, and a customer with Type 1 diabetes.

The Board spent time hearing from John Haller, EVP, Chief Quality & Operations Officer, and members of the GQO team on our commitment to quality and continuous improvements, and took a tour of the manufacturing facilities for a first-hand look at products coming off the line and the highly automated lines that produce our Inset Guard portfolio of products. Sessions helped bring to life our solutions and exciting portfolio, including Neria™ Guard and the benefits it offers in the treatment of Parkinson's disease (see page 21).

As part of the site tour, colleagues spoke about a range of continuous improvement projects underway to increase capacity to meet the needs of our customers, ensuring the many people who use our Infusion Care solutions can continue to count on trusted solutions from Convatec.

Further opportunities to meet with HCP, researchers and patients will be scheduled during 2025.

Commenting on the visit, Non-Executive Director Professor Constantin Coussios OBE, said "Convatec is a global leader in subcutaneous drug delivery and infusion set design, development and manufacturing. During our visit, we were able to see how the Company is building on its three decades of experience in this area to drive innovation, quality, safety, as well as leveraging its global scale to support Convatec partners."

Convatec delivers more than 110 million products every year to serve end users in disease areas such as diabetes, Parkinson's disease, pain management, and primary immunodeficiency.

Board activity and actions continued

BOARD KEY DECISIONS IN 2024

Oversight of Convatec's product pipeline and new product launches

The Board oversaw our technology and innovation driven growth strategy during the year, reviewing progress and approving capital to support R&D, improvements in quality and capacity and drive the launch and scale-up of new products. During the year, the Board oversaw the delivery of four new product launches: GentleCath Air™ for women 2.0, see pages 18 and 19; Esteem Body™ with Leak Defense™, see pages 16 and 17; our me+ Companion™ app, see page 41; partnered with Tandem on a new innovative infusion set, see page 20; and collaborated with AbbVie for new therapies to treat Parkinson's disease through Neria™ Guard, pages 20 and 21.

S.172 – How the Board considered different stakeholders in making the decision

New product launches are fully aligned with our FISBE strategy as diversification of products and customers is vital to the long-term success of the Company.

Patients and HCPs: Our innovative new products have the potential to provide improved care, greater choice and better outcomes for patients living with chronic conditions.

Our people: Our colleagues benefit from the increased strength of our business, creating more opportunities for career development within a larger-scale business.

Suppliers and distributors: The launches provide opportunities to build partnerships with trusted suppliers and distribution networks across the globe.

Investors: Our innovation pipeline supports our FISBE strategy and our sustainable and profitable growth through diversifying our product portfolio, improving the solutions we provide to our customers and enabling us to serve more customers across our chronic care markets.

Oversight of Global Quality Operations (GQO) transformation programmes

The programmes aim to support the business by providing Convatec with a world class quality and operations team that is able to deliver high-quality, cost-effective products to our customers on time and aligned with our ESG strategy, by focusing on three pillars of simplification and productivity:

- Continuous Improvement
- Automation and Robotics
- Plant Network Optimisation

During the year, the Board oversaw initiatives to optimise our network, these included the approval of significant capital expenditure projects to expand manufacturing capacity and increase resilience by scaling core sites; while also reducing our footprint through the finalisation of the closure of our Herlev site in Denmark and our Eurotec site in the Netherlands and the movement of our supply hub work from Switzerland to the UK.

The Board also approved capital and operational investments and monitored the roll-out of programmes to increase the use of automation and robotics in our production lines.

S.172 – How the Board considered different stakeholders in making the decision

The programmes are fully aligned with our FISBE strategy as their delivery will result in a more efficient and effective commercial organisation.

Investors: The GQO transformation programmes support revenue growth through capacity expansion and cost reduction. The improvements to quality and availability will also strengthen customer loyalty, increasing demand for our products. The programmes also underpin confidence in the future growth and overall success of the business.

Suppliers and distributors: The ability of suppliers to meet the increased requirements in terms of quality, volume, price and standards of raw materials was considered before making decisions to invest in the expansion of our core sites. The expansion will provide opportunities to build partnerships with new and existing trusted suppliers and our distribution networks across the globe.

Patients and HCPs: The programme will provide patients with better quality and improved access to our products. The efficiencies created in our supply chain can also be passed onto our customers and patients who will benefit from lower cost products.

Our people: The closure of our Herlev and Eurotec manufacturing sites and supply hub in Switzerland resulted in a number of redundancies. While the impact of any redundancy proposals on colleagues was considered, the decision was taken to ensure the success of the business in the medium to long term.

The reforms within our GQO will provide our colleagues with safe, challenging, and engaging places of work where they can grow their careers while enabling us to grow our business. Convatec will also invest in developing our people with additional skills to support the new and innovative ways of working.

Convatec Group Plc Section 172 statement

In accordance with Section 172 of the Companies Act 2006 (Section 172), the Group and its Directors act in the way that they consider in good faith would most likely promote the success of the Company for the benefit of its shareholders as a whole, having regard to other stakeholders.

Throughout the Annual Report and Accounts, we provide examples of how Convatec has taken into account the likely consequences of decisions in the long term, fosters and builds relationships with stakeholders, understands the importance of engaging with our employees and gives consideration to their interests, understands the impact of our operations on the communities in the regions where we operate and the environment we depend upon and attributes important to behaving as a responsible business. The Board appreciates the importance of effective stakeholder engagement and considers its stakeholders' views in its decision making and in setting its strategy. The Board also understands the need to act fairly between Convatec's stakeholders. Although the Board's decisions do not always impact all of our stakeholders to the same extent, by having a process in place for decision making, the Board ensures that it has due regard for the interests of its stakeholders, including our customers and patients, HCP, our people, our suppliers and other supply chain partners, our channel partners, our B2B customers and our investors and debt providers, when taking decisions.

Details of our stakeholder engagement can be found throughout the Annual Report and Accounts and in particular on pages 36 and 37. The above principal decisions and activities provide specific examples of how the Board and its Directors have complied with Section 172 and have considered, individually and collectively, stakeholder interests and impacts in making different decisions that support the implementation of Convatec's strategy and the delivery of our objectives now and in the longer term. Details of how our Board and Board committees operate, their responsibilities, and the matters they considered during the year are contained in the Governance Report on pages 84 to 148.

Board performance evaluation

2023 Board performance evaluation progress report and 2024 Board performance evaluation review

In 2023, the Board undertook an evaluation of its effectiveness as required by the Code (details of which are set out in the 2023 Annual Report and Accounts). Information about the key priorities arising from this evaluation and progress to date is set out on the following page.

In October 2024, the Board undertook a questionnaire-based evaluation, externally facilitated by Lintstock. The questionnaire included both quantitative and qualitative questions.

Lintstock analysed the results and provided reports for the Board and Board Committees, with unattributed scoring and comments. The reports and key findings were discussed at the Board and Committee meetings, with each considering the evaluation outcomes and any appropriate actions.

The key findings from the 2024 Board performance evaluation process, including the actions agreed to address recommendations resulting from the review process, are set out below. Lintstock has no other connection with Convatec or any of the individual Convatec Directors.

Individual Director performance evaluation

As part of the annual evaluation process, there is a review of the effectiveness and commitment of individual Directors. In respect of the Non-Executive Directors this includes a review of an individual's commitment of time to the Company in light of their other commitments (as noted in their biographies on page 93). Except in relation to his own, the Chair leads the individual Director evaluations.

All Non-Executive Directors were considered to be providing valuable input and robust challenge to management with a small degree of healthy tension, effective dialogue and thoughtful and authentic interactions. Therefore, the Board is recommending all Non-Executive Directors for re-election at the 2025 AGM.

Board Chair performance evaluation

In line with prior years, the evaluation of the performance of the Board Chair was conducted by the Senior Independent Director (SID) in discussion with all other Board members, other than the Board Chair. The overall conclusion was that he continues to perform very well in all aspects of the role, providing considerable value and support to management, the Board and wider business.

The review highlighted that the Chair leads effective meetings, with a focus on clarity and pragmatism in decision making. He has a strong and constructive relationship with the Executive Directors, providing appropriate challenge, support and advice.

The SID provided feedback to the Board Chair after the review of his performance.

PROGRESS IN RELATION TO ACTIONS ARISING FROM THE 2023 BOARD PERFORMANCE EVALUATION

Actions	Progress
Board education and understanding around external developments and competition Reinforce focus on key areas for the business including broad emerging trends, IT, talent and the competitive landscape.	During the year, the CEO and CFO Reports provided the Board with information on the competitive landscape, including latest developments and market share. The Board also received presentations from external advisers concerning competition. In June, the Board participated in a two-day off-site meeting which focused on strategic review and priorities, each business segment provided the Board with details on the Group's positioning within the market as well as the business' relative strengths and weaknesses and any opportunities within the market. The Board also benefitted from an external presentation on AI exploring opportunities for future use. This programme will continue in 2025.
Engaging with stakeholders, particularly through site visits In order to gain better insight into stakeholder priorities and concerns and to provide opportunities to improve relationships, the Board considered that the momentum in respect of stakeholder engagement be maintained and additional opportunities for the Board and management to engage with colleagues and customers be sought.	An engagement programme between Non-Executive Directors, Executive Directors, colleagues from across the business, researchers, HCP and patients was implemented during the year. As part of this programme, the Board and Committee members visited a number of Convatec sites, including our GBS centre in Lisbon, Portugal; our manufacturing site in Osted, Denmark and our Head Office in London, UK. A similar programme has been put in place for 2025.
Board information, including R&D The Board considered that they would benefit from more opportunities to improve their knowledge in areas such as research and development (R&D) to better inform decision making.	The Board was provided with a deep-dive session on Infusion Care product landscape and innovative use developments supporting increased capacity requirements. Technology & Innovation (T&I) leadership also provided details of the T&I strategy as part of the two day strategy focused off-site event in June.

Board performance evaluation continued

2024 BOARD PERFORMANCE EVALUATION REVIEW

Overall, the Board was considered to be operating at a high standard, with positive Board member dynamics that continue to add real value to the business. The Board felt confident in its oversight, with strong alignment as to the key priorities. The priority recommendations arising from the Board performance evaluation and proposed actions are set out below.

Findings	Actions for 2025
Board focus on strategy The Board should continue to focus on overseeing the execution and delivery of the strategy and strong financial performance. This should include innovation strategy, capacity and pipeline for research and development and growth through investment in organic growth opportunities or M&A, as well as longer-term strategy, opportunities and risks.	The Chair and the Company Secretary to review the Board meeting forward planner, to ensure appropriate weight is given to strategic plans and opportunities in the short, medium and long term.
Board membership and succession planning The Board's composition of high calibre individuals with a diverse range of experience is a strength, and has a focus on how the skills and experience of the Board can be leveraged in oversight of succession planning for the organisation more broadly.	The Chair to ensure that the Nomination Committee is focused on addressing future succession needs broadly and considering any additional skill sets or diversity that could complement the Board.
Assessment of past decisions The Board has benefitted from the structured look-back at past decisions, to assess outcomes and the key learnings and intends to broaden the use of this important tool.	CEO to lead structured sessions reviewing past decisions, including an assessment of outcomes versus expectations and use of key learnings as part of decision making for future strategic initiatives.

Nomination Committee report

A word from the Chair

"We recognise the multiple benefits for stakeholders that a diverse and inclusive business, leadership team and culture will deliver. These factors continue to make a positive contribution to Convatec's success"

Dr John McAdam CBE
Chair of the Nomination Committee

Committee membership, meetings and attendance

Director	Member since	Attended
John McAdam (Chair)	September 2019[1]	3/3
Margaret Ewing	May 2019	3/3
Heather Mason	September 2020	3/3
Brian May	September 2020	3/3
Constantin Coussios	January 2022	2/3[2]
Kim Lody	February 2022	3/3
Sharon O'Keefe	March 2022	3/3

1. Dr McAdam was appointed Chair of the Committee on 30 September 2019
2. Mr Coussios was unable to attend one meeting due to a scheduling conflict

The table above shows Committee members and the number of scheduled meetings attended out of the number of meetings members were eligible to attend during 2024.

COMMITTEE INTRODUCTION AND OVERVIEW

Activity highlights

- Reviewed skills, experience and characteristics of Board members and determined that the Board was balanced, diverse and with an appropriate level of skills, knowledge and experience
- Reviewed talent and succession planning for the Board, Board Committees and CELT
- Recommended to the Board the appointments to CELT to further strengthen our leadership team
- Reviewed progress and development of the Group's diversity, equity & inclusion and wellbeing strategy and assessed key metrics
- Reviewed performance and development for CELT and senior leaders within the organisation, helping to build and develop a sustainable, diverse and inclusive organisation
- Reviewed and approved the Board Diversity, Equity and Inclusion Policy

2025 priorities

- Maintain focus on development and succession plans for CELT and senior management
- Continue the development of short-, medium- and long-term Board succession plans, considering the tenure of each Director
- Identify any gaps in skills, background or experience which the Board may wish to consider when making new appointments

Key numbers

Meetings held

3

(2023: 3)

Attendance

95%

(2023: 100%)

Key areas of responsibility

- Reviews regularly the Board's composition
- Leads Board appointments process as necessary
- Oversees and recommends orderly Board succession and oversees senior management succession planning
- Reviews whether each Non-Executive Director is devoting enough time to his or her duties
- Oversees the balance of skills and experience within the Group and on the Board
- Monitors diversity within the Board, its Committees and across the Group

The role and responsibilities of the Committee are set out in the terms of reference and available at **www.convatecgroup.com/investors/governance/**. These are subject to annual review and were last reviewed in December 2024.

Nomination Committee report continued

Dear Shareholder

I am pleased to present the Nomination Committee Report, which summarises how the Committee discharged its duties during the year.

Year in review

The Committee's main priorities this year included supporting the evolution of the senior leadership structure and reviewing longer-term Board composition.

The Committee supported the appointments of Emma Rose, EVP, Chief People Officer and James Kerton, EVP, General Counsel & Company Secretary to CELT in April and May 2024, respectively, as well as the promotion of Mark Jassey to CELT as President & Chief Operating Officer of Continence Care & Home Services Group in October 2024. They are each strong additions to CELT and, with their leadership, we are in an even stronger position to deliver our FISBE strategy.

Board and Committee composition

This year there have been no Board changes, but the Nomination Committee has continued to keep Board composition under review The composition of the Nomination Committee is set out on page 101.

Diversity

The Board endorses the aims of The FTSE Women Leaders Review and the Parker Review. At Board level, we have members of various nationalities, gender and ethnicity who have an excellent range of appropriate skills and expertise. The renewed Board Diversity, Equity and Inclusion Policy, which also applies to its committees was reviewed and approved by the Board in December 2024, and reflects the objectives of the FCA Listing Rules, The FTSE Women Leaders Review and Parker Review. As at 31 December 2024 and at the date of this report, we comply with the recommendations of all requirements in relation to gender and ethnicity at a Board and executive management level. On this page, we have provided data on Board and executive management gender and ethnicity. For the purposes of gathering this information, individuals were asked to self-declare their gender and ethnicity against the Office for National Statistics classification.

The Committee will continue to monitor Board diversity in other respects, including experience, skills, personal attributes, age and ethnicity. In all instances, individuals will continue to be appointed on merit and the Committee will remain focused on always ensuring that the Board has the relevant skills and expertise to perform effectively.

As part of our ongoing diversity and inclusion strategy, our target is to achieve 50% of senior management roles to be held by female leaders and 20% by ethnically diverse leaders by 2027, this currently stands at 45% and 27%, respectively.

During the year, the Board has considered diversity insights across a range of metrics with a focus on gender and ethnicity. In 2025, the Committee and the Board will continue to monitor the ongoing development of DE&I and Wellbeing initiatives across the Group.

Relevant skills and expertise

The Board benefits from a wide variety of relevant skills, experience and knowledge, details of which are set out in the biographies and skills matrix on pages 92 and 93.

Board and senior leadership gender representation

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	56%	3	6	60%
Women	4	44%	1	4	40%

Note: Executive Management includes CELT members but excludes the CEO and CFO.

Board and senior leadership ethnicity representation

	Number of Board members	Percentage of 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	78%	3	9	90%
Mixed/multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	1	10%
Black/African/Caribbean/ black British	–	–	–	–	–
Other ethnic group	2	22%	1	–	–

Note: Executive Management includes CELT members, but excludes the CEO and CFO.

Board appointments

Appointments to our Board are made solely on merit with the overarching objective of ensuring that the Board maintains the correct balance of diversity, experience, skills, length of service and knowledge of the Group to successfully establish and oversee the delivery of the Group's strategy, whilst also providing constructive challenge as necessary. Appointments are made based on the recommendation of the Nomination Committee with due consideration given to the benefits of diversity in its widest sense, including gender, social and ethnic backgrounds, as well as candidates expected ongoing commitments. Directors are required to seek Board approval prior to taking on additional significant commitments and to ensure that existing roles and responsibilities continue to be met and conflicts are avoided or managed.

When recruiting new Non-Executive Directors, meetings are held between potential candidates and the Chair, CEO, CFO and Non-Executive Directors. Members of the Nomination Committee review feedback and recommend candidates for appointment to the Board. Decisions relating to such appointments are made by the Board based on a number of criteria, including the candidate's skills and experience, the contribution they can make to our business and their ability to devote sufficient time to properly fulfil their duties and responsibilities.

Reappointment of Directors

All Directors are subject to annual re-election and will be proposed for re-election by shareholders at the AGM to be held on 22 May 2025. Following evaluation, all Directors continue to be effective and have the time available to commit to their role, and the Board has recommended that all directors are put forward for re-election.

Non-Executive Directors are initially appointed for a three-year term and retiring Directors, if willing to act, will be deemed to be reappointed unless the resolution for their re-election is not approved.

Talent and succession planning

An equally important role for the Committee is ensuring that we have an appropriate pipeline of future talent within the business. The Committee regularly reviews succession plans, not only for the Board, but also for CELT. In support of Convatec's succession planning, the Committee received reports on talent management, DE&I and Wellbeing initiatives as well as progress of the Group's efforts to increase the number of Vice-President appointments from internal candidates, through a leadership development programme for mid-level leaders with emphasis on personal development goals. This programme assesses potential successors ready now, those ready in one to two years, and those anticipated to be ready in three to five years and aims to accelerate their development and enable them to play a crucial role in delivering on our strategic aims into the future. Mark Jassey was appointed to the role of President & Chief Operating Officer of Continence Care and Home Services Group, having been previously identified by the Committee as a suitable internal candidate.

Given its importance, succession planning is scheduled for the Committee's consideration twice a year.

Board tenure

Director tenure and independence was reviewed as part of the annual Board Review. None of the directors' tenure exceeded the recommended nine years, and it was concluded that each Non-Executive Director remained independent. The Committee has commenced appropriate succession planning for the Board's longest serving members.

Board induction, training and development

On joining the Board, all Non-Executive Directors participate in a formal induction programme. The programme is monitored by the Chair (other than in relation to his own induction, which is guided by the Senior Independent Director) and is the responsibility of the Company Secretary. Its purpose is to ensure that each newly appointed Non-Executive Director is able to contribute to Board discussions as quickly as possible.

While each induction programme is tailored to the individual Director's needs, based on their skills and experience, typically, each programme provides new Directors with insight into the Group's strategy, culture and operations and informs them about the governance and compliance processes and procedures we operate.

During the year, the Board has also received training and updates on governance and regulatory matters, including the new 2024 Corporate Governance Code; the listing and prospectus regime reform; sustainability, including EU sustainability disclosure requirements and UK transition plan requirements; people matters, including remuneration and diversity; the new corporate failure to prevent fraud offence and AI governance. The Board also received updates and training from the Group's senior management and external advisers covering a range of topics.

We continued to advance Board knowledge through training sessions and updates provided to both the Remuneration and Audit and Risk Committees by external advisers. Training focused on matters specific to their respective committee activities, including corporate governance updates, executive remuneration, corporate reporting and audit updates. In line with the results of the Board and Committee performance evaluation, we will focus on appropriate training in 2025.

Committee performance evaluation

The Committee conducted an evaluation of its performance in the form of a detailed questionnaire facilitated by an external provider, Lintstock, the results of which were highly rated overall. Matters identified for attention in 2025 are set out under 2025 Priorities on page 100.

Copies of all Non-Executive Directors' appointment letters are available for inspection at the Company's registered office.

On behalf of the Nomination Committee.

Dr John McAdam CBE
Chair of the Nomination Committee
25 February 2025

A word from the Chair

"The Committee is delighted with the progress made by Global Business Services in continuing to transform and improve core business processes and controls, creating value for the Group"

Margaret Ewing
Chair of the Audit and Risk Committee

Committee membership, meetings and attendance

Director	Member since	Attended[2]
Margaret Ewing[1]	August 2017	5/5
Heather Mason	September 2020	4/5[3]
Brian May	March 2020	5/5

1. Ms Ewing was appointed Chair of the Committee on 28 June 2019.
2. In 2024, there were five formal scheduled Committee meetings and, in addition, the members met as part of the selection panel to the external audit tender process.
3. Ms Mason was unable to attend one meeting due to a scheduling conflict.

COMMITTEE INTRODUCTION AND OVERVIEW

2024 highlights

- Reviewed key judgements and estimates, alternative performance measures (or adjusted measures) and disclosures in respect of the 2024 financial statements
- Visited the Global Business Service centre in Lisbon to review progress
- Appointed a new external auditor for 2026 financial year, following a successful tender process
- Monitored the development of ESG reporting and targets including compliance with TCFD and the plans to address the new requirements of the EU Corporate Sustainability Reporting Directive (CSRD)

2025 priorities

- Continue to monitor the Audit and Risk Committee's (ARC) understanding of the rapidly evolving regulatory requirements related to ESG and CSRD and the implications for the Group
- Review the material control framework developed to respond to the new requirements of the UK Corporate Governance Code (the Code) 2024 ('the revised Code')
- Monitor the preparation to address the new failure to prevent fraud offence, applicable from September 2025

Composition

The current members of the Committee are listed above.

The biographies of the Committee members on page 93 outline the members' collective wide finance, audit, risk management and relevant sector and business experience, enabling the Committee to provide constructive challenge and support to management and the auditors.

In accordance with the Code, the Board has determined that Margaret Ewing and Brian May possess an appropriate breadth of recent and relevant financial experience and is satisfied that the Committee has competence relevant to the sector and its overall responsibilities.

Key numbers

Meetings held

5

(2023: 5)

Attendance

93%

(2023: 100%)

Key areas of responsibility

The Audit and Risk Committee (ARC) plays a key role in supporting the Board to ensure there is appropriate oversight of the Group's financial position, external reporting, controls and risks. The Committee's principal responsibilities are to oversee and provide assurance to the Board on:

- The integrity and quality of financial and non-financial (including ESG and TCFD) reporting and to ensure it is fair, balanced and understandable
- The effectiveness of audit and assurance arrangements
- The robustness and effectiveness of the financial, reporting, operational and compliance controls and risk management processes throughout the year

The full role and responsibilities of the Committee are set out in the terms of reference (available on our website: www.convatecgroup.com/investors/governance/) and were updated in July 2024 to comply with the requirements of the revised Code.

The Chair, Chief Executive Officer, Chief Financial Officer, EVP General Counsel & Company Secretary, Deputy Company Secretary, VP Group Financial Controller & Transformation and the VP Internal Audit, Enterprise Risk & Insurance and representatives of the external auditor attend the meetings on a regular basis. Other Board members have an open invitation to attend Committee meetings. The Committee also has at least two private sessions each year with each of the external auditor and the VP Internal Audit, Enterprise Risk & Insurance.

A summary of the Committee's activities during 2024, and until the date of this report, is detailed on the following pages.

Dear Shareholder and other stakeholders

As Chair of the Audit and Risk Committee, I am pleased to present the Committee's 2024 Report, the purpose of which is to describe how the Committee conducted its responsibilities during the year.

The Committee had five formal scheduled meetings in 2024, including the May meeting held in the Lisbon Global Business Services (GBS) centre. The Committee also led a robust external audit tender process. This concluded in June, when a Selection Panel held a meeting, resulting in a recommendation to the Board to appoint Ernst & Young as external auditor for the 2026 financial year. See page 113 for further details.

Whilst in Lisbon, the Committee held knowledge sharing sessions with the key leaders from the financial, IT and HR control process teams based in the GBS as part of the Committee's oversight responsibilities. The Committee was keen to understand the progress in simplifying processes, improving controls and risk management and any ongoing challenges faced by the GBS management in its ongoing migration. The expansion of the GBS from the Lisbon centre to now include Bogotá and Kuala Lumpur enables support to markets in all time zones. The Committee was delighted to observe the significant progress made by the teams since its last visit in 2022, to transform, standardise and simplify business processes and controls. The Committee will continue to review progress as the Gloabl Emerging Markets (GEM) markets and Home Services Group (HSG) are transitioned into GBS scope (whereby processes across all of the Group will be included in the GBS), and as an increasing number of previously outsourced IT services are migrated to and provided by GBS. The GBS platform provides cost-effective services to a high standard and is a critical facilitator of the Group's strong internal controls and risk management framework.

In addition to the Committee's scheduled meetings, throughout the year I met regularly with senior management, particularly the CFO, VP Group Financial Controller & Transformation, VP Internal Audit, Enterprise Risk & Insurance, EVP General Counsel & Company Secretary and the lead partners of our external auditor, Deloitte, allowing me to understand how existing and emerging issues were being addressed and adapting the Committee's agendas accordingly. The meetings with the VP Internal Audit, Enterprise Risk & Insurance and Deloitte lead partners also informed the Committee's ongoing review of the effectiveness of audit (internal and external, respectively) and ensured the internal audit plan prioritised controls and processes related to the Group's principal and emerging key risks and the external audit plan focused on the evolving key audit risks. They also provided insight on the culture across the Group.

Committee performance evaluation

During the year, as part of the Board performance evaluation, the Committee members and regular attendees (including the internal and external auditors) undertook an evaluation of the Committee's performance. The findings were discussed initially by the Committee and then shared with the Board. Overall, it was concluded that the Committee continued to perform very effectively and had addressed its key priorities and action plan for 2024.

Fair, balanced and understandable

The Board is required to provide its opinion on whether it considers that the Company's 2024 Annual report and Accounts (ARA), taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders and other stakeholders to assess the Company's position and performance, business model and strategy and key risks that challenge the Group.

To support the Board in providing its opinion, the Committee considered the overall cohesion and clarity of the ARA an assessment of the quality of reporting through the assurance framework, process and controls that were applied in its preparation and discussion with management and the external auditor. This included:

- A detailed verification process dealing with the factual content
- Comprehensive reviews undertaken independently by senior management and Committee members to consider messaging, adequacy of disclosures, compliance with regulatory and legal reporting requirements, and balance
- Specific reviews by the Board and CELT in relation to key sections of the ARA and relevant sections of the ARA audited by Deloitte
- Confirmation from management that the assurance framework had been adhered to for the preparation of the 2024 ARA

Committee conclusions and confirmations

Taking into consideration all areas of focus of the Committee during the year and in reviewing the 2024 ARA, including reviewing the supporting detailed topic papers, presentations and reports from management and Deloitte, the Committee was satisfied and able to confirm to the Board that:

- The Financial Statements for the year ended 31 December 2024 have been prepared applying appropriate accounting policies and disclosures, and provide a true and fair view
- The Group's internal controls and risk management processes were operating effectively throughout the year, with no significant control failures identified
- The 2024 ARA, overall, are fair, balanced and understandable. The Board's statement in relation to this confirmation is included on page 148
- It is reasonable for the Directors to make the viability and the going concern statements on pages 82 to 83 and page 161, respectively
- The Group's speaking up and fraud risk processes have operated effectively during the year
- The external and internal auditors have provided effective and independent audits that have been challenging, robust and of a high quality

I would like to thank my fellow Committee members and all teams involved with the Committee's activities for their contribution during 2024 and their intense focus on quality, sound judgements, controls and risk in a challenging global environment, politically and economically.

I hope that you find this report informative and can take assurance from the work undertaken by the Committee during the year and planned for 2025.

Margaret Ewing
Chair of the Audit and Risk Committee
25 February 2025

ARC members, together with Jonny Mason and James Kerton, met with GBS colleagues in Lisbon.

Audit and Risk Committee report continued

2024 KEY MATTERS

1. EXTERNAL REPORTING

The Committee reviewed the interim and full-year results statements and 2024 ARA, with supporting materials, focusing on the:

- Integrity of the Group's financial reporting process
- Clarity of disclosure
- Compliance with relevant legal and financial reporting standards and regulatory guidance
- Application of accounting policies and judgements
- The consistency of the non-financial disclosures, including climate risks and opportunities, and related evolving regulatory reporting requirements
- Considering the above factors, whether the Convatec Annual Report and Accounts were fair, balanced and understandable

Throughout the year, the Committee received regular updates from the CFO, VP Group Financial Controller & Transformation, VP Internal Audit, Enterprise Risk & Insurance and the VP Investor Relations & Treasury, and formal and informal reports and feedback from the external auditor, covering the following scope:

- Alternative performance measures, including the policy and the rationale and non-recurring nature and quantum of the proposed adjusting items
- Non-Financial information reported externally, including the increasing requirements and the compliance readiness planning
- Accounting judgements related to the impact of recent decisions on the reimbursement of specific advanced tissue technology products in the US
- Acquisitions and related accounting treatments and judgements, including the assessment of contingent consideration
- The results of the monitoring of the effectiveness of internal controls, particularly financial and IT general controls related to financial reporting, and the fraud risk assessment and ongoing related enhancement programme to support the Committee conclusions on the integrity of the Consolidated Financial Statements and the review of the wider control environment in anticipation of the requirements of the revised Code
- Appropriateness of going concern and viability assessment, including basis of preparation and management reports on all key judgements, risk scenarios and underlying assumptions, supporting analysis and evidence
- Treasury matters including liquidity policy, activity, funding and ongoing compliance with debt covenants
- Tax matters including the Tax Strategy Statement, tax transparency, key tax risks, ongoing and new local tax audits and investigations, estimated tax rates applied in the Financial Statements and provisions for uncertain tax positions

As a result of the reviews performed and related discussions and challenges, the Committee was able to recommend the interim and full-year results statements and 2024 ARA to the Board for approval.

Significant reporting matters considered by the Committee

The principal area of judgement considered by the committee is set out below.

Issue	Committee's conclusion and response
Revenue recognition in key markets	The calculation of revenue includes a number of areas of estimation at the point of recognition, including rebates, discounts, allowances, product returns and consideration expected to be received. The arrangements in different countries and with individual customers vary. As a result, the Group applies a limit on variable revenue consideration, in order to ensure that revenue is recognised at an appropriate level (see pages 163 and 164). The Committee scrutinised these judgements and estimates related to revenue, and discussed them with the external auditor, ultimately concluding that the accounting for revenue was appropriate.

The Committee considered the key risks, facts and judgements for the following areas:

Matter	Committee's conclusion and response
Going concern and Viability statements	The Committee considered and robustly challenged management's going concern review and viability assessment, including the supporting analysis, in accordance with the requirements of the Code. The Committee considered the Board approved Group 2025 budget, 2025 to 2029 strategic financial plan, and updated forecasts and projections, taking into account reasonably possible changes in trading performance and the potential impact of principal and emerging risks. The stress test scenarios, including the underlying scenario assumptions and the reverse stress test, were reviewed and assessed against the Group's financing facilities and covenants. In addition, the Committee obtained a summary of external views from analysts and other industry commentators, to understand the wider market's perception of the Group's future financial performance and viability, including the impact of the coverage of Medicare for reimbursement of InnovaMatrix® for specific applications in the US. The Committee considered the possible implications of the rapidly evolving geopolitical and economic environment in which the Group operates. It also considered the potential 'corporate' mitigations that would be available to management should the environment and Group's performance deteriorate beyond that reflected in the stress test scenarios, and discussed the external auditor's findings and conclusions. Following this assessment, the Committee considered the scenarios applied were severe but plausible and the extent of the analysis made by management to be appropriate and ultimately recommended the viability and going concern statements and their respective related disclosures to the Board for approval and inclusion in the 2024 ARA.
Taxation	The Committee was pleased to note the improvements in the efficiency and effectiveness of the Group's tax operations, contributing to minimal uncertain tax positions and a reduction in risk, regarding transfer pricing. The Committee challenged management's conclusions relating to these risk areas and related disclosures and considered them to be appropriate.
Alternative Performance Measures (APM)	The Committee discussed the APM policy and the alignment with guidance, and concluded the APM policy remains appropriate given the material level of adjusting items, certain of which would continue to be incurred for several years. The largest adjustments continue to be the amortisation of acquired intangible assets, of which a significant proportion relate to the Bristol Myers Squibb spin-out in 2008 and will be fully amortised by 2026. The Committee concluded that management had correctly proposed the adjusting items as they were relevant to understanding the ongoing underlying performance of the Group. The Committee will continue to scrutinise all proposed adjusting items prior to approval.
Dividends	The Committee reviewed the dividends recommended by management with regard to the realised distributable reserves, cash resources, availability of liquidity and the effect of sensitivities aligned to the viability statement and concluded that it was able to advise the Board that there were sufficient realised distributable reserves and cash resources to enable the Board to approve and recommend the 2024 interim and final dividends, respectively.

Audit and Risk Committee report continued

2. RISK MANAGEMENT AND COMPLIANCE

Throughout the year, the Committee reviewed risk management and compliance matters to be able to provide assurance to the Board that it could conclude on the effectiveness of the Group's compliance, fraud prevention, risk management and internal controls frameworks.

Our role	Decisions and actions taken by the Committee
Enterprise Risk Management (ERM) and insurance – Ensure a robust assessment of the principal and emerging risks has been undertaken with effective mitigations and controls established – Assist the Board to establish and articulate overall risk appetite, oversee specific risk exposures and mitigations and ensure the Group is operating within the Board's risk appetite – Review effectiveness of the Company's risk management systems and processes and the progress to comply with the revised Code – Review of the annual insurance renewal strategy and programme to assess adequacy and appropriateness of coverage of insurable risks across the Group	The Committee reviewed and approved the updated ERM policy, with the key updates being further clarification of roles and responsibilities to further enhance the effective management of processes and assist the Committee in monitoring the effectiveness of risk controls and mitigations. The principal and emerging risks identified by management were regularly reviewed and challenged by the Committee, with consideration of the effectiveness of the respective risk mitigations and controls. Improvements to the risk framework with the introduction of key risk indicators were noted. The Committee will continue to monitor the development of the risk management processes and the control activities on behalf of the Board, in preparation for the Board's material controls declaration for the 2026 financial year (in compliance with the revised Code). The Committee reviewed the risk appetite statements, and the principal and emerging risk management statements and disclosures, including the priority order of risk as disclosed in the 2024 ARA, reflecting the discussions held with CELT (collectively and with individual members). After careful review and discussion, the Committee concluded that the risk appetite statements and the principal and emerging risks (including prioritisation) were appropriate and recommended them to the Board for approval. At the request of the Committee, a risk simulation exercise was undertaken in May, with risks expanded beyond the IT and cyber scope performed in 2023 to include a significant product recall. The lessons learned from this simulation exercise were reviewed by the Committee. A further risk simulation is planned in 2025 to include an incident at a manufacturing facility, to align with the principal risks of the Group. Following the maturity assessments performed by external advisers in 2023, the ongoing improvement of data protection controls and cyber defence capabilities were monitored, with regular updates from the Chief Digital Information Officer to the Committee. The Committee will continue to closely monitor these key risks due to their nature and significance. The Committee reviewed and approved the proposed insurance renewals programme, which has been further tailored to reflect the significant growth in the business and to better align to the risks faced by the Group.

Our role	Decisions and actions taken by the Committee
Internal controls – Promote and review sound risk management and internal control systems and frameworks over financial, reporting, operational and compliance processes – Review the effectiveness of internal controls – Monitor progress on the preparations for readiness towards compliance with the revised Code	The Internal Controls team provided the Committee with quarterly updates of the self-attestation of compliance with the Group's formal internal control frameworks, including details of control failures (all immaterial during 2024), their remediation and independent reviews of control evidence. A deep dive on IT controls was also conducted. The reliance approach adopted by the external auditor on GBS controls and the reviews undertaken by the internal auditors across all aspects of the Group continued to provide additional assurance to the Committee on the effectiveness of the financial, operational, IT and compliance controls. Based on the quarterly updates, and the reports from the internal and external auditors, the Committee is satisfied that the Group's internal controls operated effectively throughout the year, with no occurrence of material weaknesses. Controls relating to compliance are covered in the paragraph below. The Committee received updates of progress on the implementation of the framework for material controls in order to comply with the revised Code with effect from 2026, and in reviewing the 2024 ARA, has had particular regard to the controls framework related to external reporting of non-financial information.
Compliance, including speaking up and fraud – Review the Group's codes, policies, systems and controls in respect of fraud, bribery, corporate conduct, privacy and regulatory and legal compliance – Review speaking up reports	The Committee continued to monitor our compliance culture across the Group with strong focus on markets that have an enhanced perceived corruption index risk score. This included the review of regular reports on the results of the global compliance programme and the speaking up process. The global business risk assessments, performed jointly by the Group's compliance team and internal audit (as part of the global compliance programme), were extended to the remaining markets throughout 2024, building on the successful launch in 2023 focused on high-risk markets. The Committee monitored progress, together with the conclusions and actions arising out of the reviews. Key themes arising from the reviews included data privacy, the adoption of artificial intelligence, third-party risk management, regulatory change and challenges associated with rapidly evolving technologies, including emerging fraud risks tied to new standards of conduct. The Committee monitored the progress and outcomes of these assessments which have informed policy and process updates, enhanced corporate education, and the reinforcement of roles and responsibilities. Overall, the Committee was able to conclude that an ethical and compliant business culture remains firmly rooted across the organisation. Whistleblowing/speaking up incidents are reported by employees and certain third parties through a confidential Compliance helpline or directly to the Office of Ethics and Compliance (OEC). Reports of a speaking up nature or of breaches of the Code of Conduct that are made directly to senior management or HR personnel are also reported to the OEC. All reports, irrespective of the channel, are collated, managed, reviewed and investigated by the OEC. A summary of the key themes, locations and disposition of whistleblower/ speaking up matters together with subsequent actions are reviewed by the Committee and reported to the Board. The Committee reviewed the status of the fraud risk assessment initiative, the associated control framework and the improved reporting on measures taken to prevent and detect fraud in accordance with the enhanced requirements of the Code and the new UK 'Failure to prevent fraud' offence, applicable from 2025.

Audit and Risk Committee report continued

Our role	Decisions and actions taken by the Committee
Regulatory compliance – ESG and TCFD – Approve appointment of ESG assurance partner and review their report – Approve ESG related metrics to be subject to external (limited) assurance (see page 59) – Approve TCFD disclosures – Review the Responsible Business section of the 2024 ARA for compliance with all applicable regulations (pages 32 to 59)	The Committee continued to focus on ESG, including TCFD and transition plan reporting, during 2024, monitoring progress to meet increasing stakeholder expectations and reporting requirements, and our progress towards our net zero ambition. An initial transition plan was established in 2023 and the Committee has continued to monitor progress in delivering the actions required to iterate this further, ensuring a roadmap is in place to meet the commitments and targets, notwithstanding dynamic market considerations and externalities that will make the delivery of our long-term net zero ambition a reality. As the Group will be in scope for CSRD reporting on 2025 data, the Committee received updates on the requirements and reviewed progress in December to ensure that compliance was on track. An in-depth review, including the approval of key decisions regarding reporting scope and the double materiality assessment, will be performed by the Committee in May 2025. The Committee approved Deloitte to provide limited assurance over seven key ESG metrics, consistent with 2023, and the targets disclosed in the Group's ARA and other sustainability reporting linked to senior executives' remuneration. The scope of ESG assurance will be reviewed as part of CSRD readiness in 2025.
Regulatory developments – Monitor the development of regulations relating to ESG, TCFD, CSRD, climate change, fraud, audit and corporate governance and FRC and FCA reporting requirements and any other relevant evolving regulations and management's preparedness to adopt the changing requirements	The Committee continued to keep abreast of guidance relating to new regulations, including the revised Code, issued in January 2024, and CSRD. The Committee received detailed briefings on both the revised Code and CSRD to ensure it can navigate the requirements of these new regulations, calibrate Convatec's approach and monitor progress of related initiatives to ensure compliance in the required timeframes. The Committee also received regular briefings from the external auditor and Convatec's ESG Steering Committee on regulatory and other developments relating to sustainability, fraud and other disclosure and reporting requirements, building the proposed timelines for implementation of related changes into the Committee's forward agenda.
Treasury, debt and insurance – Provide oversight of the treasury function – Annually review and approve the Group's treasury policy – Review activities of the treasury function, including the status of the treasury instruments, the indebtedness of the Group and compliance with covenants within its debt instruments and the treasury policy	The Committee received regular updates from the VP Investor Relations & Treasury as regard to compliance with treasury policy, covenants and other conditions of financing arrangements.
Tax – Provide oversight of the tax function – Review the key aspects of taxation, including compliance, accounting judgements, reporting, tax strategy and the external reporting requirements of regulators and tax bodies – Annually review and recommend to the Board for approval the Group's updated Global Tax Strategy statement for publication	The Committee continues to review the appropriateness of the Tax Strategy to ensure the alignment with the Group's tax risk profile and continues to be satisfied that the Group manages its tax affairs carefully, ensuring that we operate within our tax risk appetite. The judgements underpinning the provision for uncertain tax positions were scrutinised by the Committee and considered to be prudent, appropriate and in line with the requirements of IFRIC 23, *Uncertainty over Income Tax Treatments*. The Committee reviewed the tax rates to be applied during the year compared to the guidance previously disclosed.

3. INTERNAL AUDIT

The Internal Audit function provides independent, objective assurance to the Board, the Committee and senior management on the adequacy and effectiveness of the Group's risk management, governance, and internal control framework and processes. The Committee oversees the work of the Internal Audit team as follows:

Focus areas	Decisions and actions taken by the Committee
Annual audit plan and resources	Monitored progress in delivery of the approved 2024 audit plan and approved amendments to the plan to reflect emerging risks and changes in priorities. Reviewed and challenged the 2025 audit plan, which includes risk-based reviews of financial, operational, strategic and governance risks, reviews of emerging risks and business change activity, together with assurance over risk management activities. The Committee also considered the adequacy and capabilities of the internal audit resource and budget to enable effective delivery of the audit plan.
Audit conclusions	Reviewed the results of the audits conducted (including management's response to the audit findings and recommendations) and considered emerging themes of concern. Actions arising from audits rated with more significant weaknesses were closely monitored, with responsible management invited to present their response to the audit finding and action plans directly to the Committee where appropriate, thereby emphasising the need for considered, timely and deliverable responses. The Committee was pleased to note the increased focus by management to ensure closure of audit actions in a timely manner.
Effectiveness of the internal audit function	A formal assessment was undertaken by the Committee, including obtaining direct feedback from CELT members and other relevant management. Both management and the Committee concluded that the internal audit function continued to be highly effective and provided robust, challenging and quality audits.

4. EXTERNAL AUDIT

The Committee is responsible for overseeing the relationship with the external auditor, the audit process and, most importantly, the effectiveness and quality of the audit. The following table summarises the steps taken by the Committee in overseeing the effectiveness of the 2024 audit and its quality.

Significant matters for review	Decisions and actions taken by the Committee
The annual audit plan and strategy including the scope of the audit, changes in approach and methodology, emerging industry and Group specific risks.	Reviewed and challenged the strategy, particularly in respect of the risk in specific markets, leading to an agreed plan (see below). The Committee noted the increased reliance on the financial controls enabled by the further transition of financial accounting processes to GBS for the US and GEM markets.
Audit materiality level, including Group materiality and component materiality.	Reviewed and agreed the methodology for calculating the materiality, which was consistent with 2023.
Audit fee and terms of engagement.	Approved the audit fee and terms of engagement, ensuring no impact on scope of audit or quality of resource engaged due to the agreed fee level. The Committee also approved the engagement of Deloitte to provide continued limited assurance on ESG data in 2024.

Audit and Risk Committee report continued

Significant matters for review	Decisions and actions taken by the Committee
Audit scope and risk assessment.	The Committee considered the impact of the revised auditing standard for the audit of Group financial statements (ISA 600R), which impacted the audit scope in 2024 and focused on a risk-based approach for each significant account, compared to the previous approach which focused on individually significant entities, which aligned to the Group strategy. The Committee noted that this approach, combined with the increased scope of GBS in 2024, enabled Deloitte to apply its global shared service centre audit approach, resulting in an increase in the scope of audit testing performed by the Deloitte team co-located with GBS in Lisbon, rather than in-market. The Committee reviewed the risk assessment performed by Deloitte and the proposed audit scope, and considered it to be appropriate and aligned to the key developments in the Group's business.
Audit findings, significant issues and other accounting judgements.	Discussed with Deloitte and management throughout the year, and particularly during the year-end audit.
Deloitte's independence, objectivity and quality control procedures.	Independence and objectivity confirmed and quality control procedures reviewed (see below).

Audit quality and effectiveness

The Committee monitors the effectiveness of the external audit continuously throughout the year, with a formal assessment undertaken in February and a post audit completion debrief taking place in May. A targeted group of Convatec financial management, with regular contact with the external auditor, was asked to participate, which assisted the Committee with its own consideration of the quality of the audit team and involvement by the lead audit partner, the adequacy of audit planning, the timely and robust execution of the audit, the quality of communications with the Committee, and auditor independence and objectivity. The Committee also reviewed the FRC's most recent Audit Quality Review conclusions relating to Deloitte as a firm and any specific findings that may relate to Convatec. The findings from the evaluation and agreed actions were reviewed and approved by the Committee in February 2025.

The Committee's review concluded that the 2024 audit was highly effective, and demonstrated that the external auditor has: a good understanding of the business; continued to provide the Committee with strong opinions, views and insights; provided clear evidence of robust and objective challenge of management; exercised appropriate scepticism in relation to key audit judgements and estimates; reliably interpreted evidence provided by management; involved relevant specialists; and used external sources to support their conclusions where appropriate. Based on the Committee's conclusion, the Committee recommended to the Board that Deloitte be proposed for reappointment by shareholders at the AGM to be held on 22 May 2025 in respect of the 2025 financial year.

Audit independence

The Committee has responsibility for monitoring auditor independence and objectivity. The Committee enforces the Group policy on the provision of non-audit services, aligned with the FRC's Ethical Standard, which requires non-audit engagements performed by the external auditor to be approved by the Committee. Permissible services are subject to a fee cap of 10% of average audit fees billed to the Company by the auditor in the past three financial years. The Group was compliant with the policy in 2024, when non-audit fees (which were not significant in quantum) principally related to the interim review of the Group's half-year unaudited financial statements and to the limited assurance on the ESG metrics. A summary of fees paid to the external auditor is set out in Note 3.3 to the Consolidated Financial Statements.

In addition, the Committee's review of the independence of the external auditor included:

- Confirmation to the Directors from Deloitte that they remained independent and objective within the context of applicable professional standards
- Monitoring the tenure and rotation of the lead and engagement partners. Claire Faulkner rotated into the role of lead partner in 2021 and she will continue in this position for 2025. David Holtam assumed the role of engagement partner in 2023 and the limited assurance of ESG
- Monitoring the tenure and rotation of other key personnel
- Observing the relationship and tone of communication between management and the auditor
- Deloitte reconsidering and reconfirming their audit independence under 2019 Ethical Standard for Auditors, given Margaret Ewing's situation as both a former partner of Deloitte LLP and chair of this Committee, with Deloitte and the Committee (excluding Margaret) concluding that this relationship does not affect the external auditor's independence

The Committee concluded that Deloitte remained appropriately independent in the role of external auditor.

External auditor appointment and engagement tender

At the AGM on 16 May 2024, shareholders approved the reappointment of Deloitte as the Group's external auditor. Deloitte has been the Group's external auditor since the Company's Listing in October 2016 and prior to this were the Company's external auditor for the period 2008 to 2016 whilst the Company was in private equity ownership. For the purposes of complying with the requirements of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Responsibilities) Order 2014 (2014 Order), Deloitte's 'qualifying' tenure as the Group's external auditor commenced in October 2016.

During 2024, the Committee undertook a formal competitive tender (not mandatory rotation), in line with the FRC's Minimum Standard for audit committees, with the resulting appointment effective for the 2026 financial year audit. Six firms were approached during 2023, including all members of the 'Big Four' and two mid-tier firms, to gauge their willingness to participate in the audit tender in 2024. Three firms declined to participate, citing resourcing issues and limited engagement and knowledge of the Group.

The tender commenced with the Committee meeting and approving the three participating firms' proposed lead audit partners. The detailed process commenced in April 2024, with the participating firms being given access to information stored in a data room created by management (the content of which had been agreed with the Committee), meeting with Committee members and key management and visiting our manufacturing site in Deeside, UK. Proposals were submitted to the Selection Panel (which consisted of all members of the Committee and two key members of finance management). These were judged against a number of key selection criteria identified in advance of the process including strength and experience of proposed team, audit quality, knowledge and understanding of the business and industry, audit approach and use of technology for financial and non-financial data and audit delivery and execution. A final short list of two candidates was put forward to the final stage, where final presentations were made to the Committee. After a robust process, and considerable discussion, the Committee recommended to the Board that EY be appointed as the Group's auditors, effective for the 2026 financial year audit. The Board approved the appointment at its meeting in June. A detailed transition plan will be developed by EY with Group financial management and Deloitte and will commence implementation during the latter stages of 2025.

The Group is monitoring non-audit services currently provided by EY to safeguard their independence ahead of their appointment as Group auditor in 2026.

A word from the Chair

"As Convatec has successfully pivoted to sustainable growth and demonstrates continued delivery, the retention of key talent is ever more critical to ensure we continue to drive the business forward and deliver future growth."

Brian May
Chair of the Remuneration Committee

Committee membership, meetings and attendance[3] in 2024

Director	Member since	Attended[2]
Brian May[1]	March 2020	5/5
Constantin Coussios	January 2022	3/5
Kim Lody	February 2022	5/5
Sharon O'Keefe	March 2022	5/5

1. Mr May was appointed Chair of the Committee on 1 September 2020.
2. Mr Coussios was unable to attend meetings in January and December 2024 due to competing commitments. He provided feedback in advance to the Committee Chair on agenda items and papers.
3. The Deputy Company Secretary attends meetings as the Secretary to the Committee. The Chair, CEO, CFO, General Counsel and Company Secretary, Chief People Officer and VP Head of Global Total Rewards & Recognition attend meetings of the Committee by invitation, as does the Committee's appointed adviser. Executives are absent when their own remuneration is under consideration.

COMMITTEE INTRODUCTION AND OVERVIEW

Activity highlights

- Ensured remuneration arrangements for the Executive Directors and CELT members in 2024 supported Convatec's successful pivot to sustainable and profitable growth.
- Reviewed competitiveness of reward for Executive Directors, to understand our ability to retain key talent and attract successors when required.
- Developed proposals for changes to our Remuneration Policy and undertook extensive shareholder consultation activity to share our insight and seek input from key investors.
- Ensure that the way we operate as a Committee reflects best practice guidelines, including review of our terms of reference and committee evaluation to support continuous improvement.

2025 priorities

- Work with shareholders to ensure understanding of our proposed policy changes and the wider context to our proposals.
- Ensure that targets for variable reward remain stretching in nature, and that we continue to embed a pay for performance philosophy aligning leaders with the wider shareholder experience.
- Continue to actively engage key stakeholders on remuneration matters, as appropriate.

Key areas of responsibility

- Designs, recommends and implements Convatec's Remuneration Policy, packages for the Executive Directors and other CELT members, and sets the fee for the Non-Executive Chair.
- Ensures appropriate alignment of executive remuneration with the remuneration approach across the wider organisation.

In this section you will find

Meetings held

5
(2023: 4)

Attendance

90%
(2023: 94%)

Remuneration Principles

Our driving principles behind Remuneration remain unchanged:

1. Incentivise sustained strong financial performance
2. Align rewards with the delivery of the Group's strategy and long-term interests of shareholders
3. Help attract, motivate and retain the best talent to deliver the Group's strategy and create long-term shareholder value

COMMITTEE FOCUS AND ACTIVITIES DURING 2024

Policy development

- Considered effectiveness of existing Policy and read-across to identified talent pools
- Developed revised Policy and undertook extensive consultation exercise with shareholders

Remuneration packages

- Approved Executive Director and CELT salaries for 2024
- Approved the 2023 bonus outcomes for Executive Directors and CELT
- Approved 2024 LTIP award levels for Executive Directors and CELT

Setting performance targets

- Reviewed and set financial targets for 2024 annual bonus and 2024 LTIP awards, in the context of multiple internal and external reference points for performance over the relevant period

Equity incentives

- Confirmed outcome of PSP awards linked to three-year performance period ending 31 December 2023
- Reviewed developments in the executive remuneration landscape

Workforce remuneration

- Received updates on workforce remuneration policies and practices
- Received updates on our gender pay gap position within the UK
- Reviewed global trends in pay transparency and how this may impact Convatec

Effectiveness

- Undertook an annual performance review of the Committee
- Worked with Willis Towers Watson to analyse AGM trends and conduct comprehensive market benchmarking to make sure we are aligned

LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear Shareholder

On behalf of the Board, I am pleased to present the report of the Remuneration Committee for the year ended 31 December 2024.

Introduction

This has been a strong year for the business, illustrating that Convatec has successfully been through a turnaround phase, and how it is well placed for future growth and delivery of long-term returns for shareholders. We have accelerated organic revenue growth and delivered double-digit adjusted EPS and free cash flow to equity growth. The evolution of Convatec's FISBE strategy has delivered material operating margin progress, particularly during H2 of 2024. We can clearly see the FISBE 2.0 strategy delivering simplification across the business, driving productivity improvements and flow through to bottom-line financial performance. Most excitingly, we are well placed to draw on structural growth opportunities, supported by a strong innovation pipeline and investment in our future. We have also shown the ability to overcome challenges that we naturally face from day-to-day within our markets and operations.

This report contains full disclosures around the way we have implemented our Remuneration Policy during 2024, including the determination of reward outcomes against the backdrop of strong business performance and strategic delivery.

The Board is pleased with the continued strategic progress of the Group and financial delivery for the year. Against our key financial metrics we have seen strong results. Organic revenue growth was 7.7%, adjusting operating profit growth was 16.4% on a constant currency basis, and free cash flow to equity performance was well in excess of the stretch target set for the year.

We continue to demonstrate the progress the business is making against the medium-term goals we have stated, the strength of our innovative new product pipeline and the pivot to higher levels of organic revenue growth and profitability.

The resultant performance means that overall formulaic outcomes under the Annual Bonus were 98.7% of maximum for the CEO and 98.7% of maximum for the CFO. Additionally, PSP awards granted in March 2022 will vest at 70.3% of maximum. The Committee was satisfied that the formulaic outcomes under the incentive plans were a fair reflection of the overall strong performance, against the context of the wider group achievement and the shareholder experience, and did not use any discretion to alter these values. A full breakdown of the stretching targets we set, and the associated final outcomes is provided within this disclosure.

As required under the UK Corporate Governance Code, we have comprehensive provisions covering clawback and malus in connection with the operation of our incentive plans. We can confirm that these provisions were not utilised during 2024, and we will continue to disclose the application of any clawback or malus in line with the expectations of the Code.

As a Committee, a major focus is to ensure that we can attract and retain key talent to drive the business forward and build on the momentum we now see in place. We discussed the extent to which our existing Remuneration Policy would support this and concluded that changes were required to ensure ongoing competitiveness at a key time for the organisation. Therefore, we have made the decision to revert to shareholders a year ahead of our standard cycle with a revised Policy.

We have provided full details of our proposed Remuneration Policy that we will be asking shareholders to support at the forthcoming AGM, and the way we propose to implement reward for 2025. This disclosure outlines the factors and insight we considered as a Committee which drove our conclusion that a policy change was necessary, as well as sharing granular detail of what we heard through the extensive shareholder consultation that we have undertaken during the year. I would like to thank all those shareholders and proxy voting agencies who gave their time to support our consultation and provided comprehensive feedback and contribution to our thinking as a Committee. This was invaluable, and the evolution of our proposed Policy through the consultation process shows the benefits of active engagement with and listening to our investors, as well as shareholder proxy agencies to fully understand their perspectives.

Directors' Remuneration report continued

Goals of proposed changes

We identified three goals we wanted to achieve through our review:

a) **Driving retention of leadership**. Our CEO, Karim Bitar, a US national based in the UK with multiple ties to the US, has been instrumental in the creation and leadership of Convatec's FISBE strategy, designed to achieve our strategic intent of pivoting to sustainable and profitable growth. Business performance demonstrates the extent of business transformation and flow-through to financial delivery. This strategy is delivering, with robust organic growth and commitment to further margin improvement in line with our medium-term stated commitments. As we continue to accelerate our growth and deliver the next stage of our strategy (FISBE 2.0) it is vital that we can retain the leadership of Karim Bitar and Jonny Mason, our CFO, to drive the delivery of the business and progress towards our medium term stated financial goals. We are very well positioned to benefit from future growth opportunities, with an established leadership team and the strongest innovation pipeline in Convatec's history, all underpinned by our forever caring promise.

   We wish to incentivise and retain each Executive Director to drive the business forward.

b) **Enabling effective succession (when needed).** Convatec is a global organisation competing across the world, but with a heavy focus within North America. Many of our leaders are based there or are US nationals, it is the source of 57% of our revenue and is the leading centre for the MedTech industry. It is important that we take steps to plan for future succession whenever this may be needed. Routine CEO succession activity in 2023 (carried out independently on behalf of the Board) highlighted the extent of potential candidates who are either US citizens and/or currently working in the US, with a match of skills to the needs of Convatec. We therefore see it as imperative that we have a Remuneration Policy that is capable of attracting candidates from across the world, including those with significant ties to the US, in the event that we need to secure future successors.

c) **Alignment of reward and performance.** We are committed to driving a strong alignment between reward and performance, ensuring that leaders are incentivised for delivery of successful business outcomes, and that they are aligned to the wider shareholder experience through material levels of shareholding.

We also wanted to consider previous changes we had made in senior level reward in the business below the Executive Directors in response to prevailing market conditions, and ensure that we had an effective cascade of reward through the business.

Approach to Policy Review and Findings

We engaged with our top-20 shareholders, and held meetings with the vast majority, covering in excess of 50% of our issued share capital. To support conversations, Willis Towers Watson (WTW), our remuneration consultant, helped us develop an effective comparator group of 20 organisations, operating within our sector and of similar revenue or market capitalisation levels with global representation. The comparator group was validated for applicability by WTW through considering a talent mapping exercise of companies where Convatec had attracted senior talent from, or lost talent to, over the past three years, and also the findings of the CEO succession activity from 2023. In total, half of these companies were based in the US, and the full breakdown of the composite companies within the Group and our associated methodology is provided in more detail on page 121.

This insight showed a sizeable gap in expected reward levels between our current reward structure and the median of this global comparator group for CEO reward, placing Convatec towards the lower quartile of the comparator companies, and significantly below the lower quartile of the US only companies within the comparator group. This was primarily reflected through the quantum available through long-term incentives, but also through incentive design, where many companies were using multiple forms of long-term incentive (typically Restricted Stock and Performance Shares) compared to the existing Convatec design of Performance Shares only.

Our conclusion was that we needed to review our existing remuneration policy in light of our stated goals and analysis of the market insight from these comparator organisations. We discussed a straw-model for change with shareholders, designed to reflect the global insight we had reviewed and to seek input from our key investors. We used these conversations to discuss and gain perspectives from our shareholder base, and to use this to develop proposed changes to our Policy that we are now seeking approval for at our AGM. Later in this report we have provided full detail on the comparator group, changes we discussed with shareholders, and the range of feedback we heard in response, including how we have used this feedback to shape our revised policy proposals.

Summary of Proposed Policy Changes

Shareholders were appreciative and generally understanding of the insight we shared into the prevailing market reward practices within our sector, and the proposed use of Performance Shares and Restricted Shares within the long-term incentive design. We heard some specific comments around the structure of restricted stock awards and overall quantum levels that we have reflected into our final proposal.

In summary, our proposed changes are:

- **Quantum:** Increase in amount of long-term incentives permissible under our Policy, to address gaps in competitiveness against a global comparator group, and to ensure future ability to attract potential candidates into Convatec from a global talent pool.
- **Structure:** Evolution of the structure of our long-term incentive awards through a combination of Performance Shares (PSP) linked to stretching Convatec performance targets, and Restricted Stock Units (RSU) linked to continued employment with the business. This more closely aligns with market norms we have seen across the companies within our sector and our comparator group. We noted the retention impact that RSU awards can have, at a time when maintaining continuity of leadership is of key importance for us as a business. Our assessment is that a structure with delivery of long-term incentives through PSP alone would be a barrier to effective talent retention or future recruitment from outside if required.
- **Strengthening Alignment:** Increase in level of shareholding requirement under our Remuneration Policy for our CEO to 500% of salary, reflecting typical practice seen in the US and to drive further alignment with value creation for owners in the business. The requirement for the CFO will remain at 300% of salary, which has been identified as an already significant requirement against market comparators.

  We also considered the resulting alignment that would be created with the next layers of leadership in the business, where long-term incentives are already delivered through a combination of PSP and RSU awards. This was a change we implemented in 2022 to reflect typical market practice within the MedTech sector and drive competitiveness.

Our conclusion is that the introduction of RSU awards within our long-term incentive structure is a necessary change, reflective of our own experience in competing for global talent within our industry and to support our desire to drive retention of existing leaders, but also to equip us to successfully attract talent from outside the organisation when needed.

We remain committed to ensuring that the majority of executive reward continues to be linked with the achievement of stretching performance outcomes that drive shareholder value, and for our leaders to have a material shareholding in the business and alignment to the shareholder experience.

How we would look to implement these changes in 2025 and beyond

We will operate the annual bonus in a consistent way to 2024, both in terms of quantum and structure. This will continue to include an element linked to free cash flow to equity, which many shareholders have indicated they support as a key measure of our success. The balance between each metric will be unchanged, and full disclosure of the respective targets set and associated outcomes for each measure will be provided in the disclosure next year.

For our long-term awards we will continue to use PSP as our primary long term incentive vehicle. We will continue to determine vesting using a combination of absolute financial delivery of Convatec (using annualised growth in adjusted EPS and organic revenue growth) and relative TSR performance of Convatec against a comparator group.

Subject to approval from shareholders at the AGM, we will grant total long-term incentive awards for the CEO of 525%, comprising a PSP award of 425% of salary and a RSU award of 100% of salary. This compares to our existing approach of a PSP award only of 300% of salary. The PSP award for the CFO will remain unchanged (at 250% of salary) and we will introduce a RSU award of 75% of salary. These awards will vest after three years and then be subject to a further two-year holding period. Full details of the way we have determined these changes in quantum are provided within this report and has been subject to extensive shareholder consultation. We have agreed to make a change in the TSR comparator assessment so that all TSR vesting is determined by reference to a Global Healthcare Index, as opposed to the previous split between a global healthcare index and a subset of the FTSE. This change was supported by the Committee having heard a desire from a number of shareholders to reflect both the global nature of Convatec and the specific sector when considering TSR achievement.

We have continued to set stretching targets for our PSP awards. The range for organic revenue growth is consistent with the award made in March 2024 (4% to 7%). For our earnings metric, we will move from an adjusted PBT metric to use adjusted EPS, consistent with the way we publish forward looking guidance to investors. We have maintained the same growth range as used for earnings in 2024 (6% to 14% per annum).

To support implementation of these changes we will also look for shareholder approval for a revised share plan, to enable effective delivery of our revised Policy.

Finally, the Committee decided to increase the salary of the CEO, CFO and the fee of the Chair by 2.9% from 1 April 2025, in line with the increases provided to the general employee population in the UK. The Committee considered these increases to be appropriate in the context of the continued strong performance of the Group. The pension allowance for the CEO and CFO remains at 8.5% of salary, which is aligned with the wider UK workforce.

Concluding remarks

I hope that this Remuneration Report provides you with the insight into the way we have implemented our Policy during 2024, and why we feel it is important to now evolve our Policy for the future. This is a critical time for Convatec: the business has now demonstrated the actions taken to position itself for future success, and it is vital that we have stability and quality of leadership to see through the next stage of the journey and implementation of our FISBE 2.0 strategy. The business is set up to deliver sustainable and profitable growth, has a very strong innovation pipeline, continues to drive productivity and simplification improvements, and is set to deliver on medium-term operating margin commitments. We remain confident that the proposed Policy changes are necessary and align executives and shareholder interests in the context of the global growing business that Convatec now is.

On behalf of the Committee, I would like to thank you for your support and constructive input to our engagement activity, and I hope that you will support our proposals at the forthcoming AGM.

Brian May
Chair of the Remuneration Committee
25 February 2025

Directors’ Remuneration report continued

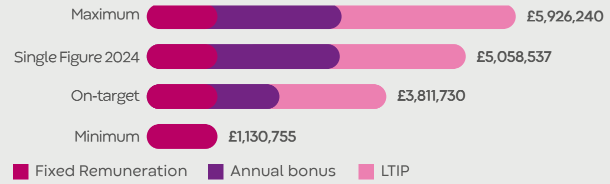
REMUNERATION AT A GLANCE – 2024

This section provides a summary of the way we have implemented the Policy in 2024.

2024 remuneration: outcomes vs performance scenarios

Chief Executive Officer Karim Bitar
(£’000)

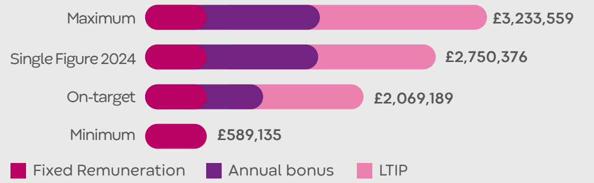
Annual bonus: 197.3% of salary (£1,936,657); 98.7% of maximum bonus opportunity. LTIP: Vesting of 70.3% of maximum (£1,991,124).



Target = Assumes Fixed remuneration plus target annual bonus (50% of maximum) and 60% vesting of LTIP awards

Chief Financial Officer Jonny Mason
(£’000)

Annual bonus: 197.3% of salary (£1,051,609); 98.7% of maximum bonus opportunity. LTIP: Vesting of 70.3% of maximum (£1,109,632).



Target = Assumes Fixed remuneration plus target annual bonus (50% of maximum) and 60% vesting of LTIP awards

2024 annual bonus outcomes

The charts below show how actual performance contributed to the bonus payouts for the Executive Directors for 2024:

Adjusted Operating Profit[1] (40% weighting)

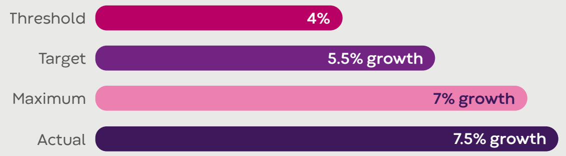
Performance Outcome: 98.5% of maximum for this element.

1. Adjusted operating profit is calculated on a constant currency basis using a budget rate.

Free cash flow to equity (15% weighting)

Performance Outcome: 100% of maximum for this element.

Organic Revenue Growth[1] (25% weighting)



Performance Outcome: 100% of maximum for this element.

1. Organic revenue growth is calculated on a constant currency basis using a budget rate.

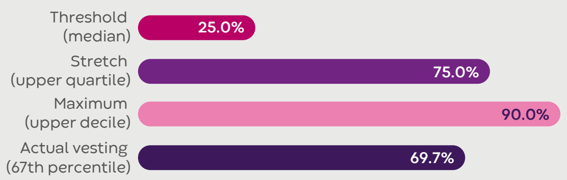
Personal Strategic Objectives (inc. ESG) (20% weighting)

Performance Outcome: 96.25% of maximum for this element. Personal strategic objectives were set for each Executive Director in relation to the following areas of strategic focus for 2024: Customer People, Product/service improvement and Business performance. Details of the objectives set for the Executive Directors, and performance against these, are on page 136.

2022-2024 LTIP outcomes

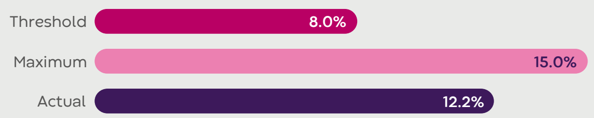
The charts below show how actual performance contributed to the LTIP awards vesting for the Executive Director for the three-year period ended 31 December 2024. Overall, the LTIP vesting outcome was 70.3% of maximum.

Relative TSR vs FTSE350 (25% weighting)



Performance Outcome: 69.7% of maximum for this element.

Three-year Compound Annualised Growth in Adjusted PBT (75% weighting)



Performance Outcome: 70.5% of maximum for this element.

OUR REMUNERATION AT A GLANCE 2025

This section provides a summary of proposed implementation relating to 2025. We will be reverting to shareholders one year ahead of the typical three-year cycle with a proposed new Remuneration Policy, and the table below highlights changes we plan to incorporate subject to endorsement from Shareholders. Full details on these Policy changes are outlined within this disclosure, including the extensive shareholder consultation process that was undertaken.

Our approach to implementing our Remuneration Policy in 2025		Rationale	Link to strategy
Base salary Reviewed annually	**Policy:** Benchmarked periodically against comparable roles at international MedTech peers, as well as UK-listed companies of similar size and complexity. In deciding base salary levels, the Committee considers personal performance including the individual’s contribution to the achievement of the Group’s strategic objectives. The Committee will also consider employment conditions and salary levels across the Group, and prevailing market conditions in the geographies in which the Group competes for talent. Base salaries are reviewed annually with any increases normally aligned with those of the wider workforce, and effective from 1 April. **Implementation from April 2025:** Karim Bitar: £1,010,000 (+2.9%); Jonny Mason: £548,500 (+2.9%).	Base salaries are aligned with the broader market trends and UK workforce increase of 2.9%.	Innovate Build
Pension and benefits	**Policy:** Executives may receive a contribution to a personal pension plan, a cash allowance in lieu or a combination thereof. Other benefits normally include car allowance, medical insurance and life insurance, and are set at a level considered appropriate taking into account market practice and consistent with the wider workforce. **Implementation in 2025:** No change to the range of benefits provided. Karim Bitar and Jonny Mason will continue to receive a pension benefit of 8.5%, aligned to that of the wider UK workforce.	Pension levels for all Executive Directors are aligned to the wider workforce rate, in line with prior commitment to investors and market expectations.	
Annual bonus	**Policy:** Maximum opportunity: 200% of salary (target: 50% of maximum). Performance measures, targets and weightings are set at the start of each year. Financial performance will normally be weighted 80% of the overall opportunity, with the remainder (up to 20%) linked to the achievement of personal strategic objectives. A minimum of 5% of the bonus opportunity will be based on quantifiable ESG metrics. One-third of any bonus earned is deferred into shares normally for three years. Malus and clawback provisions apply. **Implementation in 2025:** Maximum opportunity of 200% of salary for Karim Bitar and Jonny Mason. The annual bonus will be based on: adjusted operating profit (weighted 40%), organic revenue growth (excluding ATT) (25%), free cash flow to equity (15%) and personal strategic objectives (20%), of which 5% relate to quantifiable ESG metrics. Adjusted operating profit and organic revenue are calculated on a constant currency basis using a budget rate.	For 2025, we have set a target for revenue growth excluding ATT, and these revenues will be removed from the base year and 2025 outcomes when assessing performance. We have done this recognising the current uncertainty around LCDs in the US. This is only being applied to the revenue metric, and full disclosure of targets and resultant performance will be made in the next Remuneration Report.	Focus Innovate Simplify Build Execute
Long-Term Incentive Plan	**Policy:** Subject to shareholder approval at the 2025 AGM, the maximum opportunity permissible under the LTIP will be 525% for the CEO and 325% for the CFO. This will be delivered through a combination of Performance Shares and Restricted Shares. **Implementation in 2025:** **Performance Shares:** Award opportunity of 425% of salary for Karim Bitar and 250% for Jonny Mason. Awards will vest subject to adjusted Earnings per share (EPS) growth (weighted 50%), organic revenue growth (weighted at 25%), and TSR versus the S&P Global Healthcare Equipment & Services Index (25%) over the three financial years to 31 December 2027. **Restricted Shares:** Award opportunity of 100% of salary for Karim Bitar and 75% of salary for Jonny Mason, vesting in March 2028. Malus and clawback provisions will apply to all awards made under the LTIP. A two-year post vesting holding period will also apply. Full details of the performance targets set for these awards (where applicable) and the timing and basis for when awards will be made in 2025 is provided on page 127.	The Long-Term Incentive plan continues to underscore sustainable growth and long-term value creation and drive retention. The performance conditions (where applicable) and reward structure are designed to attract, incentivise and retain high-calibre talent from the global healthcare sector.	Focus Innovate Simplify Execute
Shareholding requirement	**Current Policy:** Executives are required to build up shareholdings of 400% of salary for the CEO and 300% of salary for the CFO. These must be retained whilst the Executive Directors remain on the Board. 50% of any net vested share awards (after sales to meet tax liabilities) must be retained until the minimum shareholding requirements are met. Subject to shareholder approval of our amended Policy at the 2025 AGM, the shareholding requirement for the CEO will increase to 500% of salary and this will be used for future calculations, with no change for the CFO (remaining at 300% of salary). **Implementation:** Our agreed approach includes ordinary shares held outright, shares not subject to future company performance conditions (on a net of tax basis) and vested shares under our PSP plan in a mandatory holding period post vesting. At the end of 2024, Karim Bitar held shares worth 774% of his year-end 2024 salary and Jonny Mason held shares worth 78%. See page 143 for more information. Executive Directors are required to hold 100% of their in-situ shareholding requirements for 12 months after cessation and 50% for the next 12 months.	Our shareholding requirement is designed to demonstrate alignment with shareholder interest and fosters a culture of ownership and long-term investment in the Company’s success.	Focus

Directors' Remuneration report continued

OUR APPROACH TO POLICY REVIEW

Driving retention of leadership at a critical time for the business

Supporting retention of our existing Executive Directors to lead the next stage of our strategy: FISBE 2.0

Ensuring ability to attract future leadership talent

Ensuring that a Remuneration Policy would support a global search for future leadership talent, when needed

Ensuring alignment of leaders with shareholder experience

Driving alignment of Executives through shareholding and enabling effective cascade of reward through the organisation

Karim Bitar joined Convatec in late 2019. He is an American citizen with multiple ties to the US and currently resides in the UK.

He was the architect of the FISBE strategy as well as subsequently overseeing the introduction and implementation, designed to achieve our strategic intent of pivoting to sustainable and profitable growth. This FISBE strategy has under-pinned business transformation and the financial performance we have seen over the period.

This transformation is being recognised and reflected in a significant improvement in business performance and in the shareholder experience. We have also seen progressive dividend growth over this period. Our TSR performance has significantly outperformed market indices, including both FTSE and Global Healthcare indices, since Karim Bitar's appointment as CEO, with growing confidence within the investor community in our Executive Directors, the sustainability of our business model and opportunities to drive continued growth.

Furthermore, Karim Bitar has been instrumental in attracting and recruiting quality leadership talent at CELT.

Our last full CEO succession planning review took place in autumn 2023. This involved a wide market mapping by an external leading search agency, looking at identifying potential CEO successors if one were required, considering their commercial background and acumen and assessed cultural fit with our organisation.

Of a shortlist of potential successors for the role identified we noted the following:

- Around half were either working for US listed organisations or were currently based in the US
- Two-thirds were operating as a CEO within existing organisations, most at a Group CEO level of the respective organisation.

It is evident to us that this insight, coupled with the clear importance of the US to Convatec, but also the industry in which we operate, mean that we should aspire to have a Remuneration Policy capable of attracting global talent into Convatec at all levels, including Executive Director positions.

We firmly believe in the importance of significant levels of alignment of senior leaders to Company performance through material levels of shareholding in the business. We have high levels of share ownership requirements in place now and would consider increasing these further such that any executive leader is required to have significant financial alignment while in role, and beyond through the application of post-cessation shareholding guidelines.

In 2022, we made reward changes at the levels below our Executive Directors in response to conditions prevailing in the MedTech sector to ensure that we were able to successfully attract and retain leadership talent. These changes included investment in overall opportunity levels within variable reward, coupled with the use of multiple forms of long-term incentives, including both Performance Shares (shares vesting linked to achievement against Company performance targets) and Restricted Stock (shares vesting contingent on future employment only). These changes have enabled us to evolve our leadership team, with high representation across CELT with close ties to the US.

CONVATEC IS A GLOBAL ORGANISATION

Convatec is a global organisation, actively selling goods and services in almost 90 countries. We see growth opportunities in all our markets, with North America a highly significant region for the business, reflective in our customer and employee base, and as a key centre for our industry.

57%

of our 2024 revenue was from the region, and it is at the centre of our sector.

It is a key location for product innovation and development, and our business relationships and ability to successfully operate across the region are key levers to future success. A considerable number of comparator companies are either listed in the US or have key headquarters or leadership centres based there.

Half of our CELT members have joined from US organisations in the past three years. Including the next level below, around 40% of our senior leadership are currently based in the US and the US is a key market for talent.

67%

of the current CELT members (8 out of 12) are either US nationals, US based, or have extensive experience working in the US.

Below the Executive Director level we have needed to make changes to the way we deliver reward to attract this talent into the organisation and drive competitiveness. This has included both quantum of variable reward and the way this is structured, introducing RSU awards in addition to PSP, which now more closely resembles market practice seen in the US.

CEO succession planning activities have highlighted potential external candidates that we could consider if we needed to source new leadership.

These facts led us to the conclusion that we need to be able to consider a global talent market when considering remuneration, which includes a reward design that can be viewed as competitive to someone with significant ties to the US, whether through citizenship, residency or working for a US listed organisation.

Defining a suitable Comparator Group

Against this backdrop we wanted to understand the competitiveness of reward within Convatec for our Executive Directors compared to other companies. We constructed a comparator group using the following principles:

- Global MedTech businesses using size criteria (considering businesses of ¼ through to 3x scale of Convatec on either Revenue or Market Capitalisation)
- Removal of service-related organisations (e.g. solely laboratory testing, dialysis, surgery)
- Validated against companies from a talent flow overlay (an identification of organisations where Convatec has either lost or gained senior talent)
- Includes overlay of potential CEO candidates identified through recent routine succession planning activity (Autumn 2023)
- Excludes private organisations where market data is not readily available/disclosable

This resulted in a comparator group of 20 companies, of which half were based in the US and half in Europe. From a size perspective, Convatec was around the middle of this group (depending on the respective financial metric used).

The resultant Comparator Group (sorted by descending revenue):

Company Name	Country
Fresenius SE & Co. KGaA	Germany
Baxter International Inc.	United States
Edwards Lifesciences Corporation	United States
Smith & Nephew plc	United Kingdom
STERIS plc	United States
Sonova Holding AG	Switzerland
Coloplast A/S	Denmark
Demant A/S	Denmark
Getinge AB (publ)	Sweden
Teleflex Incorporated	United States
GN Store Nord A/S	Denmark
ICU Medical, Inc.	United States
Integer Holdings Corporation	United States
Integra LifeSciences Holdings Corp	United States
Haemonetics Corporation	United States
Merit Medical Systems inc	United States
CONMED Corporation	United States
LivaNova PLC	United Kingdom
Ambu A/S	Denmark
Medacta Group SA	Switzerland
Convatec	**United Kingdom**
Convatec Placement (Percentile)	**41st (Revenue) 54th (Market capitalisation)**

Directors' Remuneration report continued

Market insight – CEO target reward

Through analysis of reward data for each of these companies (provided to us by our external adviser – WTW) we were able to establish the overall competitiveness of the reward structure within Convatec, highlighting potential differences in quantum and underlying reward structure.

Quantum	Global MedTech Group	US global MedTech
Comparator details	MedTech organisations that range between ¼ and 3x Convatec's scale based on market capitalisation or revenue. Convatec is around median of this group based on financial metrics.	Subset of the Global Group based on US only.
	20 companies	**10** companies
Benchmark target Remuneration level* (£k)	Lower quartile **£2,754k**	Lower quartile **£5,878k**
	Median **£5,699k**	Median **£6,680k**
	Upper quartile **£6,680k**	Upper quartile **£8,564k**
Current Convatec CEO	Existing Convatec Target Remuneration **£3,730k**	
Convatec CEO vs benchmark	Between Lower Quartile and Median (closer to Lower Quartile)	Significantly below Lower Quartile
Gap to benchmark median	**£(1,969)k**	**£(2,950)k**
Market insight – Structure of long-term awards	The use of multiple long-term incentives was common across the identified comparator group, with 13 of the companies offering multiple forms of long-term incentive within their reward structure, including all of the US constituents. Half of the comparator group were using restricted shares within their long-term incentive design, all in combination with another form of incentive (typically performance shares and occasionally market priced share options).	
Market insight – Annual Bonus	Our existing target award level of 100% of base was comparable with the wider comparator group. (Median target bonus across the Global comparator group = 108% of salary).	
Market insight – Base Pay	Existing Convatec CEO base salary of £981k is competitive compared to the Global median of £846k.	
Market insight – Shareholding Requirements	Current Convatec requirement for CEO is 400% of base salary. Market practice varies globally from nil to in excess of 6x salary. US requirements are typically higher than those seen across Europe.	

* Target Remuneration defined as value of base salary, target bonus and expected value of long-term incentives.

Notes to above table

- Target remuneration is defined as base salary, target annual bonus and expected value of long-term incentives.
- Values shown in GBP using average exchange rates for the last three months of 2024 where applicable.
- Data has been derived using a consistent methodology provided by WTW, using publicly disclosed information. This was done to enable effective comparison between organisations, while recognising that the underlying reward structures in place may differ between individual companies.
- Performance shares (where used) are valued at 60% of the face value of grant (unless otherwise stated by the organisation) to reflect the associated performance conditions in place. Restricted share awards are based on the face value of awards, and stock options calculated using a binomial lattice model, adjusted for any applicable performance vesting conditions where used.
- Comparator data was not available for one organisation (due to an Interim CEO appointment that was in place).

Competitiveness of other reward elements

Our CEO base pay level was confirmed as competitive against the comparator group, ahead of market median but below upper quartile levels. Additionally, annual target incentives in place at Convatec (100% of base) were positioned close to the median level of 108% of base. Shareholding requirements varied considerably between the US and Europe: our current holding of 4x base for the CEO was high against European peers (some of which had no formal requirement in place) compared to typical requirements of 4x to 6x base in the US.

Conclusion: Our conclusion was that while there were different approaches being utilised across the companies analysed, our overall market position was less competitive than we would like, coupled with some structural differences that may be a barrier to effective future succession. In particular, we noted the widespread use of multiple long-term incentives across the US organisations, and concluded that our existing approach may make attraction of future candidates with strong linkages to the US difficult. We therefore agreed to engage with shareholders to discuss changes to our Policy designed to address our stated goals with a focus on:

Addressing quantum
Ensure that through changes in the quantum we would be better positioned within the comparator group, ideally with target levels of reward closer to the median level of the comparator group

Reviewing structure of long-term incentives
Recognise that multiple forms of long-term incentive were typical in our industry, and that the use of restricted stock was widespread, and would support our desire to retain Karim Bitar and Jonny Mason (or attract future talent if required)

Driving continued alignment through shareholding
Further increase shareholding requirements for our CEO to levels above the 400% of base level to ensure ongoing high levels of alignment through material share ownership

Effective shareholder engagement

We engaged with 13 shareholders (covering 52% of our issued share capital) and held discussions with shareholder proxy voting agencies to discuss our proposals.

Feedback was largely consistent, but on some topics we heard a spectrum of views, in some cases diametrically opposite perspectives on the same point. It was evident that we would not be able to evolve our initial thinking into a single solution that would address our goals and align fully with the individual expectations of every shareholder. Instead, we have used consultation to recognise the broad themes and expectations cited by our shareholders. This engagement process has helped shape our views and evolve the Policy we are now proposing to shareholders. The table overleaf highlights key topics within the consultation, examples of shareholder feedback and the way we have looked to incorporate feedback into our proposed policy.

Shareholders were highly supportive of the existing leadership team and a desire to retain this leadership through the next stages of the deployment of our strategy.

They were generally understanding of the insight we shared into the prevailing market reward practices within our sector, and the proposed use of Performance Shares and Restricted Shares.

Directors' Remuneration report continued

Themes from our discussions with shareholders through effective consultation

The table below illustrates some of the themes that emerged through our consultation process and the way we used shareholder feedback to inform our final Policy proposals shown later.

Area	Feedback	Our Response / What we have incorporated through feedback into our proposals
Use of combination of PSP and RSU awards	– Shareholders were largely supportive of the use of a combination of PSP and RSU awards within long-term incentive design, and wanted further insight on the proposed structure of each element and associated targets (where applicable).	
Structure of Restricted Share awards	– Conversations highlighted the mixed practice of staged vesting of RSU's annually (the predominant US practice) compared to a cliff vesting after three years elsewhere (often accompanied by a further two-year holding period). Feedback highlighted a strong desire to align to UK market expectations around cliff vesting, followed by a holding period.	Our original proposal was for RSU awards to vest on a phased basis over the first three anniversaries of grant. We will adjust the scheduled vesting profile of RSU awards so that vesting happens at the end of year three, followed by a two-year holding period. While practice is mixed on this point in the US, we recognise the clear expectations from our shareholder base in this area, drawn out through the recent publication of updated Investment Association guidelines in the UK.
Why not PSP only?	– Would it not be easier to further increase the quantum under the PSP?	We did consider this route as an alternative, although a number of shareholders were keen to highlight the positive retention-based impact that Restricted Share awards can have. We reflected that a PSP-only approach would result in a structure atypical within the MedTech industry. Our view was that a balance of both a PSP, with stretching performance criteria, and the RSU would show more conformity with prevailing market practice and would support future recruitment from a global talent pool (if needed).
Overall quantum change	– Some shareholders recognised the need to bridge a gap in quantum and a desire to narrow rather than close the gap to where the market median of our comparator group would suggest.	Our final proposal reflects some scaling back in quantum from the example initially shared with shareholders. This reduces the overall expected value of the resultant annual CEO package (by £0.5m) and continues to place Convatec below the median of the comparator group.
Balance of PSP and RSU	– We heard some requests to amend the weighting between PSP and RSU awards, so that proportionately more was linked to company performance.	Our final proposal has a higher weighting of the overall opportunity towards PSP awards and a reduction in the level of RSU.
Setting of future stretch targets for implementation of Performance Share Awards	– Will the change in quantum be accompanied by more stretching targets?	We believe that our existing approach to target setting is rigorous. The business has an increasingly strong track record of delivery and the associated reward outcomes (particularly around long-term incentives) demonstrate the inherent stretch in targets we have set. (See later section on page 127 for more detail).
Use of relative metrics within performance targets	– A desire for us to use a global healthcare index (e.g. MSCI or S&P) to assess TSR performance rather than considering a combination of Global Healthcare and a FTSE-linked index.	We will use a single global Healthcare global index for TSR assessment (S&P Global Healthcare and Equipment Services) beginning from March 2025 awards, with no adjustment to the basis of assessment of in-flight awards.
Internal alignment and cascade of approach	– How are the changes proposed for Executive Directors being cascaded through the business?	In 2022, we implemented some changes to reward across our senior leaders (below Executive Directors) to reflect market practice and drive competitiveness. This included investment in quantum under our long-term plans and a change in structure to include a combination of Performance Shares and Restricted Shares awards across the Convatec Executive Leadership Team and the management layer below. The changes we are proposing for the Executive Directors drive alignment with what is already in place, and which has been successful in ensuring we can attract and retain key leadership talent.
Approach for CFO (or other Executive Director as applicable)	– Would we look to follow the approach proposed for the CEO and cascade this to apply to any Executive Directors in place?	Our consultation was initially focused on our CEO, as this was the area where we saw the greatest divergence between our current structure and our identified comparator group. Our proposal includes a structural change to bring Restricted Shares into the package for the CFO and deliver an overall package that is similarly placed against comparator group data.

Evolving our policy proposals through effective consultation

We consulted on a straw model for changes as a basis to engage with shareholders. This looked to drive market competitiveness (through an increase in overall LTI quantum) and an amended structure using a combination of both Performance Shares and Restricted Stock Units.

As expected, while we heard support for the way we proposed to evolve our structure and our stated aims, we did see some variation in response from shareholders. We have therefore needed to consider feedback carefully and determine an approach that meets our goals and is right for the business, while reflecting feedback from the majority of our shareholders.

The diagram below shows the structure we used as a basis to consult and the way this has evolved into the final policy proposal.

LONG-TERM INCENTIVE DESIGN – CEO

Current Policy

PSP 300% of Salary

PSP – Assessment based on achievement against key metrics over three-year period

Shareholding requirement – 4x salary for CEO

Target Total Reward £3.7m pa

Original model for consultation

PSP 425% | RSU 150%

PSP – Award level increased to 425% of salary

RSU – Annual awards of 150% of base, vesting on first three anniversaries of award date

Shareholding requirement – increased to 5x salary for CEO

Target Total Reward £5.9m pa

Final Proposal

PSP 425% | RSU 100%

PSP – Award increased to 425% of salary

RSU – 100% of base, cliff vest after three years followed by two-year holding period

Shareholding requirement – increased to 5x salary for CEO

Target Total Reward £5.4m pa

Comparator Insight (Target Reward):
Global MedTech – £5.7m Median, US Subset only – £5.9m Lower Quartile

Driving principles

- Majority of awards linked to key financial performance metrics
- Increased alignment between executive and shareholder experience through material shareholding requirements
- Effective cascade and alignment of performance metrics through senior leadership teams
- Recognition of the global talent market and significance of the US to our business and industry sector
- Ensure competitive framework to attract and retain world class leadership talents

Our proposed policy

We are proposing changes to our long-term incentive structure and quantum, to align with market practice and ensure competitiveness. No changes are proposed within our revised Policy to our approach to salary or annual bonus, both of which have been shown to be competitive with the identified comparator group.

The key changes within our policy are:

Proposed Policy change	Proposed changes to the way we plan to implement the Policy in 2025
– Introduction of ability to make Restricted Stock awards as part of Long-Term incentive awards for Executive Directors. – These awards to vest after three years with a further two-year holding period (replicating the approach to existing Performance Share awards). – Vesting of RSU awards to occur subject to an underpin of Committee determination of alignment of overall reward outcomes with underlying Group performance and to ensure fairness to shareholders and participants.	– Subject to approval from Shareholders at the 2025 AGM, ability to make restricted share awards under our Policy, with awards of 100% of salary to be made to the CEO and 75% of salary to the CFO, respectively in 2025. – We will use the share price at the time we make our core Performance Share award (in March 2025) as a basis for determining these awards, which would be made following successful approval of the Policy at the AGM. – These will vest in March 2028 and then be subject to a further two-year holding period, after allowing some to be sold to cover an estimate of any resulting tax liability. – Awards in future years would be expected to be made in March with vesting on the third anniversary of award, followed by a two-year holding period.
– Increase in Performance Share Awards permissible under the Policy from 300% to 425% for CEO. No change for the CFO (250%).	– A PSP award of 300% of salary will be made to the CEO in March 2025, and awards of 250% of salary to the CFO. – A further award of 125% of salary will be made in June 2025 to the CEO, subject to Policy approval at the AGM. The share price used for this additional award will reflect that used at the time of the main grant in March 2025. Awards will vest in March 2028 and be subject to the same performance targets as the award made in March 2025.
– Shareholding Requirement. Increase of shareholding requirement for CEO to 500% of salary.	– This would be effective and apply following approval of the wider Policy change at the AGM.

Directors' Remuneration report continued

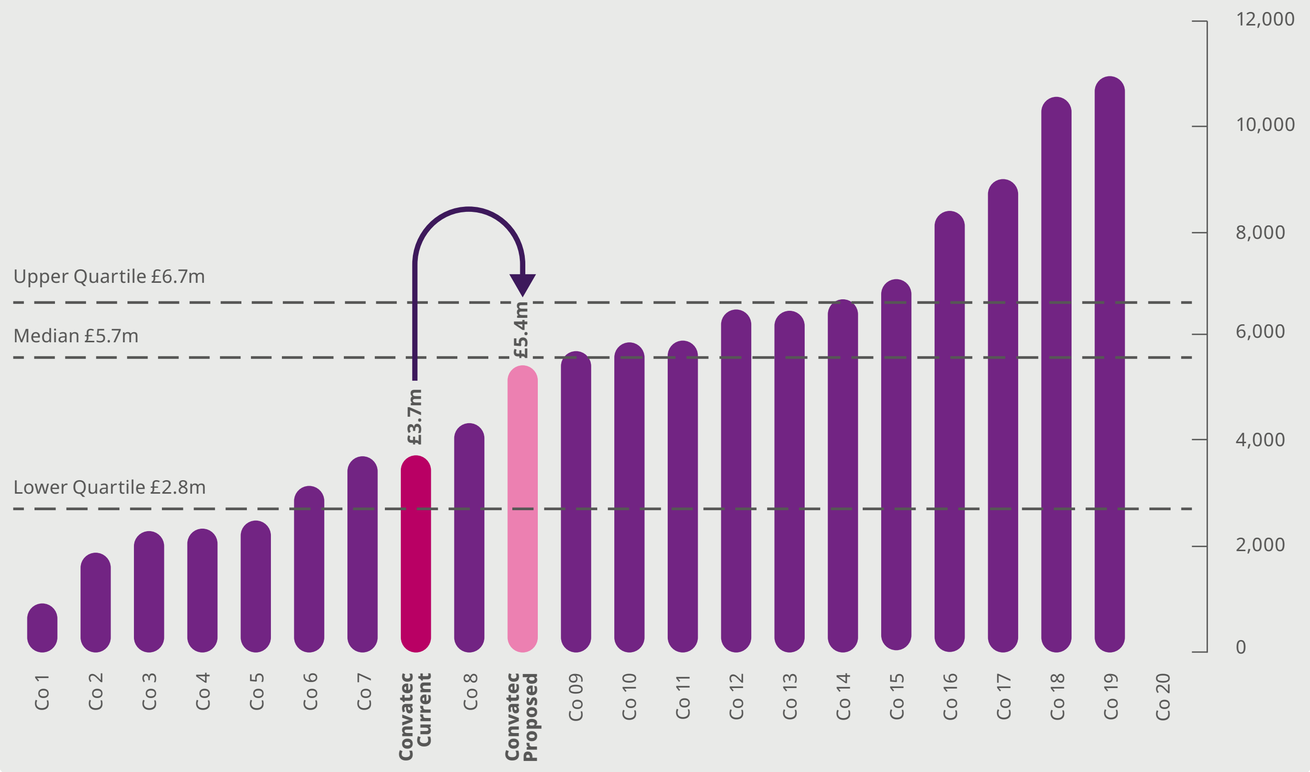
The graph below shows how the existing total target remuneration for the Convatec CEO compares to the comparator group. Additionally, we have shown how the proposed changes to our policy reposition Convatec against this comparator group.

Our changes are focused on long-term incentives only, introducing RSU awards and investing in overall quantum.

Our changes continue to place Convatec below the median of the comparator group, and mean that the vast majority of variable reward is fully performance linked, either through Annual Bonus or Performance Share awards.

We are not proposing any changes to annual bonus quantum, or to base salary (other than through annual salary reviews, which will be a 2.9% increase from April 2025 in line with the wider workforce).

HOW OUR PROPOSED CHANGES RE-POSITION CONVATEC CEO REWARD AGAINST THE IDENTIFIED COMPARATOR GROUP (£K)



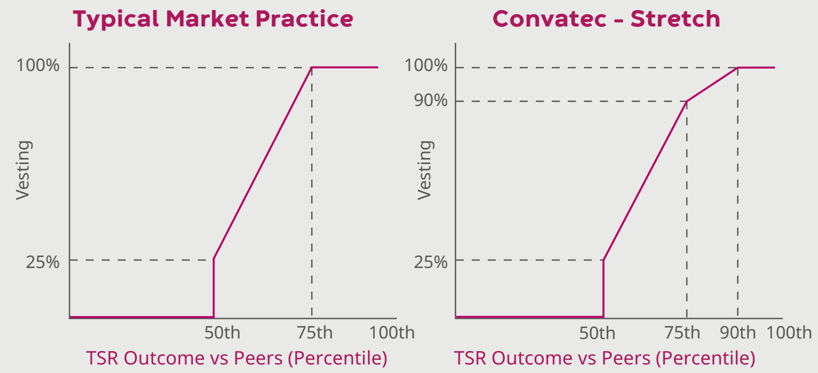
Total Direct Compensation is the aggregate value of salary, target annual bonus and expected value of long-term incentives.
Comparator data was not available for one organisation (due to an Interim CEO appointment that was in place).

Demonstration of stretch within performance assessment

Several shareholders asked us about the level of stretch within future performance targets. We have highlighted three factors that demonstrate the rigour behind target setting, and the way we will look to set stretching performance targets so high levels of reward is dependent on robust business delivery.

1. **Our Performance Curve for TSR assessment.**
   - Our current vesting profile is tougher than prevailing market practice with full vesting only at 90th percentile performance or above, compared to market practice at 75th percentile or above.
   - This leads to lower vesting outcomes in all cases for TSR rankings between 50th and 90th percentile.
2. **Our recent history of target setting.**
   - Our recent performance ranges for adjusted PBT growth have required either 14% or 15% per annum compound growth over the respective three-year performance period for maximum vesting.
   - This is well in excess of typical market levels and reflects the commitment to deliver robust growth through our strategy in a sustainable way.
   - Our financial performance over the past few years has improved significantly as the business has delivered a turnaround, yet Performance Share vesting has averaged around 60% of maximum, illustrating the inherent stretch within the target setting adopted by the Committee.
3. **Choice of future comparator group for TSR assessment.**
   We will use solely a Global Healthcare index for TSR assessment for the awards we make in March 2025, driving effective comparative sectoral assessment of Convatec. This aligns Convatec fully to a wider global healthcare sector and is designed to enable effective comparison of our performance with others within the same market sector that we operate within.

Current Performance scale for TSR assessment



History of adjusted PBT ranges and PSP vesting levels

Period	Growth range (PBT)	Actual PBT Growth	PSP Vesting (% max)
2024–26	6%–14%	n/a	n/a
2023–25	7%–14%	n/a	n/a
2022–24	8%–15%	12.3%	70.3%
2021–23	8%–15%	10%	51.6%
2020–22	4.5%–10%	8.3%	80.5%

Conclusion

Through extensive shareholder consultation we heard clear support and endorsement for the existing leadership of Convatec and a desire to drive retention to see through delivery of our FISBE 2.0 strategy. Our review process, underpinned by market insight, indicates that changes are required at an important time for Convatec. We have used shareholder inputs to develop our approach and shape our final proposed policy, making changes in direct response to what we heard from our shareholder base.

Convatec is well placed to deliver sustainable and profitable growth, has a very strong innovation pipeline and is set to deliver on medium term operating margin commitments. We believe that the changes proposed are the right ones at this time, addressing the goals of our review and taking actions now to position the business for future success.

Directors’ Remuneration report continued

OUR REMUNERATION POLICY

This section of the Directors’ Remuneration report has been prepared in accordance with the Remuneration Reporting Regulations, and sets out details of the 2025 Policy to be tabled for approval by shareholders at the 2025 AGM and effective for a period of up to three years from that date.

We also describe below how our Policy reflects the principles of Provision 40 of the 2018 UK Corporate Governance Code:

- **Clarity:** we are committed to transparent disclosure of our remuneration structures and decisions, including clear rationale and context for these.
- **Simplicity:** our Policy and approach to its implementation is simple and well-understood internally and externally.
- **Risk:** remuneration arrangements are designed not to encourage or reward excessive risk taking, with targets set to be stretching and achievable, and retaining Committee discretion to adjust formulaic bonus and LTIP outcomes to align with underlying performance.
- **Predictability:** there are defined threshold and maximum pay scenarios, which we have disclosed on page 132.
- **Proportionality:** there is a clear and direct link between performance and reward.
- **Alignment to culture:** the Committee has designed the Policy to align with the Group’s culture, driving behaviours that promote the long-term and sustainable success of the Group for the benefit of all stakeholders.

Details of how the Company plans to implement the Policy for the year ending 31 December 2025 are provided in the Annual Report on Remuneration starting on page 135, including our intended approach to implementation of changes within our proposed Policy.

Remuneration principles

The Committee recognises and manages conflicts of interest when determining the policy and no director is responsible for setting their own remuneration. When setting remuneration for the Executive Directors, the Committee considers the following principles:

- Incentivise sustained strong financial performance.
- Align rewards with the delivery of the Group’s strategy and long-term interests of shareholders.
- Help attract, motivate and retain the best talent to deliver the Group’s strategy and create long-term shareholder value.
- Reflect market best practice and consistently adhere to principles of good corporate governance and encourage good risk management.

Proposed Remuneration Policy for the Executive Directors

Purpose and link to strategy	Operation	Opportunity	Performance measures	Summary of changes from existing Policy
Base salary				
To attract and retain talented Executive Directors to deliver the Group’s strategy, by ensuring base salaries and the implied total package are competitive in relevant talent markets, while not overpaying.	Base salaries will be reviewed by the Committee annually and benchmarked periodically against comparable roles at international MedTech peers, as well as UK-listed companies of similar size and complexity. Any resulting changes are normally effective from 1 April, in line with the effective date for salary increases for the broader workforce. In deciding base salary levels, the Committee considers personal performance including the individual’s contribution to the achievement of the Group’s strategic objectives. The Committee will also consider employment conditions and salary levels across the Group, and prevailing market conditions in the geographies in which the Group competes for talent. Base salary increases for the Executive Directors will normally be no higher than those of the wider workforce, but may be made above or below this level in exceptional circumstances such as a material change in responsibilities, size or complexity of the role, or if a Director was intentionally appointed on a below-market salary.	Salaries will be set on a case-by-case basis to reflect the role and the experience and qualifications of the individual. Base salaries for the year under review and the following year, as well as the rationale for any increases, will be disclosed in the relevant year’s Annual Report on Remuneration. There is no maximum but increases are typically in line with the wider workforce.	n/a	None
Pension				
To provide an appropriate level of post-retirement benefit for Executive Directors in a cost-efficient manner, taking account of the provisions for the wider workforce.	Executive Directors may receive a contribution to a personal pension plan, a cash allowance in lieu, or a combination thereof. Salary is the only element of remuneration that is pensionable.	Karim Bitar and Jonny Mason receive a pension benefit from the Group (currently 8.5% of salary), in line with the wider UK workforce. Details of the pension contributions made to Executive Directors during the year are disclosed in the Annual Report on Remuneration.	n/a	None
Other benefits				
To provide non-cash benefits which are competitive in the market in which the Executive Director is employed.	The Group may provide benefits in kind including, but not limited to, a company car or car allowance, private medical insurance (or allowance in lieu), permanent health insurance, and life insurance. Executive Directors may also be provided certain other benefits to take account of individual circumstances such as, but not limited to, payment of financial, and/or legal adviser fees, expatriate allowance, relocation expenses, housing allowance and tax equalisation (including associated interest, penalties or fees plus, in certain circumstances or where the Committee consider it appropriate, any tax incurred on such benefits). Executive Directors may also be offered any other future benefits made available either to all senior employees globally or in the region in which the Executive Director is employed.	Benefits for Executive Directors are set at a level which the Committee considers appropriate compared to wider employee benefits, as well as competitive practices in relevant markets. The value of annual benefits will normally not exceed 10% of salary. The Committee retains discretion to approve non-material increases in cost. In addition, the Committee retains discretion to approve a higher cost in exceptional circumstances (e.g. to facilitate recruitment, relocation, expatriation, etc.) or in circumstances where factors outside the Group’s control have changed (e.g. market increases in insurance costs). Benefits in respect of the year under review are disclosed in the Annual Report on Remuneration.	n/a	None
Annual bonus				
To incentivise Executive Directors to deliver strong financial performance on an annual basis and reward the delivery of the Group’s strategic aims that will underpin the longer-term health and growth of the business. Deferral into shares enhances alignment with shareholders.	Performance measures, targets and weightings are set by the Committee at the start of the year. After the end of the financial year, the Committee determines the level of bonus to be paid, taking into account the extent to which these targets have been achieved. To the extent that the performance criteria have been met, one-third of the annual bonus earned will normally be compulsorily deferred into shares for a period of three years under the Deferred Bonus Plan. The remainder of the bonus will be paid in cash. Dividends may accrue on deferred bonus shares over the deferral period and, if so, will be paid on deferred shares at the time deferred shares are released to the Executive Director. Malus and clawback provisions apply to the annual bonus in certain circumstances (as set out in the Notes to the Policy Table).	The maximum annual bonus opportunity is 200% of base salary for both Executive Directors. The payout for on-target performance is 50% of maximum; threshold performance results in a payout of no more than 25% of maximum.	Bonuses are based on a combination of stretching annual financial and non-financial/strategic performance measures, selected to reflect the Group’s short-term KPIs, financial goals and strategic drivers. The financial element of the annual bonus will normally be weighted 80% of the overall bonus opportunity, with the balance based on personal strategic objectives, including a minimum of 5% linked to qualifiable ESG metrics. The Committee may adjust the formulaic annual bonus outcomes (including to zero) to avoid unintended outcomes, align pay outcomes with underlying Group performance and ensure fairness to shareholders and participants. Further details will be disclosed in the relevant Annual Report on Remuneration. Performance targets set for each year will be disclosed retrospectively, usually in the Annual Report on Remuneration in respect of the year to which such performance targets relate.	None

Directors' Remuneration report continued

Purpose and link to strategy	Operation	Opportunity	Performance measures	Summary of changes from existing Policy
Long-Term Incentive Plan (LTIP)				
To align the interests of Executive Directors and shareholders in growing the value of the Group over the long term. A minority of the award can be made as Restricted Shares designed to retain executives and recognise typical market norms within our wider sector, and global talent pool where we compete.	Executive Directors are eligible to receive annual awards of Convatec Group Plc shares under the LTIP either in the form of conditional share awards or nil cost options. The majority of any award will be made as 'Performance Shares'. These are awards that vest after a performance period (normally three years) subject to achievement against targets determined prior to grant. Targets are set to ensure that they remain appropriately stretching and aligned to the Group's strategy. A proportion of any award (up to a maximum of 100% of salary) may be awarded as 'Restricted Shares'. Awards granted under the LTIP to Executive Directors will normally have a performance period of three years and a minimum vesting period of three years. If no entitlement has been earned at the end of the relevant performance period, awards will not vest. Shares received as a result of an award vesting will normally be subject to an additional two-year holding period. Dividends may accrue on LTIP awards over the vesting period and, if so, will be delivered in shares that vest at the end of the vesting period. LTIP awards granted to Executive Directors will be subject to malus and clawback provisions, as set out in the Notes to the Policy Table.	The maximum total annual LTIP opportunity is 525% of base salary for the CEO and 325% of base salary for the CFO (or other Executive Directors as applicable). For awards made as Performance Shares, 25% of an award will vest if performance against each performance condition is at threshold and 100% if it is at maximum, normally with straight-line vesting in between these points, unless the Committee determines otherwise.	Vesting of LTIP awards is subject to continued employment during the performance period and the achievement of performance conditions (where applicable) aligned with the Group's strategic plan and shareholder value creation. Measures and their weightings will be determined by the Committee prior to making an award. The Committee may adjust the formulaic Performance Share vesting outcomes to ensure it takes account of any major changes to the Group (e.g. as a result of M&A activity). As an underpin, for both Performance Share and Restricted Share awards the Committee may make adjustments to vesting levels (including to nil) to ensure that the awards are a fair reflection of the underlying financial performance of the Group over the performance period. Further details, including the performance targets attached to the LTIP in respect of each year, will be disclosed in the relevant Annual Report on Remuneration.	Introduction of flexibility under the Plan to make awards of Restricted Shares. Increase in total opportunity available for CEO to 525% of salary, and to 325% for CFO.
Shareholding requirements				
To align executives and shareholders through shareholding requirements, including periods beyond cessation of employment.	See notes to Policy table covering calculation of share ownership guidelines and post-cessation shareholding requirements.	500% of salary for CEO and 300% of salary for any other Executive Director. Requirement to hold 100% of guideline in first year following cessation, and 50% of guideline in year two.	n/a	Increase in shareholding requirement for CEO from 400% of salary to 500%.
Save-As-You-Earn (SAYE) or equivalent scheme				
To align the interests of employees and shareholders by encouraging employees to buy and own Convatec Group Plc shares.	Executive Directors are entitled to participate in the Group's all-employee share plan if available in the jurisdiction in which they are based on identical terms as other eligible employees. A UK or Europe-based Executive Director may make monthly savings over a period of three or five years or other period set by any relevant tax authority linked to the grant of an option over Group shares. The option price will be set at a discount of up to 15% of the market value of the shares at grant (which align with similar all-employee arrangements in the US).	Employees are limited to saving a maximum in line with the monthly savings limit imposed by the Committee (which will not exceed any limits imposed by legislation) at the time they are invited to participate.	n/a	None

Full details behind proposed changes within the Policy and associated rationale are set out on pages 120 to 127.

Notes to the policy table

Malus and clawback

The Committee regularly reviews the Company's approach to malus and clawback and our Malus and Clawback Principles determines the trigger events and time periods that these provisions relate to. Both our annual bonus and LTIP awards are covered by these provisions and they apply in circumstances including:

- cases of fraud, negligence or gross misconduct by the Executive Director;
- material financial misstatement in the audited financial results of the Group;
- error in calculation; or
- other exceptional circumstances at the Committee's discretion.

The timeline over which Malus and Clawback provisions could be used is shown in the table below. These have been determined to appropriately balance the timing of determination of awards/vesting with the underlying performance metrics that are used to determine award levels and align with mandated deferral period under the Annual Bonus or holding period post vesting of long-term incentive awards.

Cash bonuses will be subject to clawback, with deferred bonus shares being subject to malus, over the deferral period. LTIP awards will be subject to malus over the vesting period and clawback from the vesting date to the second anniversary of the relevant vesting date.

We believe this timeframe is effective and proportionate to the operational nature of the business, allowing for malus on deferred bonus shares for up to three years following the determination of company performance upon which the award was made. For LTIP awards this aligns with the mandatory holding period in place for shares post vesting, and again extends for a significant timeframe (five years) from when the original grant of awards was made.

Summary of Malus/Clawback

	Malus	Clawback
Annual Bonus – Cash Payments	Up to point of cash payment	Yes – aligned to share deferral period
Annual Bonus – Deferred Shares	Up to point of vest (three years after completion of performance period that determined the award)	None post vesting
Share Awards under Long-Term Incentive Plans	During vesting period	Up to 2nd anniversary of respective vesting date

Share ownership guidelines

The Committee recognises the importance of aligning Executive Directors' and shareholders' interests through significant shareholdings in the Group. The Group's policy is to require Executive Directors to build up shareholdings worth 500% (previously 400%) of base salary for the CEO, and 300% of base salary for other Executive Directors, and to retain these shares whilst an Executive remains on the Board of Directors. 50% of any net vested share awards (after sales to meet tax liabilities) must be retained until the minimum shareholding requirements are met. Shareholdings will be valued at the higher of the acquisition price of the shares and the average share price over the last three months of the financial year. The Committee have determined that unvested shares not subject to future Company performance conditions can be included in assessing compliance with the Guideline, calculated on a net of tax basis. This includes shares that may be in a compulsory holding period after vesting. Details of the Executive Directors' current personal shareholdings, and progress towards meeting the share ownership guidelines, are provided in the Annual Report on Remuneration.

Post-exit shareholding requirement

The Committee further recognises the expectation of shareholders that a requirement is placed on Executive Directors to maintain a meaningful shareholding for a period of time after they leave the Company. In keeping with prior commitments, the 2023 Policy introduced a requirement for Executive Directors to hold 100% of their in-situ guideline in the first-year post-exit and 50% in year two.

Use of discretion

The Committee may apply its discretion (as set out below) when agreeing remuneration outcomes, to help ensure that the implementation of our Remuneration Policy is consistent with the guiding principles set out in this report.

Payments from outstanding awards

The Committee reserves the right, in certain circumstances, to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) where the terms of the payment were agreed: before the Policy in force at that time came into effect; or at a time when the relevant individual was not a Director of the Group provided that, in the opinion of the Committee, the payment was not agreed in consideration of the individual becoming a Director of the Group. For these purposes, payments include the satisfaction of variable remuneration awards previously granted, but not vested, to an individual.

Minor changes to Policy

The Committee retains discretion to make minor, non-significant changes to the Policy set out above (for reasons including, but not limited to, regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without reverting to shareholders for approval for that amendment, where seeking such shareholder approval would be disproportionate to the discretion being exercised.

LTIP awards

The Committee may exercise its discretion as provided for in LTIP rules approved by shareholders. The Committee may also adjust the number of shares comprising an LTIP award (or the exercise price if the award comprises options) in the event of a variation of share capital, demerger, special dividend, distribution or any other corporate event which may affect the current or future value of an award. It is intended that any adjustment will be made on a neutral basis, i.e. to not be to the benefit or detriment of participants. Any use of discretion by the Committee during a financial year will be detailed in the relevant Annual Report on Remuneration and may be the subject of consultation with the Group's major shareholders, as appropriate.

Remuneration Policy for the wider workforce

The Remuneration Policy for other employees is based on principles that are broadly consistent with those applied to Executive Director remuneration, with a common objective of driving financial performance and the achievement of strategic objectives, and contributing to the long-term success of the Group. Remuneration supports our ability to attract, motivate and retain skilled and dedicated individuals, whose contribution will be a critical factor in the Group's success. Annual salary reviews take into account Group performance, local pay and market conditions, and salary levels for similar roles in comparable companies. Pension entitlements and other benefits vary according to jurisdiction, to ensure these remain appropriately competitive for the local market.

Directors' Remuneration report continued

Many employees below executive level are eligible to participate in annual bonus schemes or similar variable incentive arrangements. Opportunities and performance measures vary by organisational level, geographical location and an individual's role. Employee ownership of Convatec Group Plc shares is promoted across the Group. Senior executives are eligible for LTIP awards on similar terms as the Executive Directors, although award opportunities are lower and vary by organisational level. At senior levels a combination of Performance Shares and Restricted Share awards are used, as is common within our sector. Other executives are eligible for restricted share awards on a discretionary basis. Convatec also offers an opportunity for broader-based participation in share purchase plans, such as Save As You Earn (SAYE) or Employee Share Purchase Plan (ESPP) arrangements. The Committee does not directly consult with employees as part of determining our Remuneration Policy for Executives, but receives regular oversight and updates on workforce policies and practices on reward.

Approach to target setting and performance measure selection

The Committee considers carefully the selection of performance measures at the start of each performance cycle, taking into consideration the Group's strategic objectives and the macroeconomic environment.

Annual bonus measures are selected to align with the Group's KPIs (see pages 12 and 13). Measures may change from year-to-year (subject to the Remuneration Policy), and the rationale for any changes to the bonus measures selected will therefore be disclosed in the relevant Annual Report on Remuneration.

LTIP performance measures (used for awards of Performance Shares) are selected to ensure they align with the Group's strategy and long-term shareholder value creation. They are designed to align executive and shareholder interests through an effective balance between external and internal measures of performance, and between growth and returns in the context of the Group's strategy.

Targets are set to be stretching but achievable over the performance period, taking account of multiple relevant reference points, for example, internal forecasts, external expectations for future performance at both the Group and its closest sector peers, and typical performance ranges of companies of comparable size and complexity. The Committee also retains discretion, in exceptional circumstances, to vary, substitute or waive the performance conditions attaching to incentive awards (within the relevant limits set out in the Policy table) if there is a significant and material event which causes the Committee to believe the original conditions are no longer appropriate, and the new performance conditions are deemed reasonable and not materially less difficult to satisfy than the original conditions.

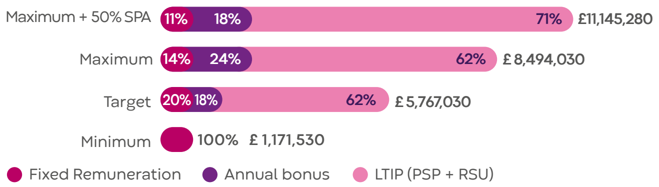
Pay-for-performance: scenario analysis

The charts below provide an estimate of the potential future reward opportunities for Karim Bitar and Jonny Mason, and the potential split between the different elements of remuneration under four different performance scenarios: "Maximum + 50% share price growth", "Maximum", "On target" and "Minimum".

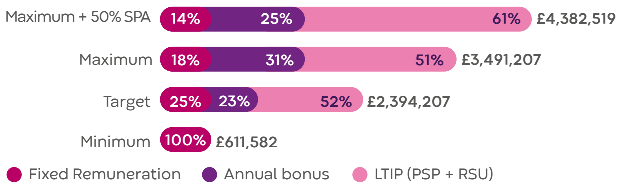
Potential reward opportunities are based on the forward-looking policy, applied to 2024 base salaries and incentive opportunities. LTIP awards granted in a year will not normally vest until the third anniversary of the date of grant, and the projected value of the "Maximum", "On target" and "Minimum" scenarios excludes the impact of share price movement.

Pay scenarios

CEO – Karim Bitar



CFO – Jonny Mason



The above charts are based on the following assumptions:
"**Maximum + 50% SPA"**: fixed remuneration (salary, pension, other benefits), plus maximum bonus (200% of salary) and full vesting of the 2024 LTIP awards (Performance Share Awards of 425% of salary for the CEO/250% of salary for the CFO, and Restricted Share awards of 100% for CEO and 75% for CF0), and reflecting 50% share price growth over the vesting period).
"Maximum": fixed remuneration (as above), plus maximum bonus (200% of salary) and full vesting of the 2024 LTIP awards assuming no share price growth.
"On-target": fixed remuneration (as above), plus target bonus (50% of maximum or 100% of salary) and 60% of maximum vesting of Performance Share Awards under the LTIP and full vesting of Restricted Share awards, assuming no share price growth.
"Minimum": fixed remuneration only, being the only element of Executive Directors' remuneration not linked to performance.

Executive Director service contracts

In accordance with general market practice, each of the Executive Directors has a rolling service contract. Karim Bitar and Jonny Mason have service contracts with the Company (copies of which are available to view at the Company's registered office) that are terminable on 12 months' notice from the Group and six months' notice from the Executive Director. This practice will also apply for any new Executive Directors. The following table shows the date of the service contract for each Executive Director that served during the year:

Executive Director	Position	Date of appointment	Date of service agreement
Karim Bitar	CEO	30 September 2019	24 March 2019
Jonny Mason	CFO	12 March 2022	8 December 2021

Exit payments policy

The Group's policy on termination payments is to consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms in the executive's service contract and the circumstances of termination. Executive Directors' contracts provide for the payment of a pre-determined sum in the event of termination of employment in certain circumstances (but excluding circumstances where the Group is entitled to dismiss without compensation), comprising base salary, pension benefit and benefits in respect of the unexpired portion of the notice period. Termination payments may take the form of payments in lieu of notice. Payments would normally be made on a phased basis and subject to mitigation. If the employment is terminated by the Group, the Committee retains the discretion to settle any other amount the Committee considers reasonable to the Executive Director including in settlement of claims, in respect of legal fees incurred in connection with the termination and fees for outplacement services and relocation costs.

In addition to contractual provisions, the following table summarises how awards under each discretionary incentive plan are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion as provided under the rules of the plan. In the event of termination, any outstanding options granted under the SAYE, or equivalent, scheme will be treated in accordance with the rules of the scheme, which do not include discretion. Disclosure in relation to any departing Executive Director, including details of any remuneration payment made to them after they cease to be a Director, will be made on the Company's website in accordance with Section 430(2B) of the Companies Act 2006.

Treatment of awards on cessation of employment

Reason for cessation	Calculation of vesting/payment	Timing of vesting/payment
Annual bonus		
Injury, disability, death, redundancy, retirement, or other such event as the Committee determines	The Committee may determine that a bonus is payable on cessation of employment (normally pro-rated for the proportion of the performance year worked) and the Committee retains discretion to determine that the bonus should be paid wholly in cash. The bonus payable will be determined based on the performance of the Group and of the individual over the relevant period, and the circumstances of the Director's loss of office.	At the normal payment date, taking into account actual Company performance for the performance period.
All other reasons (including voluntary resignation)	No bonus will be paid for the financial year.	Not applicable.
Deferred bonus shares		
Resignation or dismissal for cause	Awards normally lapse.	Not applicable.
All other reasons (e.g. injury, disability, death, redundancy, retirement, or other such event as the Committee determines)	Awards will normally vest in full (i.e. not pro-rated for time) unless the Committee determines that time pro-rating should apply.	At the normal vesting date, unless the Committee decides that awards should vest earlier (e.g. in the event of death).
Change of control	Awards will normally vest in full (i.e. not pro-rated for time). Awards may alternatively be exchanged for equivalent replacement awards, where appropriate.	On change of control.
LTIP awards		
Resignation or dismissal for cause	Awards normally lapse.	Not applicable.
All other reasons (e.g. injury, disability, death, redundancy, retirement, or other such event as the Committee determines)	Awards will normally be pro-rated for time (unless the Committee chooses to disapply time pro-rating) and will vest based on performance over the original performance period (where awards are subject to performance conditions) unless the Committee decides to measure performance to the date of cessation.	At the normal vesting date, unless the Committee decides that awards should vest earlier (e.g. in the event of death).
Change of control	LTIP awards will normally be pro-rated for time (unless the Committee chooses to disapply time pro-rating) and will vest subject to performance (where applicable) over the performance period to the change of control. LTIP awards may alternatively be exchanged for equivalent replacement awards, where appropriate.	On change of control.

Approach to remuneration on recruitment

External appointments

In cases of hiring or appointing a new Executive Director from outside the Group, the Committee may make use of all existing components of remuneration set out in the Policy table, up to the disclosed maximum opportunities (where applicable).

When determining the remuneration package for a new Executive Director, the Committee will take into account all relevant factors based on the circumstances at that time to ensure that arrangements are in the best interests of the Group and its shareholders. This may include factors such as the experience and skills of the individual, internal comparisons and relevant market data.

The Committee may also make an award in respect of a new appointment to "buy-out" incentive arrangements forfeited on leaving a previous employer, i.e. over and above the maximum limits on incentive opportunities set out in the Policy table. In doing so, the Committee will consider relevant factors, including any performance conditions attached to these awards, the likelihood of those conditions being met, and the time over which they would have vested. The intention is that the expected value of any "buy-out" award would be no higher than the expected value of the forfeited arrangements, and that the structure will replicate (as far as reasonably possible) that of the awards being forfeited. The Committee may consider it appropriate to structure "buy-out" awards differently from the structure described in the Policy table, exercising its discretion under the LTIP rules to structure awards in other forms (including market value options, restricted shares, forfeitable shares or phantom awards) and may use the exemption permitted within the Listing Rules where necessary to make a one-off award to an Executive Director in this context.

Internal promotion

Where a new Executive Director is appointed by way of internal promotion, the Policy will be consistent with that for external appointees, as detailed above (other than in relation to 'buy-out' awards). Any commitments made prior to an individual's promotion will continue to be honoured even if they would not otherwise be consistent with the Policy prevailing when the commitment is fulfilled, although the Group may, where appropriate, seek to revise an individual's existing service contract on promotion to ensure it aligns with other Executive Directors and good practice.

Disclosure on the remuneration structure of any new Executive Director, including details of any 'buy-out' awards, will be disclosed in the RNS notification made at the time of appointment and in the Annual Report on Remuneration for the year in which recruitment occurred.

External appointments held by Executive Directors

Executive Directors may accept one external appointment subject to approval by the Board, there being no conflicts of interest and the appointment not leading to deterioration in the individual's performance. Executive Directors may retain the fees paid for such roles. Details of external appointments and the associated fees received will be included in the Annual Report on Remuneration.

Consideration of conditions elsewhere in the Group

The Committee seeks to promote and maintain good relations with employees as part of its broader employee engagement strategy, considers pay practices across the Group and is mindful of the salary increases applying across the rest of the business in relevant markets when considering any increases to salaries for Executive Directors.

Consideration of shareholder views

The Committee will take into consideration all shareholder views received during the year and at the Annual General Meeting each year, as well as guidance from shareholder representative bodies more broadly, in shaping the Group's implementation of its Remuneration Policy. The Committee has undertaken extensive engagement with Shareholders in determining the Policy proposals, which reflect investor feedback received.

Remuneration Policy for the Non-Executive Directors

Details of the Policy on fees paid to our Non-Executive Directors are set out in the table below:

Purpose and link to strategy	Operation	Opportunity	Performance measures	Summary of changes from existing Policy
Non-Executive Director fees				
To attract and retain Non-Executive Directors of the highest calibre with broad commercial and other experience relevant to the Group	The fees of the Chair are determined by the Committee. The fees paid to Non-Executive Directors are determined by the Chair and Executive Directors. Additional fees are payable for acting as Senior Independent Director and for chairing the Audit and Risk Committee or the Remuneration Committee. An additional fee is also payable for acting as a Board Level Representative for the workforce. Flexibility to introduce Committee membership fees is also retained if deemed to be necessary.	The maximum aggregate annual fee for all Non-Executive Directors (including the Chair) as provided in the Group's Articles of Association is £1,500,000.	n/a	None
	Fee levels are reviewed annually (with any increases normally effective 1 April), taking into account external advice on best practice and competitive levels, in particular at other FTSE companies of comparable size and complexity. Time commitment and responsibility are also taken into account when reviewing fees. Chair and Non-Executive Director fees are paid in cash. The Committee reimburses the Chair and Non-Executive Directors for reasonable expenses and may settle any tax incurred in relation to these expenses. The fees paid to the Chair and Non-Executive Directors are disclosed in the Annual Report on Remuneration.	Fee increases will be applied taking into account the outcome of the annual review.		None

Non-Executive Directors are not eligible to join the Group's pension, incentives or share schemes or to participate in any of the Group's other benefit arrangements.

In recruiting a new Non-Executive Director, the Committee will use the Policy set out above. To see details of current appointments of the Chair and Non-Executive Directors for the year ending 31 December 2024, please see page 143.

OUR ANNUAL REPORT ON REMUNERATION

Introduction

This section of the Remuneration report provides details of how our Remuneration Policy was implemented during the financial year ended 31 December 2024, and how it will be implemented during the year ending 31 December 2025. It has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the FCA's Listing Rules.

In accordance with the Regulations, the following sections of the Remuneration report are subject to audit: the single total figure of remuneration for Executive Directors and Non-Executive Directors, and accompanying notes (pages 135 and 138), scheme interests awarded during the financial year (page 137), payments to past Directors (page 139) and the statement of Directors' shareholdings (page 143). The remaining sections of the report are not subject to audit.

Committee membership in 2024

Details of the membership of the Committee, the number of times it met during 2024 and attendance at its meetings are set out on page 114.

Committee responsibilities

The Committee's key areas of responsibility are also set out on page 114.

Committee performance evaluation

A performance evaluation of the Remuneration Committee was carried out in 2024, facilitated by an external consultant, Lintstock, by way of a detailed questionnaire. The evaluation confirmed that the Committee was functioning effectively and addressing all areas of its remit in a systematic manner. Recommendations included ensuring that Committee members continue to have full access to appropriate training and support, to include UK Governance trends, recognising that a number of Committee members were based in the US.

Advisers

During the year, Willis Towers Watson (WTW) reported to the Chair of the Committee and provided reward survey benchmark data to the Company. WTW is considered to be independent by the Committee. Fees paid to WTW are determined on a time and materials basis, and totalled £133,350 (excluding expenses and VAT) for the 2024 financial year in its capacity as adviser to the Committee. WTW is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK (www.remunerationconsultantsgroup.com).

Summary of shareholder voting

The following table shows the results at the 2024 AGM of the advisory vote on the 2023 Annual Report on Remuneration and the binding vote on the 2023 Remuneration Policy (at the 2023 AGM).

Resolution	Votes 'for'	Votes 'against'	Votes 'withheld'[1]
2023 AGM: To approve the Directors' Remuneration Policy (Binding)	95.95%	4.05%	8,682,610
2024 AGM: To approve the Directors' Remuneration report (Advisory)	98.24%	1.76%	8,051,515

1. Votes 'withheld' are not votes in law and, therefore, have not been included in the calculation of the proportion of votes 'for' or 'against' each resolution.

Single total figure of remuneration for Executive Directors (audited)

The following table sets out a single figure for the total remuneration received by each Executive Director for the 2024 financial year and compares this with the equivalent figure for the 2023 financial year. The Committee believes that the Remuneration Policy has operated as intended in 2024 with no deviations from the approved Policy.

Director		Base salary '000	Taxable benefits[1] '000	Annual bonus[2] '000	LTIP[3] '000	Pension benefit[4] '000	Total Fixed[5] '000	Total Variable[6] '000	Total '000
Karim Bitar	**2024**	**£972**	**£76**	**£1,937**	**£1,991**	**£83**	**£1,131**	**£3,928**	**£5,059**
	2023	£938	£76	£1,873	£1,661	£80	£1,094	£3,534	£4,628
Jonny Mason	**2024**	**£528**	**£16**	**£1,052**	**£1,109**	**£45**	**£589**	**£2,161**	**£2,750**
	2023	£509	£17	£1,017	n/a	£43	£569	£1,017	£1,586

1. For Karim Bitar and Jonny Mason, benefits consist primarily of car allowance, private medical insurance, life assurance and permanent health insurance. For Karim Bitar, private medical is provided in the form of a healthcare allowance of £50,000 payable per annum.
2. Reflects the total bonus awarded for performance in the relevant financial year. One-third of the bonus earned by Karim Bitar and Jonny Mason is deferred into shares for three years (the vesting of which is not subject to any further performance conditions).
3. 2024 figures represent the estimated value of LTIP awards made to Karim Bitar and Jonny Mason in March 2022. These awards shall vest on the third anniversary of grant at 70.3% of maximum based on performance over the three-year performance period ending 31 December 2024 (further details of which are set out on page 137). The estimated values shown in the table above use the three-month average share price for the period ended 31 December 2024 (228.72p) and will be trued up in next year's report to reflect their value (including any accrued distribution which were reinvested into shares) on the vesting date. The value of vested shares has increased by £415k for Karim Bitar since the respective award dates as a result of share price appreciation (awards were granted at 181p per share). The 2023 figure has been updated from that disclosed in our last Annual Report to reflect the actual value of the 2021 LTIP when it vested in March 2024, with an associated share price of 280p.
4. Karim Bitar's and Jonny Mason's pension benefits in the year are equivalent to 8.5% of base salary, in line with the wider UK workforce.
5. Total of base salary, taxable benefits and pension benefit.
6. Total of annual bonus and LTIP.

Directors' Remuneration report continued

Incentive outcomes for the year ended 31 December 2024 (audited)

Annual bonus in respect of performance in the 2024 financial year

For 2024, Karim Bitar and Jonny Mason had a maximum bonus opportunity of 200% of their 2024 base salary. Any payments under the annual bonus are normally payable two-thirds in cash and one-third in shares, deferred for three years. The on-target opportunity was 50% of maximum. The annual bonus for 2024 was based on a combination of adjusted operating profit[1] (weighted 40%), organic revenue growth[1] (25%), free cash flow to equity (15%) and personal strategic objectives (20%), of which 5% relate to quantifiable ESG metrics.

The tables below summarise the structure of the 2024 annual bonus, the targets set, our performance over the financial year and the resulting annual bonus payout.

				Performance targets			
Financial measure	Link to corporate strategy			Threshold 0% payout	Target 50% payout	Maximum 100% payout	Actual performance
Adjusted operating profit[1]	Focus	Innovate	Simplify	$457m	$471m	$500m	$499m
Organic revenue growth[1]	Focus	Innovate	Simplify	4%	5.5%	7%	7.5%
Free cash flow to equity	Simplify	Execute		$213m	$237m	$260m	$302m

	Objectives and actual performance
Karim Bitar	– *Grew FISBE market sales ahead of other markets.* – *Customer net promoter score (cNPS) introduced across all business units: actioning insights leading to increased customer loyalty.* – *Roll out of eNPS globally, with Convatec in the top decile for employee engagement.* – *Continued the successful execution of FISBE strategy, delivering sustainable and profitable growth, a strong cash flow position and strengthening Convatec's competitive position.* – *Effective pipeline progression with strong pipeline of new products.* – *Continued delivery of improvements in overall quality of products, greenhouse gas emissions (61% reduction in Scope 1 and Scope 2 over 2021), increased diversity through women in senior leadership positions (45%).*
Jonny Mason	– *Guided the business to deliver on all financial targets for the year, including: revenue growth; margin expansion; earnings increase; and cash generation.* – *Expanded Finance, IT and Global Business Services (GBS) scope, with reduction in cost ratio achieved ahead of target.* – *Delivered process improvements in core processes (such as purchase to pay), evidenced by increases in tNPS.* – *Continued increase in employee engagement and reduction in voluntary turnover levels.* – *Successful delivery of first year of IT transformation activity.*

ESG targets in scope: Complaints per million (CPM), Scope 1 and 2 greenhouse gas emissions; Vitality Index and a DE&I metric linked to proportion of females in senior management roles. We successfully achieved a reduction in CPM by at least 8% and attained a Vitality Index in excess of the target set of 28%. We also reduced Scope 1 and 2 emissions by 61% relative to our 2021 baseline, and had female representation within senior management of 45% at year end, ahead of the stated target. For a comprehensive account of our performance against these targets see pages 39, 44 and 52 of the Annual Report.

	Annual bonus in respect of performance breakdown			Bonus Calculation	
Director	Measure	Weighting	Maximum opportunity (% of salary)	(% of maximum)	('000)
Karim Bitar	Adjusted operating profit[1]	40%	80%	98.5%	
	Organic revenue growth[1]	25%	50%	100%	
	Free cash flow to equity	15%	30%	100%	
	Personal strategic objectives (inc. 5% in relation to ESG metrics)	20%	40%	96.25%	
	Total	**100%**	**200%**	**98.7%**	**£1,937k**
Jonny Mason	Adjusted operating profit[1]	40%	80%	98.5%	
	Organic revenue growth[1]	25%	50%	100%	
	Free cash flow to equity	15%	30%	100%	
	Personal strategic objectives (inc. 5% in relation to ESG metrics)	20%	40%	96.25%	
	Total	**100%**	**200%**	**98.7%**	**£1,052k**

1. Adjusted operating profit and organic revenue growth are both calculated on a constant currency basis using a budget rate.

One-third of the bonus earned by the Executive Directors will be deferred into shares to be held for three years. This will be awarded in March 2025 and full details of this element of the award will be disclosed in next year's Annual Report.

Scheme interests vesting in respect of the year ended December 2024 (audited)

In March 2022, Karim Bitar and Jonny Mason were granted conditional share awards under the LTIP. These LTIP awards were subject to performance over the three-year period ended 31 December 2024, and performance conditions based on a combination of: Relative TSR and adjusted PBT growth, both over a three-year period, weighted 25% and 75%, respectively.

The table below sets out details of the targets, and performance against these:

Measure	Weighting	Performance range	Payout Range	Actual performance	Weighted vesting outcome
Three-year Relative TSR against the constituents of the FTSE 350 excluding investment trusts	25%	Median to 90th percentile	Median = 25% award Stretch (75th percentile) = 90% award Max (90th percentile or above) = 100% award	67th percentile	69.7%
Three-year compound annualised growth in adjusted PBT[1]	75%	8% to 15% p.a.	Threshold (8%) = 25% award through to Stretch (15% or above) = Full award	12.2%	70.5%
				Total % vesting	70.3%

1. Final vesting outturns on the PBT measure have been adjusted to reflect the impact of M&A over the period in line with the Remuneration Policy.

Accordingly, Executive Directors' 2022 LTIP awards will vest on the third anniversary of grant as set out below:

Director	Date of grant	Number awarded	% vesting	Number vesting
Karim Bitar	14 March 2022	1,238,337	70.3%	870,551
Jonny Mason	14 March 2022	690,112	70.3%	485,149

Scheme interests awarded in 2024 (audited)

2024 LTIP awards

During the year ended 31 December 2024, the Executive Directors were awarded conditional share awards under the LTIP, details of which are summarised in the table below. They are based on Convatec performance from 1 January 2024 to 31 December 2026.

				Face value		
Director	Date of grant	Number awarded	Award price[1]	Value	% of annualised salary	Vesting date
Karim Bitar	11 March 2024	1,025,891	276p	£2,831,459	300%	11 March 2027
Jonny Mason	11 March 2024	464,221	276p	£1,281,250	250%	11 March 2027

1. The LTIP face values are determined as a percentage of each Executive Director's annualised salary on the date of grant and converted into numbers of conditional shares using the average of the three-day closing price preceding the date of grant.

The performance conditions attached to these 2024 LTIP awards are set out in the table below.

Measure	Weighting	Threshold (25% vesting)	Stretch (90% vesting)	Maximum (100% vesting)
Organic revenue growth	25%	4%		7%
Three-year compound annualised growth in adjusted PBT	50%	6% p.a.		14% p.a.
Three-year Relative TSR rank vs constituents of FTSE 50 to 150 excluding investment trusts and using three-month average opening and closing values	12.5%	Median	75th percentile	≥ 90th percentile
Three-year Relative TSR rank vs constituents of S&P Global Healthcare Equipment & Services index (calculated in GBP)	12.5%	Median	75th percentile	≥ 90th percentile

To the extent the 2024 LTIP awards vest, vested shares will be required to be held for a further two-year post-vesting holding period. Vesting will be determined on a straight-line basis between the points in the table above.

Deferred Bonus Award (audited)

One-third of the 2023 bonus earned by Karim Bitar and Jonny Mason was deferred into shares to be held for three years under the Deferred Bonus Plan DBP), details of which are summarised in the table below.

				Value		
Director	Date of grant	Number awarded	Award price[1]	£	% of 2023 bonus	Vesting date
Karim Bitar	11 March 2024	226,266	276p	£624,494	One-third	11 March 2027
Jonny Mason	11 March 2024	122,863	276p	£339,102	One-third	11 March 2027

1. The award values are determined as one-third of each Executive Director's 2023 bonus and converted into numbers of conditional shares using the average of the three-day share price preceding the date of grant.

Directors’ Remuneration report continued

Fees retained for external non-executive directorships

Executive Directors may hold one external appointment and retain the fees paid for such a role. Neither of the Executive Directors held an external non-executive director appointment during the year.

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

The table below sets out a single figure for the total remuneration received by each Non-Executive Director for the 2024 and 2023 financial years.

	Fee[1]		Benefits[2]		Total	
Non-Executive Director	**2024 ‘000**	2023 ‘000	**2024 ‘000**	2023 ‘000	**2024 ‘000**	2023 ‘000
John McAdam	**£346**	£334	**£30[3]**	£1	**£376**	£335
Margaret Ewing	**£123**	£120	**£0**	£1	**£123**	£121
Brian May	**£100**	£97	**£0**	£1	**£100**	£98
Heather Mason	**£81**	£79	**£2**	£2	**£83**	£81
Constantin Coussios	**£79**	£77	**£2**	£1	**£81**	£78
Kim Lody	**£81**	£80	**£3**	£2	**£84**	£82
Sharon O’Keefe	**£92**	£90	**£3**	£2	**£95**	£92

1. Effective 1 April 2023, US dollar and Euro fee levels were introduced alongside the Sterling fee rates. Where a Non-Executive Director receives fees in US dollar or Euro, the fees have been converted to Sterling using the average exchange rate at the time of payment.
2. In addition to the fees payable to each of the Directors, the Group reimburses reasonable expenses.
3. Includes travel related benefits provided to the Chair during the year.

Percentage change in Director remuneration

The table below shows the percentage change in Director remuneration (from 2019 to 2024) compared to the average percentage change in remuneration for other employees over the same period.

Convatec Group Plc does not have any other employees other than Executive Directors. For the comparator group, we have used the population of UK-based employees whose remuneration is based on overall Group business performance rather than that of a particular Business Unit. In determining the annual change in average employee remuneration, we have looked at average annual pay increase (excluding promotions) and actual bonus payments. We have only included employees who were in the Group in both years of the comparison to ensure consistency.

	Annualised percentage change from 2023 to 2024			Annualised percentage change from 2022 to 2023			Annualised percentage change from 2021 to 2022			Annualised percentage change from 2020 to 2021			Annualised change from 2019 to 2020		
	Salary or fees[1]	Benefits[2]	Bonus	Salary or fees[1]	Benefits[2]	Bonus	Salary or fees[1]	Benefits[2]	Bonus	Salary or fees[1]	Benefits[2]	Bonus	Salary or fees[1]	Benefits[2]	Bonus
Executive Directors															
Karim Bitar	**3%**	**0%**	**3%**	2.5%	35.9%	39.9%	2.6%	0.0%	(6.5)%	1.9%	0.0%	(16.9)%	0.0%	0.0%	40.0%
Jonny Mason	**3%**	**0%**	**3%**	2.5%	1.3%	41.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors															
John McAdam	**4%**	**2226%**	**n/a**	1.9%	197.1%	n/a	2.5%	213.0%	n/a	0.0%	n/a	n/a	0.0%	(100)%	n/a
Margaret Ewing	**3%**	**(88)%**	**n/a**	2.6%	6.3%	n/a	0.0%	310.1%	n/a	(5.4)%	n/a	n/a	0.9%	(100)%	n/a
Brian May	**3%**	**(81)%**	**n/a**	2.4%	2.3%	n/a	0.0%	443.5%	n/a	8.4%	n/a	n/a	n/a	n/a	n/a
Heather Mason	**2%**	**0%**	**n/a**	5.7%	(14)%	n/a	0.0%	134.2%	n/a	15.4%	n/a	n/a	n/a	n/a	n/a
Constantin Coussios	**4%**	**29%**	**n/a**	2.0%	(1.7)%	n/a	0.0%	247.4%	n/a	15.4%	n/a	n/a	n/a	n/a	n/a
Kim Lody	**2%**	**26%**	**n/a**	5.7%	(19.5)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sharon O’Keefe	**2%**	**27%**	**n/a**	6.1%	(9.7)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average per employee	**6.4%**	**5.7%**	**18.8%**	7.2%	3.1%	21.2%	5.3%	10.0%	13.5%	2.7%	(16.5)%	39.2%	2.7%	2.7%	16.0%

Former Directors (who did not serve on the Board during the financial year under review) have been removed from the table. Relevant prior data and commentary can be found in last year’s annual report.

1. Salary / fee figures have been annualised for this analysis to permit a meaningful comparison over time. Effective 1 September 2020, the Non-Executive Director fee structure was changed: the base fee was increased and committee membership fees were discontinued.
2. The year-on-year increase in benefits reflects the Group’s best estimate for the change in the average value of benefits for other employees. Non-Executive Directors’ benefits relate to taxable expenses (largely travel to attend meetings). Karim Bitar receives a healthcare allowance instead of private medical insurance which was set at £30,000 per annum in 2019. Due to the rising cost of healthcare and inflation, Karim’s medical benefit was reviewed during the year and the Committee approved an increase to £50,000 per annum. Changes exclude the value of pension contributions.

Relative importance of spend on pay

The table below shows shareholder distributions (i.e. dividends) and total employee pay expenditure for the financial years ended 31 December 2024 and 31 December 2023, and the percentage change year-on-year.

	2024 $m	2023 $m	Year-on-year change
Total employee pay expenditure	**767**	701	9%
Shareholder distributions	**130**	127	2%

Payments to past Directors and payments for loss of office (audited)

There were no payments to past Directors or payments for loss of office during the year.

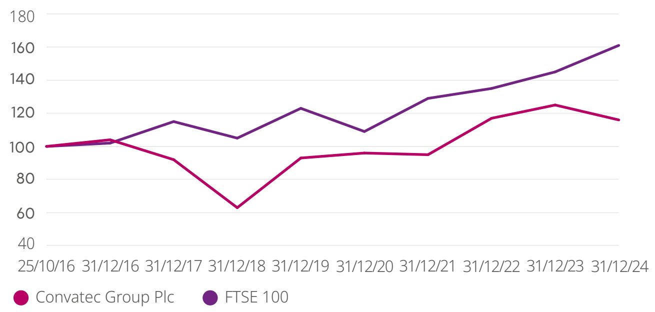
Review of past performance

The first graph shows the Group’s TSR compared to the FTSE 100 index, an index of which the Group is a constituent. Performance, as required by legislation, is measured by TSR over the period from commencement of conditional dealing (26 October 2016) to 31 December 2024.

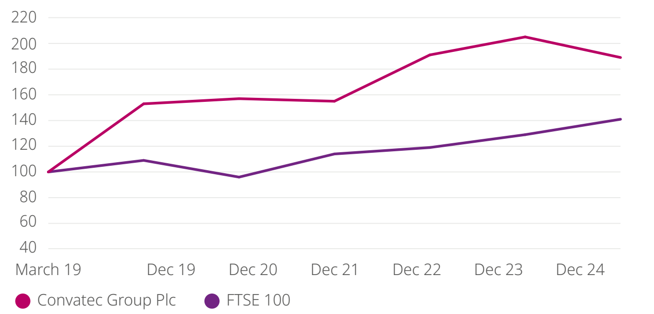
The second graph shows TSR performance of the Group compared with the FTSE 100 index since the announcement of Karim Bitar as CEO (25 March 2019) to 31 December 2024.

TSR Chart – Convatec vs the FTSE 100

Value of £100 invested on 25 October 2016 – IPO



Value of £100 invested on 25 March 2019 – announcement of Karim Bitar as CEO



The table below details the CEO’s single total figure of remuneration and incentive outcomes over the same period:

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Karim Bitar (from 30 September 2019)									
CEO single figure (‘000)				£6,878[1]	£2,786	£3,699[2]	£4,419	£4,628[3]	**£5,059**
Annual bonus (% max.)				70.2%	98.5%	79.8%	72.7%	99.3%	**98.7%**
LTIP vesting (% max.)				n/a	n/a	44.2%	80.5%	51.6%	**70.3%[4]**
Rick Anderson[5] (15 October 2018 to 29 September 2019)									
CEO single figure (‘000)			£264	£1,118					
Annual bonus (% max.)			n/a	n/a					
LTIP vesting (% max.)			n/a	n/a					
Paul Moraviec (to 14 October 2018)									
CEO single figure (‘000)	£1,413	£917	£631						
Annual bonus (% max.)	40%	9%	n/a						
LTIP vesting (% max.)	n/a	n/a	n/a						

1. 2019 remuneration includes the face value of the restricted share awards made to Karim Bitar as part of his buy-out.
2. Includes the actual vesting value of Karim Bitar’s Conditional Share award that formed part of his buy-out arrangement on appointment of £888k.
3. Updated single figure to reflect actual vesting of 2021 LTIP award in March 2024.
4. Represents the performance outcome of the 2022 LTIP (as a % of maximum) with a final vesting date in March 2025.
5. Rick Anderson was a Non-Executive Director who acted as interim Executive Chair ahead of Karim Bitar joining the business. He received a fixed fee for his services in comparison to the reward package design in place for Paul Moraviec and Karim Bitar.

Directors' Remuneration report continued

CEO pay ratio

The table below discloses the ratio of CEO pay for 2023, comparing the single total figure of remuneration for Karim Bitar to the full-time equivalent total reward of those colleagues whose pay is ranked at the 25th, 50th and 75th percentiles in our total UK workforce.

Methodology Option A (as defined by the Regulations) has been chosen to calculate the ratio, as it provides a fair comparison of colleague pay with that of our CEO by using a consistent methodology to value remuneration and identify our colleagues ranked at the 25th, 50th and 75th percentiles. We believe that the median ratio for 2024 is consistent with the pay and reward policies for the company's UK employees. Colleague pay was calculated based on actual pay and benefits for the 12 monthly payrolls in respect of the full financial year to 31 December 2024. We can confirm that no adjustments were made to the calculation of the total remuneration for these employees from the methodology set out for the CEO's single total figure remuneration. Our pay ratios are set out below:

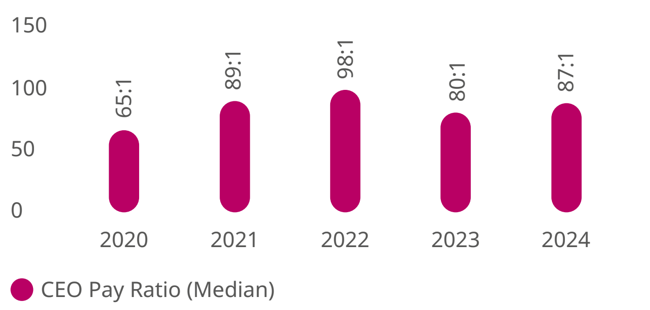
Year	Method	25th percentile	50th percentile	75th percentile
2024	**Option A**	**117:1**	**87:1**	**58:1**
2023	Option A	106:1	80:1	51:1
2022	Option A	125:1	98:1	59:1
2021	Option A	115:1	89:1	52:1
2020	Option A	83:1	65:1	40:1
2019	Option A	163:1	123:1	76:1

The table below provides information on the salary and total pay and benefits paid to our colleagues ranked at the 25th, 50th and 75th percentiles.

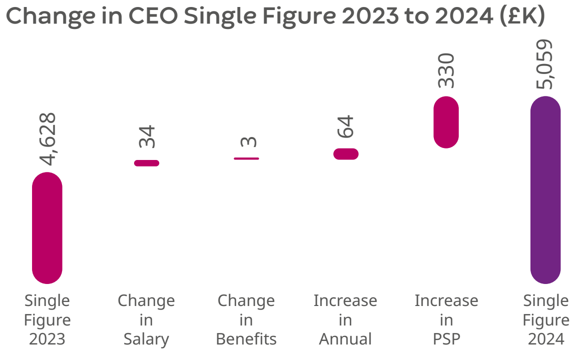
Year	Method	25th percentile	50th percentile	75th percentile
2024	**Salary**	**£33,345**	**£43,735**	**£64,191**
	Total pay and benefits	**£43,296**	**£58,123**	**£87,627**
2023	Salary	£31,639	£41,076	£60,000
	Total pay and benefits	£40,145	£53,121	£82,799
2022	Salary	£29,892	£38,000	£55,017
	Total pay and benefits	£34,757	£44,418	£73,336
2021	Salary	£27,638	£34,521	£58,739
	Total pay and benefits	£32,663	£41,964	£71,619
2020	Salary	£26,660	£34,487	£52,415
	Total pay and benefits	£33,425	£42,641	£69,668
2019	Salary	£23,500	£32,798	£39,542
	Total pay and benefits	£30,652	£40,601	£65,922

Our CEO Pay Ratio has increased since 2023 to 87:1 from 80:1. Pay and benefits for the median employee increased by 9.4% between the two years. This compared to an increase in the CEO single figure of 9.3%. The breakdown of the variance for the CEO is provided below with commentary behind the change.

History of CEO pay ratio: CEO pay to median employee



Change in CEO Single Figure 2023 to 2024 (£K)



Change in CEO Reward (Single Figure 2023 to 2024)

Reward Change	Commentary
Salary (+£34k)	This is the impact of the change in annual base pay to £981,580 effective April 2024 (previously £943,820)
Benefits (including pension) (+£3k)	There was no change in structure of benefits provided to the CEO between 2023 and 2024. The value relates to the pension allowance paid by the Company, driven off a higher base salary figure. The allowance level has remained consistent year-on-year, at 8.5% of base pay, consistent with the wider UK workforce.
Annual Bonus (+£64k)	Awards under our annual plan were at similar levels to 2023, with awards of 197.3% out of a maximum of 200% (2023: 198.5%). This represents a further year of strong business delivery for the organisation.
Long-Term Incentives – Performance Shares (+£330k)	The PSP award vested at 70.3% of maximum compared to a vesting level of 51.6% for the previous three-year performance period. The estimated value on vesting (based on the average share price for the last three months of 2024) is £1,991k. This compares to the value of the PSP award that vested in March 2024 of £1,661k.
Overall (+£431k)	The variance in the CEO pay ratio reflects the overall proportion of pay linked to variable reward for the CEO, and the associated strength of achievement against this over time.

Implementation of Executive Director Remuneration Policy for 2025

Base salary

Following a review of the Executive Directors' salaries, the Committee decided to award a base salary increase of 2.9% in line with the increases for the general employee population in the UK. The increase will be effective from 1 April 2025.

Director	Role	From 1 April 2025	From 1 April 2024
Karim Bitar	CEO	£1,010,000	£981,580
Jonny Mason	CFO	£548,500	£533,000

Pension

Karim Bitar and Jonny Mason receive a pension benefit of 8.5% of base salary in line with that available to the wider UK workforce. Karim Bitar receives his pension benefit as a combination of a contribution to pension and the balance as a cash allowance. Jonny Mason receives his pension benefit as a cash allowance.

Annual bonus

For 2025, Karim Bitar and Jonny Mason will continue to have a maximum bonus opportunity of 200% of salary. The on-target bonus opportunity remains 50% of maximum. Two-thirds of any bonus earned will be paid in cash, with the remainder deferred into Convatec Group Plc shares for a further three-year period.

The annual bonus for 2025 will be based on the following measures and weightings:

Measure	Link to corporate strategy	Weighting
Adjusted operating profit[1]	Focus, Innovate, Simplify	40%
Organic revenue growth[1]	Focus, Innovate, Simplify	25%
Free cash flow to equity	Simplify, Execute	15%
Personal strategic objectives (including ESG)	Focus, Build	20% (of which 5% relates to ESG)

1. Adjusted operating profit and organic revenue growth are both calculated on a constant currency basis using a budget rate. We have set revenue targets excluding ATT for 2025, removing this from the base year and 2025 performance to determine growth achieved.

The Committee reaffirms its confidence in the established balance of financial measures for 2025, which continues to support our focus on sustainable and profitable growth. The use of organic revenue growth as a key metric reinforces our commitment to long-term value creation, and complements operating profit in driving our strategic objectives forward. ESG is within the personal strategic objective metric of the bonus to place importance on this and responsible business practices within our operations.

The Board currently considers these targets to be commercially sensitive and intends to disclose retrospectively in next year's Annual Report on Remuneration. In the event the Board considers these targets to remain commercially sensitive, they will be disclosed as soon as possible once they are no longer considered to be sensitive.

In line with our Policy, bonuses for the 2025 financial year will be subject to the Group's policy on deferral, and its malus and clawback provisions (see pages 130 to 131 for further details).

Long-Term Incentive Plan (LTIP)

The 2025 LTIP will, subject to approval of our revised Remuneration Policy at the 2025 AGM, comprise two elements: an award of Performance Shares and a separate award of Restricted Shares.

Directors' Remuneration report continued

Performance Shares

We will make PSP awards to Karim Bitar of 425% salary, and of 250% of salary to Jonny Mason, as described on page 125. These awards will vest in March 2028, subject to the following performance targets assessed over the three years ending 31 December 2027:

Measure	Weighting	Threshold (25% vesting)	Stretch (90% vesting)	Maximum (100% vesting)
Organic revenue growth	25%	4% p.a.		7% p.a.
Three-year compound annualised growth in adjusted Earnings per Share (EPS)	50%	6% p.a.		14% p.a.
Three-year Relative TSR rank vs constituents of S&P Global Healthcare Equipment & Services index (calculated in GBP)	25%	Median	75th percentile	≥ 90th percentile

Vesting will be determined on a straight-line basis between the data points in the table above. To the extent an award vests, it will be subject to a further two-year holding period after allowing some of the shares to be sold to cover estimated social security/tax liabilities.

Restricted Shares

We will make awards of 100% of salary to Karim Bitar and 75% of salary to Jonny Mason. These will be awards of shares that vest in the future subject to continued employment with the business. They are not subject to further company performance conditions, but remain subject to our clawback and malus policies. The Committee may adjust the vesting level (including to zero) to avoid unintended outcomes, align pay outcomes with underlying Group performance and ensure fairness to shareholders and participants.

To support transition to the new Policy, awards will be made in June 2025, using the share price used for the main Performance Share grant described above, and will be scheduled to vest in March 2028. In future years we expect awards to be made each March, with vesting on the third anniversary of award.

As with the award of Performance Shares, to the extent an award vests, it will be subject to a further two-year holding period after allowing some of the shares to be sold to cover estimated social security/tax liabilities.

Summary of Scheme Interests

As at 31 December 2024, the Executive Directors had the following beneficial interests in share awards and share options:

PSP – Performance Share Plan – awards of shares that vest after three years subject to the achievement of performance against business targets.
DBP –Deferred Bonus Plan – awards of shares that represent the compulsory deferral of part of the annual bonus into shares that vest after three years subject to continued employment with the business.
SAYE – Awards of shares under our Save as You Earn plan, our HMRC approved all-employee share plan that operates in the UK.

Karim Bitar

Vesting Period	Share Price at Grant	At 31 December 2023	Granted in year	Lapsed In year	Exercised in Year	As at 31 December 2024
10 March 2021 to 10 March 2024 – DBP	£1.90	301,460	0	0	(301,460)	0
10 March 2021 to 10 March 2024 – PSP	£1.90	1,147,691	0	(555,483)	(592,208)	0
14 March 2022 to 14 March 2025 – DBP	£1.81	263,650	0	0	0	263,650
14 March 2022 to 14 March 2025* – PSP	£1.81	1,238,337	0	0	0	1,238,337
15 March 2023 to 15 March 2026 – DBP	£2.21	201,937	0	0	0	201,937
15 March 2023 to 15 March 2026* – PSP	£2.21	1,041,628	0	0	0	1,041,628
05 June 2023 to 05 June 2026* – PSP	£2.07	222,630	0	0	0	222,630
20 July 2023 to 01 September 2026 – SAYE	£1.76	10,253	0	0	0	10,253
11 March 2024 to 11 March 2027 – DBP	£2.76	0	226,266	0	0	226,266
11 March 2024 to 11 March 2027* – PSP	£2.76	0	1,025,891	0	0	1,025,891
TOTAL		**4,427,586**	**1,252,157**	**(555,483)**	**(893,668)**	**4,230,592**

* A further two-year holding period applies to these awards post vesting.

Jonny Mason

Vesting Period	Share Price at Grant	At 31 December 2023	Granted in year	Lapsed In year	Exercised in Year	As at 31 December 2024
14 March 2022 to 14 March 2025* – PSP	£1.81	690,112	0	0	0	690,112
14 July 2022 to 01 September 2025 – SAYE	£1.74	10,346	0	0	0	10,346
15 March 2023 to 15 March 2026 – DBP	£2.21	99,826	0	0	0	99,826
15 March 2023 to 15 March 2026* – PSP	£2.21	565,610	0	0	0	565,610
11 March 2024 to 11 March 2027 – DBP	£2.76	0	122,863	0	0	122,863
11 March 2024 to 11 March 2027* – PSP	£2.76	0	464,221	0	0	464,221
TOTAL		**1,365,894**	**587,084**	**–**	**–**	**1,952,978**

* A further two-year holding period applies to these awards post vesting.

Implementation of Non-Executive Director Remuneration Policy for 2025

The Remuneration Committee sets the fee for the Chair and approved an increase aligned with that of the Executive Directors at 2.9%.

The fees for the Non-Executive Directors, other than the Chair, are reviewed and set by the Non-Executive Director Fee Committee, comprised of the Chair, CEO and CFO. The Non-Executive Fee Committee reviewed and approved an increase to the basic fees aligned with the that of the wider UK employee workforce.

The fee increases will take effect on 1 April 2025. The fees payable to the Non-Executive Directors are set out below.

Role	Fee structure in 2025[1]	Fee structure in 2024
Chair	£359,800	£349,700
Non-Executive Director basic fee	£82,300 or £107,800	£80,000 or £104,750
Additional fees:		
Senior Independent Director	No change	£21,000 or £28,000
Chair of the Audit and Risk Committee	No change	£23,000 or £30,000
Chair of the Remuneration Committee	No change	£21,000 or £28,000
Fee for acting as a Board Level Employee Representative	No change	£10,500 or £14,000

1. Effective 1 April 2025.

Non-Executive Director letters of appointment

None of the Non-Executive Directors has a service contract with the Group. They do have letters of appointment, and will be submitted for re-election annually. Copies of letters of appointment are available to view at the Company's registered office. The dates relating to the appointments of the Chair and Non-Executive Directors who served during the reporting period are as follows:

Director	Role	Date of appointment	Date of letter of appointment	Date of election/ re-election
John McAdam	Non-Executive Chair	30 September 2019	18 August 2019	16 May 2024
Margaret Ewing	Senior Independent Director	11 August 2017	17 August 2017	16 May 2024
Brian May	Independent Non-Executive Director	2 March 2020	26 February 2020	16 May 2024
Heather Mason	Independent Non-Executive Director	1 July 2020	8 May 2020	16 May 2024
Constantin Coussios	Independent Non-Executive Director	1 September 2020	29 June 2020	16 May 2024
Kim Lody	Independent Non-Executive Director	1 February 2022	13 December 2021	16 May 2024
Sharon O'Keefe	Independent Non-Executive Director	1 March 2022	24 February 2022	16 May 2024

Directors' shareholdings (audited)

The table below sets out details of the current shareholdings of each Director (and any relevant connected persons) as at 31 December 2024. For Executive Directors, the current shareholding is compared to their shareholding guideline.

	Shares				Options			
	Owned outright or vested							
Director	31 December 2023	**31 December 2024**	Unvested and not subject to performance conditions	Unvested and subject to performance conditions	Vested but not exercised	Unvested and not subject to performance conditions	Current shareholding[1] (% salary)	Shareholding guideline (% salary)
Current directors								
Karim Bitar	2,456,534	**2,929,020**	691,853	3,528,486	–	10,253	774%	400%
Jonny Mason	50,000	**50,000**	222,689	1,719,943	–	10,346	78%	300%
John McAdam	23,181	**23,181**						
Margaret Ewing	10,000	**10,000**						
Brian May	25,000	**25,000**						
Heather Mason	10,000	**10,000**						
Constantin Coussios	23,278	**23,278**						
Kim Lody	10,000	**10,000**						
Sharon O'Keefe	3,200	**3,200**						

1. Executive Director shareholdings calculated based on the number of shares that are owned outright or vested plus an estimated number of unvested shares that are not subject to performance conditions, on a net of tax basis. These shares are valued using a share price of 228.72p, being the average share price during the last three months of the 2024 financial year, or the market value of the shares at the point of award (if higher) in line with our Shareholding Guidelines policy.

There were no changes to the number of shares held by Directors between 31 December 2024 and 21 February 2025, being the latest practicable date prior to publication of this Annual Report.

Directors' Remuneration report continued

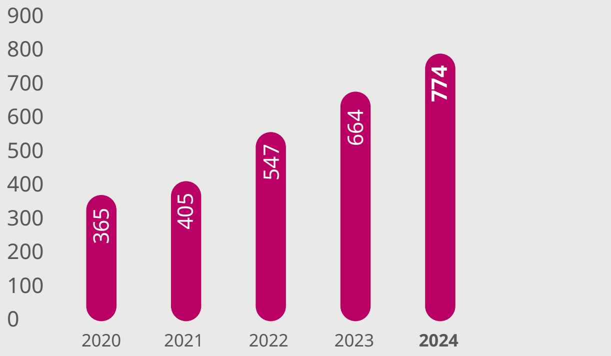
SPOTLIGHT ON EXECUTIVE DIRECTOR SHAREHOLDING

Our existing Policy requires Executive Directors to develop and maintain a significant shareholding in the Company, currently 400% for the CEO and 300% for the CFO. We intend to further increase the requirement for the CEO as part of our updated Policy, from 400% to 500% of base. This is expected to be developed through holdings of shares that vest under company share plans.

CEO Shareholding

Our disclosures show the way that Karim Bitar's stated shareholding has developed over time, comfortably exceeding the required shareholding expectations under our Policy.

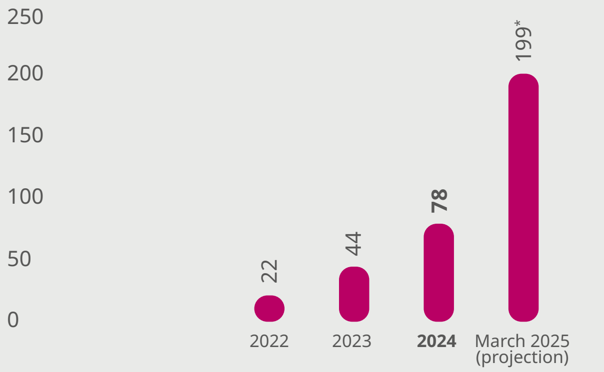
Disclosed CEO Shareholding at year end (% Salary)



CFO Shareholding Progression

The level of holding for Jonny Mason has increased steadily each year since joining in 2022. This is now accelerating more quickly as the first sets of long-term awards begin to vest since joining the business. We operate a mandatory two-year holding period for awards vesting under the PSP (post tax) and our Policy requires that at least half of other shares that vest are retained by the individual until the point the shareholding guideline is achieved. The graph shows the stated position at year end, but also a projection of how this will change in March 2025, when the PSP award from 2022 vests, and the one-third of the annual bonus award for 2024 is awarded as deferred shares.

CFO Shareholding at year end (% Salary)



* Projection as at March 2025 following PSP vesting

Share scheme dilution limits

The Company complies with the guidelines laid down by the Investment Association. These restrict the issue of new shares under all the Company's share schemes in any ten-year period to 10% of the issued ordinary share capital. Our year-end position shows dilution levels at December 2024 of 3.1% across all schemes, with 2.6% over discretionary schemes. These fall well below current shareholder guidelines.

The Directors' Remuneration report has been approved by the Board and signed on its behalf by:

Brian May
Chair of the Remuneration Committee
25 February 2025

Directors' report

The Directors present their Annual Report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 December 2024.

The Directors' Report comprises the Governance Report (on pages 84 to 144), the Directors' Report (on pages 145 to 148) and the Shareholder information section (on page 210). The following information is provided in other appropriate sections of the Annual Report and is incorporated by reference in this table.

To comply with the Disclosure and Transparency Rules (DTR) 4.1.5R(2) and DTR 4.1.8R, the required content of the Management Report can be found in the Strategic Report or this Directors' Report, including the material incorporated by reference.

Information	Section where provided	Page
Likely future developments and research and development activities	Strategic report	39 to 43
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Employee engagement		36, 45 and 96
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Disclosure of information to the auditor

Each of the Directors, as at the date of this Annual Report, confirms that:

- the Director has taken all steps that he/she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006 (the Act). Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the 2025 AGM.

Branches of the Company

The Group, through various subsidiary and related undertakings, has branches in a number of different jurisdictions in which the business operates. Further details are included in subsidiary undertakings on pages 207 to 209.

Dividends

Our stated policy is to target a payout ratio of between 35% and 45% of adjusted net profit. This is interpreted flexibly over time to reflect the development of the business. The Board is recommending a 3% increase in the full-year dividend to reflect the underlying improvement in business performance.

We annually assess the application of the policy when proposing the dividend, taking into account, among other things, our growth prospects, capital efficiency, investment plans and the profitability of the Group, whilst also maintaining appropriate levels of dividend cover. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions, strategic objectives, capital management, the Group's various stakeholders (for further information see the Section 172 statement on page 98), review of our comparator peer group, available and forecast realised distributable reserves of the Company and the forecast cashflows and liquidity of the Group, and other factors the Directors deem significant.

The Directors recommend a final dividend for the year of 4.594 cents per share (2023: 4.460 cents) which, together with the interim dividend of 1.822 cents per share (2023: 1.769 cents), makes a total for the year of 6.416 cents per share (2023: 6.229 cents), a 3% increase over the prior year. The final dividend, if approved by the shareholders, will be paid on 29 May 2025 to shareholders on the register at the close of business on 22 April 2025.

Capital structure

Share capital

As at 31 December 2024, the Company's issued share capital consisted of 2,049,789,559 ordinary shares of 10p each. Further details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 17 to the Consolidated Financial Statements.
As at 31 December 2024, the Company had only one class of share consisting of ordinary shares of 10p each.

Directors' report continued

Acquisition of Company's own shares

At the Company's AGM on 16 May 2024, the Directors' authority was renewed under shareholders' resolution to purchase through the market up to 10% of the Company's ordinary shares at a maximum price per share of the higher of: (i) an amount equal to 105% of middle market quotations of the price of shares for the five business days prior to the date of purchase; and (ii) an amount equal to the higher of the last independent trade and the highest current independent bid at the time of purchase. This authority will expire at the end of Company's 2025 AGM and the Company will seek its renewal at the AGM. It is confirmed that no acquisition of the Company's own shares has been made under such authority.

Shareholders' rights

The rights attaching to the ordinary shares are governed by the Company's Articles of Association (the Articles) and prevailing legislation. There are no specific restrictions on the size of a holding. Subject to applicable law and the Articles, holders of ordinary shares are entitled to receive all shareholder documents, including notice of any general meeting, attend, speak and exercise voting rights at general meetings, either in person or by proxy, and participate in any distribution of income or capital.

Restrictions on voting

There are no specific restrictions on voting rights, save in situations where the Company is legally entitled to impose such restrictions (usually where amounts remain unpaid on shares after request, or the shareholder is otherwise in default of an obligation to the Company). Currently, all issued ordinary shares are fully paid. There are no agreements between holders of securities in the Company that are known to the Company and may result in restrictions on transfer or on voting rights.

Restrictions on the transfer of ordinary shares

The transfer of ordinary shares is governed by the general provisions of the Company's Articles and applicable legislation. There are no restrictions on the transfer of ordinary shares other than: (i) as set out in the Articles; and (ii) certain restrictions which may from time to time be imposed by laws and regulations and pursuant to the Listing Rules whereby Directors and certain officers and employees of the Company require approval to deal in the ordinary shares in accordance with the Company's share dealing policies and the Market Abuse Regulation.

Directors' appointment, replacement and powers

The appointment and replacement of Directors of the Company is governed by its Articles, the Code, the Act and related legislation. The Articles themselves may be amended by special resolution. Details of the powers of the Board and its Committees are described in the Governance Framework on our website. The powers of the Board are set out in the Articles and the Terms of Reference of each of the Board's committees set out their respective duties and responsibilities. The aforementioned documents can be found at www.convatecgroup.com/investors/governance.

Significant agreements

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company, such as commercial contracts, bank loan agreements, property lease arrangements and employees' share plans. Other than the Group's main funding agreements referenced in the following paragraph, none of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Group and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a change of control resulting from a takeover bid.

In the event of a change of control of the Company, the Group's main funding agreements allow the lenders to give notice of repayment for all outstanding amounts under the relevant facilities.

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors, which remain in force at the date of this report.

Company Secretary

The Company Secretary provides ongoing support to the Board in relation to corporate governance issues and compliance with the Listing Rules. He is responsible for establishing, implementing and monitoring the corporate governance framework, attending (directly or through a designate) all Board and Committee meetings, advising on effective Board processes, advising on Directors' statutory duties, disclosure obligations and requirements under the Listing Rules, and working in conjunction with the investor relations team regarding dialogue with investors.

Political donations

No political donations, including to non-UK political parties, were made during the period.

Substantial shareholdings

At 31 December 2024, the Company had been notified in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following voting rights as a shareholder of the Company. At 21 February 2025, being the latest practicable date prior to the publication of this Annual Report, the Company had not received any further notifications pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules.

Shareholder	No. of ordinary shares	Percentage of voting rights	Nature of holding
Novo Holdings A/S	395,318,793	20.25%[1]	Direct holding
Fil Limited	104,437,607	5.10%[2]	Direct holding/Indirect holding
Black Creek Investment Management, Inc.	98,997,466	4.83%[3]	Direct holding/Indirect holding
BlackRock, Inc.	Below 5%	Below 5%[4]	Indirect holding/Financial instruments
Pelham Capital Ltd.	93,526,729	4.71%[5]	Direct holding
Artisan Partners Limited Partnership	97,980,658	4.98%[6]	Indirect holding
The Capital Group Companies Inc.	97,418,767	4.99%[7]	Indirect holding

It should be noted that the percentages are shown as notified and that these holdings may have changed since the Company was notified, however, notification of any change is not required until the next notifiable threshold is crossed.

1. Disclosure made in 2018.
2. Disclosure made in 2024.
3. Disclosure made in 2023.
4. Disclosure made in 2023.
5. Since the disclosure made in 2019, Pelham Capital Ltd has sold its shares and is no longer a shareholder of the Company.
6. Disclosure made in 2018.
7. Since the disclosure made in 2017, The Capital Group Companies Inc. has sold its shares and is no longer a shareholder of the Company.

Diversity and inclusion

We are committed to creating a values-led, performance-driven culture which starts with our employees, and we aim to bring together a rich diversity of backgrounds, experiences, preferences and capabilities which unite together to improve people's lives through their work at Convatec. The Board considers a diverse workforce as critical to the Company's success. Information about the Group's initiatives to achieve diversity across the business, including specific objectives, are contained on pages 46 and 47.

Employment of disabled people

Applications for employment by disabled people are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of anyone with a disability should, as far as possible, be equitable with that of other employees.

Employee share schemes

In addition to the discretionary share schemes operated as part of the Group's long-term incentives, detailed in the Remuneration Policy on page 130, the Group operates an all-employee share scheme in selected jurisdictions. The Directors believe that these schemes align the interests of employees and shareholders by encouraging employees to buy and own shares in the Company, thus enabling them to benefit directly from the anticipated growth and success of the Group in the future.

Executive Directors may also participate in the UK all-employee share scheme, which is an HMRC-approved savings-related share option plan, on the same basis as other eligible employees. All participants may invest up to the limits set in line with HMRC guidance and as operated by the Group.

Shares acquired through the Group's share plans rank pari passu with existing ordinary shares in issue and have no special rights with regards to voting, rights to dividend, control of the Company or otherwise.

All of the Group's employee share plans contain provisions relating to a change of control. On a change of control, options and awards granted to employees under the Group's share plans may vest and become exercisable, subject to the satisfaction of any applicable performance conditions at that time.

Listing Rules – compliance with UKLR 6.6.1

The information in the table below is required to be disclosed by UK Listing Rules (UKLR) 6.6.1 and can be found in the following locations. There are no other disclosures required under this UKLR.

Section	Applicable sub-paragraph within UKLR 6.6.1	Location
1	Interest capitalised	Group Financial Statements, Note 25, page 197
4	Details of long-term incentive schemes	Directors' Remuneration report, page 119

Annual General Meeting

The Annual General Meeting will be held on Thursday 22 May 2025 at 2pm and will take place at the offices of FGS Global, The Adelphi, 1-11 John Adam Street, London, WC2N 6HT, United Kingdom, in the form of a hybrid meeting. Notice of the meeting, containing details of the resolutions to be put to the meeting, will be available at www.convatecgroup.com/investors/shareholder-centre/agm-information/.

By order of the Board:

James Kerton
Company Secretary
25 February 2025

Convatec Group Plc is registered in England No. 10361298

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with United Kingdom adopted International Accounting Standards and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing the parent company's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies; present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and Company's performance and position, business model and strategy.

This responsibility statement was approved by the Board of Directors on 25 February 2025 and is signed on its behalf by:

Karim Bitar
Chief Executive Officer

Jonny Mason
Chief Financial Officer

What's inside

Financial Statements

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVATEC GROUP PLC

Report on the audit of the Financial Statements

1. Opinion

In our opinion:

- the Financial Statements of Convatec Group 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 2024 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 and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- 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 Statements of Financial Position;
- the Consolidated and Company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the related Notes 1 to 29 of the Consolidated Financial Statements and Notes 1 to 10 of the Company Financial Statements.

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 and IFRS Accounting Standards as issued by the IASB. 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 the Company for the year are disclosed in Note 3.3 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 matter that we identified in the current year was: – Revenue recognition in key markets Within this report, key audit matters are identified as follows: Similar level of risk
Materiality	The materiality that we used for the Group Financial Statements was $11.8m which was determined on the basis of profit before tax adjusted for certain items.
Scoping	Combined, we performed audit procedures across 23 components in 13 countries accounting for 78% of revenue, 81% of profit before tax and 90% of net assets.
Significant changes in our approach	We have concluded that the valuation of contingent consideration is no longer a key audit matter following payments agreed and made in the year and revisions to contractual terms. We have also determined that the acquisition of Starlight Science is no longer a key audit matter given that the acquisition took place in the prior financial year. Finally, our audit approach for 2024 changed to execute a significantly higher proportion of audit work through the Group's Global Business Services (GBS) centre.

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:

- Obtaining an understanding of the Directors' process for determining the appropriateness of the use of the going concern basis;
- Assessing the availability of financing facilities, including nature of facilities, repayment terms and covenants;
- Testing the accuracy of management's models, including agreement to the most recent Board-approved budgets and forecasts;
- Challenging the key assumptions used in these forecasts by determining whether there was adequate support for the assumptions, including consideration of ongoing global macroeconomic uncertainty;
- Assessing the historical accuracy of forecasts prepared by management;
- Evaluating sensitivity analysis and its impact on available financial headroom; and
- Assessing the appropriateness of the disclosures within 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 12 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.

Independent auditor's report continued

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 in key markets

Key audit matter description	The Group recorded revenue of $2,289.2m for the year ended 31 December 2024 (31 December 2023: $2,142.4m) under IFRS 15: *Revenue from Contracts with Customers* (IFRS 15). As disclosed in Note 2.1 to the Group Financial Statements, the Group's policy is to recognise revenue when control over a product has transferred, generally on delivery, to a customer, distributor or wholesaler. The Group measures revenue for goods sold based on the consideration specified in a contract with a customer, net of discounts, rebates, chargeback allowances and sales related taxes. Further information is included in the geographic segment information in Note 2.2. For certain sales of new and recently launched products to individual doctors, medical centres and hospitals, there is judgement in estimating the transaction price due to: – Uncertainties over the payment and timing of the customers' insurance reimbursements; and – The limited established market practice and customer payment history. As the audit of revenue is one of the key determinants of our overall audit strategy requiring significant allocation of audit resources, and there is judgement in estimating the total transaction price in certain elements of revenue in key markets as described above, revenue recognition has been included as a key audit matter. The Audit and Risk Committee includes its assessment of this matter on page 106.
How the scope of our audit responded to the key audit matter	We performed the following procedures: – We completed walkthroughs of the revenue cycle to gain an understanding of the end-to-end revenue processes and tested relevant controls across the Group; – We tested the general IT controls and relevant automated business controls in the main financial reporting system used by the Group; – We evaluated the accounting policy for revenue relating to sales of new and recently launched products against the requirements of IFRS 15; – We obtained Management's latest sales forecasts, as well as scenario analyses, and details of sales and collections made subsequent to the balance sheet date to evaluate sales patterns and cycles; – We assessed the relevance and reliability of the underlying data used in determining the transaction price for certain contracts with customers for new and recently launched products; – We performed analytical procedures to assess the relationship between revenue, receivables and cash collections for new and recently launched products; – We performed analytical reviews to identify potentially unusual sales trends and obtained an explanation for any such movements; – We held direct enquiries with category and geographic market leaders, assessing changes in customer demand and new product introductions that might impact sales patterns; – We performed detailed transaction testing on a sample basis, agreeing sales through to invoice, final sales contracts and delivery notes; – We reviewed any relevant updates to distributor contracts to assess the terms of sale and to support recalculation of rebates and chargebacks associated with the revenue; – We assessed whether the disclosures within the annual report and accounts are in compliance with the requirements of IFRS 15; and – We assessed Management's analysis as to whether any elements of revenue recognition would constitute a key source of estimation uncertainty in the Financial Statements.
Key observations	We are satisfied that revenue recognised across key markets and the disclosures made are appropriate.

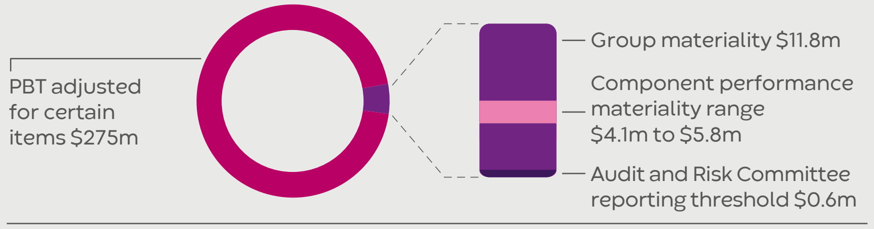
6. Our application of materiality

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	Company Financial Statements
Materiality	$11.8m (2023: $10.8m)	$5.9m (2023: $5.5m)
Basis for determining materiality	4.3% (2023: 4.8%) of profit before tax adjusted for certain items totalling $28.7m, which include acquisition and divestiture-related costs.	The Company materiality equates to 0.1% (2023: 0.1%) of net assets.
Rationale for the benchmark applied	In determining our materiality benchmark, we considered the focus of the users of the Financial Statements. Profit before tax is the base from which key performance measures are calculated as well as key metrics used in providing trading updates. We have adjusted profit before tax for certain items as summarised above.	In determining our materiality, we considered net assets as the appropriate benchmark given the Company is primarily a holding company for the Group.



- PBT adjusted for certain items
- Group materiality

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	Company Financial Statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Company materiality
Basis and rationale for determining performance materiality	We set performance materiality at a level that we consider normal for the audit of public companies. In determining performance materiality, we considered the following factors: a. our risk assessment, including our understanding of the entity and its overall control environment; b. the quality of the control environment and control reliance adopted over certain business processes and IT systems; c. the disaggregated nature of the Group and the likelihood of an individually material error; and d. our cumulative experience from prior year audits and low level of corrected and uncorrected misstatements identified.	
Component performance materiality	For components other than the Company, where our work on a component included an audit of the entire financial information or an audit on one of more classes of transactions, account balances and disclosures, this work was completed to component performance materiality levels between $4.1m and $5.8m (2023: $4.0m and $5.5m).	

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 $0.6m (2023: $0.5m), 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 continued

7. An overview of the scope of our audit

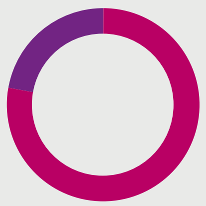
7.1. Identification and scoping of components

Our Group audit was scoped by developing an appropriate audit plan for each significant account, in line with the requirements of ISA 600 Revised: *Special Considerations – Audits of Group Financial Statements (Including the Work of Competent Auditors).* We assessed the qualitative and quantitative characteristics of each Financial Statement line item and considered the relative contribution of each component to these line items in determining which components would be subject to audit procedures. In performing our assessment, we have considered the geographical spread of the Group and any risks presented within each region. We also considered the presence of individual financial transactions of a significant nature.

Based on this assessment, we focused our work on 23 (2023: 23) components covering 13 (2023: 13) countries, 78% (2023: 80%) of revenue, 81% (2023: 84%) of profit before tax and 90% (2023: (83%) of net assets. The 23 (2023: 23) components are in the US, UK, Australia, Brazil, Canada, Denmark, Dominican Republic, France, Germany, Italy, Slovakia, Spain and Switzerland, which include the principal operating units of the Group.

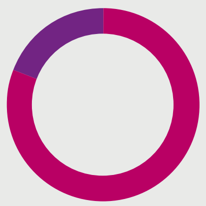
In carrying out our work, we responded to management's continued progress in centralising finance processes in GBS. We centrally determined the scope of the audit procedures executed by component and GBS audit teams, with a significantly higher proportion of work performed by the GBS team in the year ended 31 December 2024.

Revenue



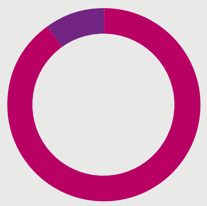
- Subject to audit procedures 78%
- Review at group level 22%

Profit before tax



- Subject to audit procedures 81%
- Review at group level 19%

Net assets



- Subject to audit procedures 90%
- Review at group level 10%

7.2. Our consideration of the control environment

We obtained an understanding of the relevant internal controls over the financial reporting process for our audit risk assessment. We have continued to place greater reliance on financial controls, as a higher proportion of the Group's financial controls have been transferred to the Group's GBS, which has a standardised controls and processing environment. We have tested and placed reliance on relevant financial controls within the revenue and expenditure business cycles processed within the Group's GBS, including automated controls. Within other components, we have obtained an understanding of relevant controls.

We identified IT systems relevant to the audit of the Group and obtained an understanding of relevant IT controls. For some operating companies, including the main financial reporting IT environment in the GBS centre, we tested the general IT controls with the involvement of our IT specialists and placed reliance on general IT controls.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its Financial Statements. The Group has reassessed the risk and opportunities relevant to climate change and maintained the Environment & Communities risk as a principal risk across the Group. This risk grading has been maintained at the same level as the prior year and has been considered and embedded into the business as explained in the Strategic Report.

As a part of our audit procedures, we have reviewed the Group's environment related risk assessment and held discussions with the Audit and Risk Committee to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's Financial Statements. 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 Group Financial Statements as at 31 December 2024 as explained in Note 1.3 on page 162.

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions and did not identify any additional risks of material misstatement. Our procedures include reviewing disclosures included in the Strategic Report to consider whether they are materially consistent with the Financial Statements and our knowledge obtained in the audit.

7.4. Working with other auditors

As part of our oversight of the component teams, planning meetings were held with all component auditors. The purpose of these planning meetings was to determine whether the component teams had sufficient understanding of the Group's businesses, its core strategy and significant risks.

We issued our component teams detailed instructions, included them in our team briefings and discussed their risk assessment. We also provided direction in response to enquiries made by the component auditors. All the findings observed were discussed with the component auditors in detail and instructions to perform further procedures were issued where relevant.

We visited local operations in the UK, US and GBS Portugal. Considering the importance of GBS to the Group Financial Statements, and the evolution of the audit strategy to greater testing of and reliance on financial controls in certain global processes, we maintained frequent interactions with management and component teams during the planning and audit execution stages.

8. Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

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, valuations, IT and forensics 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 certain elements of 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. We also obtained an understanding of the legal and regulatory frameworks 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 and 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 Food and Drug Administration (FDA) regulations and the Medical Devices Regulations (MDR).

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition in key markets 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 those key audit matters. 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 both in-house and external legal counsel concerning actual and potential litigation and claims;

Independent auditor's report continued

- 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 in jurisdictions in which the Group operates; 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 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 UK 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 161;
- 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 page 82;
- the Directors' statement on fair, balanced and understandable set out on page 105;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 72;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 91; and
- the section describing the work of the Audit and Risk Committee set out on pages 104 to 113.

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. Auditor tenures

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 12 December 2016 to audit the Financial Statements for the year ending 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is nine years, covering the years ending 31 December 2016 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the Audit and Risk 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 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.

Claire Faulkner, FCA
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 February 2025

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Notes	2024 $m	2023 $m
Revenue	2	**2,289.2**	2,142.4
Cost of sales		**(1,005.6)**	(941.8)
Gross profit		**1,283.6**	1,200.6
Selling and distribution expenses		**(645.2)**	(612.5)
General and administrative expenses		**(195.0)**	(212.9)
Research and development expenses		**(111.7)**	(110.0)
Other operating expenses	4	**(6.8)**	(2.5)
Operating profit	3	**324.9**	262.7
Finance income	25	**4.8**	5.2
Finance expense	25	**(82.9)**	(80.7)
Fair value movement of contingent consideration	26	**(4.6)**	(24.6)
Non-operating income, net	5	**3.7**	4.8
Profit before income taxes		**245.9**	167.4
Income tax expense	6	**(55.4)**	(37.1)
Net profit		**190.5**	130.3
Earnings per share			
Basic earnings per share (cents per share)	7	**9.3¢**	6.4¢
Diluted earnings per share (cents per share)	7	**9.3¢**	6.3¢

The accounting policies and notes on pages 161 to 200 form an integral part of the Consolidated Financial Statements. All amounts are attributable to shareholders of the Group and wholly derived from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 $m	2023 $m
Net profit		**190.5**	130.3
Items that will not be reclassified subsequently to the Consolidated Income Statement			
Remeasurement of defined benefit pension plans, net of tax	15	**(0.3)**	(0.2)
Changes in fair value of equity investments	10	**(6.0)**	(7.8)
Items that may be reclassified subsequently to the Consolidated Income Statement			
Foreign currency translation		**(47.3)**	54.9
Effective portion of changes in fair value of cash flow hedges	23	**(11.1)**	0.7
Changes in fair value of cash flow hedges reclassified to the Consolidated Income Statement	23	**2.1**	(0.8)
Costs of hedging	23	**0.6**	(0.5)
Income tax in respect of items that may be reclassified		**0.1**	0.1
Other comprehensive (expense)/income		**(61.9)**	46.4
Total comprehensive income		**128.6**	176.7

All amounts are attributable to shareholders of the Group and wholly derived from continuing operations.

Consolidated financial statements continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**2024 $m**	2023 $m
Assets			
Non-current assets			
Property, plant and equipment	8	**502.6**	473.8
Right-of-use assets	24	**67.5**	74.7
Intangible assets	9	**805.9**	935.3
Goodwill	9	**1,290.2**	1,298.8
Investment in financial assets	10	**16.9**	22.9
Deferred tax assets	6	**22.7**	21.2
Restricted cash	22	**3.4**	5.3
Other non-current receivables	12	**12.5**	11.7
		2,721.7	2,843.7
Current assets			
Inventories	11	**349.6**	396.1
Trade and other receivables	12	**335.0**	333.7
Current tax receivable		**16.8**	16.5
Derivative financial assets	23	**18.4**	13.6
Restricted cash	22	**8.8**	12.5
Cash and cash equivalents	22	**64.7**	97.6
		793.3	870.0
Total assets		**3,515.0**	3,713.7
Equity and liabilities			
Current liabilities			
Trade and other payables	13	**382.7**	388.7
Lease liabilities	24	**22.0**	20.7
Current tax payable		**31.9**	26.6
Derivative financial liabilities	23	**18.1**	16.7
Contingent consideration[1]	26	**53.3**	69.7
Provisions[1]	14	**4.3**	14.0
		512.3	536.4
Non-current liabilities			
Borrowings	21	**1,122.8**	1,226.9
Lease liabilities	24	**56.8**	64.8
Deferred tax liabilities	6	**82.7**	88.2
Contingent consideration[1]	26	**17.0**	68.3
Provisions[1]	14	**3.5**	3.0
Derivative financial liabilities	23	**0.3**	0.9
Other non-current liabilities	13	**30.7**	32.5
		1,313.8	1,484.6
Total liabilities		**1,826.1**	2,021.0
Net assets		**1,688.9**	1,692.7
Equity			
Share capital	17	**251.5**	251.5
Share premium	17	**181.0**	181.0
Own shares	17	**(16.4)**	(0.6)
Retained deficit		**(828.4)**	(888.7)
Merger reserve		**2,098.9**	2,098.9
Cumulative translation reserve		**(169.5)**	(122.2)
Other reserves	17	**171.8**	172.8
Total equity		**1,688.9**	1,692.7
Total equity and liabilities		**3,515.0**	3,713.7

1. The comparatives have been re-presented as outlined in Note 1.6 to the Consolidated Financial Statements.

The Consolidated Financial Statements of Convatec Group Plc, company number 10361298, were approved by the Board of Directors and authorised for issue on 25 February 2025 and signed on its behalf by:

Jonny Mason
Chief Financial Officer

Karim Bitar
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Notes	Share capital $m	Share premium $m	Own shares $m	Retained deficit $m	Merger reserve $m	Cumulative translation reserve $m	Other reserves $m	Total $m
At 1 January 2023		250.7	165.7	(1.5)	(892.2)	2,098.9	(177.1)	165.2	1,609.7
Net profit		–	–	–	130.3	–	–	–	130.3
Other comprehensive income/(expense):									
Foreign currency translation adjustment		–	–	–	–	–	54.9	–	54.9
Remeasurement of defined benefit pension plans, net of tax	15	–	–	–	–	–	–	(0.2)	(0.2)
Changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	–	(0.5)	(0.5)
Changes in fair value of equity investments		–	–	–	–	–	–	(7.8)	(7.8)
Other comprehensive income/(expense)		–	–	–	–	–	54.9	(8.5)	46.4
Total comprehensive income/(expense)		–	–	–	130.3	–	54.9	(8.5)	176.7
Dividends paid	18	–	–	–	(110.7)	–	–	–	(110.7)
Scrip dividend	17, 18	0.8	15.3	–	(16.1)	–	–	–	–
Share-based payments	19	–	–	–	–	–	–	14.5	14.5
Share awards vested		–	–	0.9	–	–	–	1.5	2.4
Excess deferred tax benefit from share-based payments		–	–	–	–	–	–	0.1	0.1
At 31 December 2023		251.5	181.0	(0.6)	(888.7)	2,098.9	(122.2)	172.8	1,692.7
Net profit		**–**	**–**	**–**	**190.5**	**–**	**–**	**–**	**190.5**
Other comprehensive income/(expense):									
Foreign currency translation adjustment		**–**	**–**	**–**	**–**	**–**	**(47.3)**	**–**	**(47.3)**
Remeasurement of defined benefit pension plans, net of tax	15	**–**	**–**	**–**	**–**	**–**	**–**	**(0.3)**	**(0.3)**
Changes in fair value of cash flow hedges, net of tax	23	**–**	**–**	**–**	**–**	**–**	**–**	**(8.3)**	**(8.3)**
Changes in fair value of equity investments	10	**–**	**–**	**–**	**–**	**–**	**–**	**(6.0)**	**(6.0)**
Other comprehensive income/(expense)		**–**	**–**	**–**	**–**	**–**	**(47.3)**	**(14.6)**	**(61.9)**
Total comprehensive income/(expense)		**–**	**–**	**–**	**190.5**	**–**	**(47.3)**	**(14.6)**	**128.6**
Dividends paid	18	**–**	**–**	**–**	**(130.2)**	**–**	**–**	**–**	**(130.2)**
Purchase of shares by Employee Benefit Trust		**–**	**–**	**(22.8)**	**–**	**–**	**–**	**–**	**(22.8)**
Share-based payments	19	**–**	**–**	**–**	**–**	**–**	**–**	**19.7**	**19.7**
Share awards vested		**–**	**–**	**7.0**	**–**	**–**	**–**	**(5.3)**	**1.7**
Excess deferred tax benefit from share-based payments		**–**	**–**	**–**	**–**	**–**	**–**	**(1.5)**	**(1.5)**
Changes in fair value of cash flow hedges transferred to inventory	23	**–**	**–**	**–**	**–**	**–**	**–**	**0.7**	**0.7**
At 31 December 2024		**251.5**	**181.0**	**(16.4)**	**(828.4)**	**2,098.9**	**(169.5)**	**171.8**	**1,688.9**

Consolidated financial statements continued

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 $m	2023 $m
Cash flows from operating activities			
Net profit		**190.5**	130.3
Adjustments for:			
Depreciation of property, plant and equipment	8	**40.6**	37.5
Depreciation of right-of-use assets	24	**23.2**	22.7
Amortisation of intangible assets	9	**157.0**	154.6
Income tax	6	**55.4**	37.1
Non-operating income/(expense), net[1]	5	**5.1**	(11.5)
Fair value movement of contingent consideration	26	**4.6**	24.6
Finance costs, net	25	**78.1**	75.5
Share-based payments	19	**19.8**	14.6
Impairment of intangible assets	9	**0.9**	–
Impairment of property, plant and equipment	8	**6.5**	2.7
Impairment of right-of-use assets	24	**0.3**	1.9
Change in assets and liabilities:			
Inventories		**27.5**	(49.4)
Trade and other receivables		**(26.9)**	18.7
Other non-current receivables		**–**	(1.1)
Restricted cash		**0.2**	7.8
Trade and other payables		**1.2**	21.1
Provisions		**(9.8)**	4.8
Other non-current payables		**1.3**	(1.3)
Net cash generated from operations		**575.5**	490.6
Interest received		**5.4**	5.2
Interest paid		**(84.5)**	(70.8)
Payment of contingent consideration arising from acquisitions	26	**(48.1)**	(21.7)
Income taxes paid		**(52.1)**	(35.9)
Net cash generated from operating activities		**396.2**	367.4
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	8, 9	**(122.1)**	(129.2)
Proceeds from sale of property, plant and equipment	8	**2.7**	0.6
Acquisitions, net of cash acquired	26	**(13.6)**	(84.4)
Payment of contingent consideration arising from acquisitions	26	**(22.8)**	(73.0)
Net cash inflow arising from divestitures		**–**	0.3
Investment in other financial assets		**(5.0)**	–
Net cash used in investing activities		**(160.8)**	(285.7)
Cash flows from financing activities			
Repayment of borrowings	21	**(98.0)**	–
Proceeds from borrowings	21	**–**	9.4
Payment of lease liabilities	24	**(24.7)**	(22.7)
Dividends paid	18	**(130.2)**	(110.7)
Purchase of own shares		**(10.9)**	–
Net cash used in financing activities		**(263.8)**	(124.0)
Net change in cash and cash equivalents		**(28.4)**	(42.3)
Cash and cash equivalents at beginning of the year	22	**97.6**	143.8
Effect of exchange rate changes on cash and cash equivalents		**(4.5)**	(3.9)
Cash and cash equivalents at end of the year	22	**64.7**	97.6

1. The comparatives have been re-presented as outlined in Note 1.6 to the Consolidated Financial Statements.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION

This section describes the Group's material accounting policies that relate to the Consolidated Financial Statements and explains critical accounting judgements and estimates that management has identified as having a potentially material impact to the Group. Specific accounting policies relating to the Notes to the Consolidated Financial Statements are described within that note.

1.1 General information

Convatec Group Plc (the Company) is a public limited company incorporated in the United Kingdom under the Companies Act of 2006. The Company's registered office is 7th Floor, 20 Eastbourne Terrace, London, W2 6LG, United Kingdom.

The Consolidated Financial Statements have been prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The Consolidated Financial Statements are presented in US dollars (USD), which is also the functional currency as the revenue and operating profits of the Company and its subsidiaries (collectively, the Group) are primarily generated in US dollars and US dollar-linked currencies. All values are rounded to $0.1 million except where otherwise indicated.

Pages 7 and 8 in the Strategic report provide further detail of the Group's principal activities and nature of its operations.

1.2 Material accounting policies

The following material accounting policies apply to the Consolidated Financial Statements as a whole:

Basis of accounting and presentation
The consolidated financial information has been prepared on a historical cost basis, except for certain financial instruments where fair value has been applied. Historical cost is generally based on the value of the consideration given in exchange for goods.

Basis of consolidation
The Consolidated Financial Statements include the results of the Company and all of its subsidiary undertakings. Subsidiaries are entities controlled ultimately by the Company. Control exists when the Company ultimately: (i) has power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement in the investee; and (iii) has the ability to use its power to affect its returns. The Company reassesses whether or not it ultimately controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The consolidated financial information of the Company's subsidiaries is included within the Group's Consolidated Financial Statements from the date that control commences until the date that control ceases and is prepared for the same year-end date using consistent accounting policies.

Going concern
As discussed in the Financial review on pages 22 to 27, the overall financial performance of the business remains very strong with a robust liquidity position.

In preparing their assessment of going concern, the Directors have considered available cash resources, financial actual and forecast performance, including strategy delivery, together with the Group's financial covenant compliance requirements and principal risks and uncertainties. The Group's liquidity remains strong as management continues to monitor its liquidity requirements to ensure there is sufficient cash to meet operational needs and maintain adequate headroom.

The Directors have used actual performance in 2024, the Board approved 2025 budget (and related cash flow forecasts) and longer-term strategic plan as foundations. The forecasts reflected the full potential funding requirements in relation to the remaining estimated contingent consideration payable in relation to the Group's acquisitions. The Directors have considered a going concern period to 30 June 2026, which is more than 12 months from the date of approval of the Consolidated Financial Statements.

In accordance with FRC guidance, management applied severe but plausible downside scenarios linked to the Group's principal and emerging risks, including supply chain disruption, cyber security disruption, significant regulatory breaches, financial market distress and geopolitical events. Scenarios combining certain risks were also considered. Further details of the specific scenarios are provided in the Viability statement on pages 82 to 83. The Board has reviewed these scenarios as part of the going concern assessment and has concluded that these scenarios are in line with the Group's principal and emerging risks and continue to reflect the potential financial risk of severe but plausible downside events and circumstances during the going concern period. Under each scenario, the Group is forecast to retain significant liquidity and covenant headroom throughout the going concern period.

A reverse stress test, before corporate level mitigations, was also considered to demonstrate what reduction in revenue would be required in the next 12 months to create conditions which may lead to a potential covenant breach. The outcome of this was considered implausible given the Group's strong global market position, diversified portfolio of products and the corporate mitigations available to the Board and management.

Accordingly, at the time of approving these Consolidated Financial Statements, the Directors have a reasonable expectation that the Group and the Company will have adequate liquid resources to meet their respective liabilities as they become due and will be able to sustain the Group's business model, strategy and operations and remain solvent for a period of at least 12 months from 25 February 2025.

Notes to the consolidated financial statements continued

1. BASIS OF PREPARATION (CONTINUED)

Foreign currency translation and transactions

Assets and liabilities of subsidiaries whose functional currency is not US dollars are translated into US dollars at the rate of exchange at the period end. Equity is translated into US dollars at historic rate. Income and expenses are translated into US dollars at the average rates of exchange prevailing during the year. Foreign currency gains and losses resulting from the translation of subsidiaries into US dollars are recognised in the Consolidated Statement of Comprehensive Income. Exchange differences arising from the translation of the net investment in foreign operations are taken to the cumulative translation reserve within equity. They are recycled and recognised in the Consolidated Income Statement upon disposal of the operation.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Any gain or loss arising from subsequent exchange rate movements is included as an exchange gain or loss in the Consolidated Income Statement.

1.3 Climate change

In preparing the consolidated financial statements, the Directors recognised the risk of climate change on the business and acknowledge that the Group must take appropriate action to mitigate and, where feasible, prevent further climate change impact. Further details are provided within the 'Responsible Business Review' and the 'Task Force on Climate-related Financial Disclosure' sections of the Annual Report and Accounts on pages 52 to 71. In addition, climate related risks have been considered within the 'Environment and Communities' principal risk and discussed in greater detail in the 'Principal Risks' section within the Annual Report and Accounts.

The Group does not believe that there is currently a material impact to judgements and estimates in relation to climate-related risks and, as a result, the valuation of assets and liabilities have not been significantly impacted as at 31 December 2024. Consideration was given to the financial reporting judgements and estimates in respect of the following areas:

- Estimates of future cash flows used in the impairment assessment of goodwill
- Valuation of the Group's assets and liabilities (including the useful economic life of property, plant and equipment and other intangible assets)
- Going concern and viability of the Group over the next three years (see Viability assessment on pages 82 to 83 of the Annual Report and Accounts)

Whilst there are currently no material changes or impact, management is aware of the variable risks that arise from climate change and will regularly assess these risks against judgement and estimates made in the preparation of the Group's consolidated financial statements, including their impacts on cash flows and the valuation of assets and liabilities.

1.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements, in conformity with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRS), requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported value of assets and liabilities, income and expense. Actual results may differ from these estimates or judgements of likely outcome. Management regularly reviews, and revises as necessary, the accounting judgements that significantly impact the amounts recognised in the Consolidated Financial Statements and the sources of estimation uncertainty that are considered to be key estimates due to their potential to give rise to material adjustments in the Group's Consolidated Financial Statements within the next financial year.

In preparing the Consolidated Financial Statements, management has determined that there are no areas of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year or critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the consolidated and company financial statements.

1.5 Accounting standards

New standards, interpretations and amendments applied for the first time

On 1 January 2024, the Group adopted the following amendments which are mandatorily effective for the period beginning 1 January 2024:

- *Liability in a Sale and Leaseback – Amendments to IFRS 16*
- *Classification of Liabilities as Current or Non-Current – Amendments to IAS 1*
- *Non-Current liabilities with Covenants – Amendments to IAS 1*
- *Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7*

The adoption during the year of the amendments and interpretations has not had a material impact on the Consolidated Financial Statements.

Apart from these changes, the accounting policies set out in the Notes have been applied consistently to both years presented in these Consolidated Financial Statements.

1. BASIS OF PREPARATION (CONTINUED)

New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- *Lack of exchangeability – Amendment to IAS 21 (effective for the period beginning 1 January 2025)*
- IFRS 18 – *Presentation and Disclosures in Financial Statements (effective for the period beginning 1 January 2027)*
- IFRS 19 – *Subsidiaries without Public Accountability: Disclosures (effective for the period beginning 1 January 2027)*

The amendments to IAS 21 are not expected to have a material impact on the Group's financial statements.

The Group is currently working to identify all impacts that IFRS 18 will have on the primary financial statements and notes to the Group's consolidated financial statements.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19 for the purposes of the consolidated financial statements of the Group.

Other interpretations and amendments

In addition to these issued standards, there are a number of other interpretations, amendments and annual improvement project recommendations that have been issued but not yet effective that have not been adopted by the Group because application is not yet mandatory, or they are not relevant for the Group.

1.6 Prior year re-presentations

Certain lines in the primary statements have been disaggregated to provide greater clarity, and accordingly, the corresponding 2023 comparative amounts have been re-presented for consistency and comparability between periods.

Within the Consolidated Statement of Financial Position, contingent consideration of $138.0 million (of which $69.7 million was current and $68.3 million was non-current) at 31 December 2023 is disclosed separately from provisions.

Within the Consolidated Statement of Cash Flows, the non-operating income for the year ended 31 December 2023 has been re-presented to be disclosed net of unrealised losses on derivatives of $1.9 million. This was previously recognised separately as derivative financial assets ($11.5 million) and derivative financial liabilities ($13.4 million).

There is no impact on net profit, net assets, cash flows or any subtotals presented previously.

RESULTS OF OPERATIONS

This section includes disclosures explaining the Group's performance for the year, including segmental information, operating costs, other expenses, taxation and earnings per share.

2. REVENUE AND SEGMENTAL INFORMATION

2.1 Revenue recognition

The Group sells a broad range of products to a wide range of customers, including healthcare providers, patients and manufacturers. This note provides further information about how the Group generates revenue and when it is recognised in the Consolidated Income Statement.

Accounting policy

Revenue recognition

The Group measures revenue for goods sold based on the consideration specified in a contract with a customer, net of discounts, chargeback allowances and sales-related taxes. Revenue is recognised when control over a product is transferred to a customer, distributor or wholesaler, which is generally when goods have been delivered. Due to the short-term nature of the receivables from sale of goods, the Group measures them at the original transaction price without discounting.

Nature of goods

Advanced Wound Care, Ostomy Care, and Continence Care products are sold to pharmacies, hospitals and other acute and post-acute healthcare service providers directly or through distributors and wholesalers. Products are also sold directly to end customers (patients) through the Group's home services entities and a small number of clinical and retail outlets.

Infusion Care primarily serves business-to-business customers, consisting principally of the leading manufacturers for pumps for insulin and other medications.

In 2024 and 2023, no single customer generated more than 10% of the Group's revenue.

Notes to the consolidated financial statements continued

2. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

Accounting policy (continued)

Nature, timing of satisfaction of performance obligations

Principally the Group's contracts with customers contain a single performance obligation, that is the delivery of products to customers. Revenue is typically recognised when the customer receives the product but is subject to the shipping terms in each individual contract. Where non-standard shipping arrangements exist, revenue is recognised when control of the goods has transferred. Allowances for returns, where the contract specifies these terms, are made at the point of sale.

For sales to distributors, revenue is recognised when title is transferred to the distributor and the distributor has assumed control, the timing of which depends on the contractual terms with each distributor. Chargeback allowances or contractual deductions relating to end-customer agreements, which may differ from distributor contracts, are made at the point of title transfer to the distributor. In certain European countries, rebates are provided to governments and are often mandated by laws or government regulations. These rebates are estimated based on government regulations and unbudgeted spending, laws and terms of individual rebate agreements, and are recorded as a deduction from revenue at the time the related revenue is recorded. The estimates are adjusted periodically to reflect actual experience.

When distributors buy products from the Group at a contract price and sell these products to end-customers at a price agreed with the Group that is lower than the distributors' list price, a chargeback may arise and a claim may be submitted to the Group by the distributor. The provision for chargebacks is based on expected sell-through levels by the Group's distributors to contracted customers, as well as estimated distributor inventory levels. Retrospective claims are reviewed against estimations to ensure provisions are regularly updated.

Volume discounts

The Group offers certain prospective volume discounts to customers who achieve a specified volume amount or value of purchases in any given year. Volume discounts that meet the definition of a material right are recognised as a separate performance obligation. Material rights are the option to purchase additional products at a discount which would not have been given had the contract not been entered into and are incremental to the range of discounts typically given for those goods to that class of customer.

The stand-alone selling price of these volume discounts is based on the discount that the customer would obtain when exercising the option, adjusted for any discount the customer could receive without exercising the option and the likelihood that the option will be exercised. The revenue allocated to volume discounts is short-term in nature and recognised proportionally to the pattern of options exercised by the customer or when the option expires.

Variable consideration

The transaction price for revenue recognised is the amount the Group expects to receive at the date of revenue recognition. In certain Group businesses, the transaction price is estimated based on the levels of rebates, discounts, allowances, product returns and consideration expected to be received. In estimating the amounts to be recognised, the Group assesses historical performance and collection patterns. The arrangements in different countries and with individual customers vary, but broadly they are all dependent upon interactions with the customer, including the submission of claims that can extend to up to 24 months after the initial point of revenue recognition. This can include factors outside the direct trading relationship with the customer such as reimbursement, retrospective rebate or other claims by an insurer, healthcare provider or governmental agency which are not the Group's direct customers and may also be impacted by the timing of when a product is used by a customer. Where there is variability in relation to the consideration that will ultimately be received from a customer, the Group estimates the amount of consideration to be recognised as revenue during the period using the expected value method, taking into account the nature of the customer, the contractual arrangements, and other circumstances where known and relevant. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Accruals and allocations against gross accounts receivables balances are recorded at the time of sales for the estimated rebates, chargebacks, retrospective discounts, other allowances and returns based on contractual obligations, historical experience and other information available at that point in time. Given the large number of variables involved in calculating these accruals it is not practicable to provide meaningful sensitivity analysis for the resultant accruals.

The nature of the estimations means that there is considerable variability in the ultimate outcomes when considered on an individual customer basis. As a result, the Group applies a limit on variable revenue consideration, in order to ensure that revenue is recognised at an appropriate level. The objective of the limit is to ensure that there is a low probability of a significant reversal of revenue when the uncertainties behind the estimations are resolved for the transactions of individual customers.

The limit is applied by making prudent estimates of the inputs and assumptions used in estimating the variable consideration. These estimates are driven by historical information, but also take into account the nature of customer and the specific contractual arrangements we have with them. The limit means that the risk of a material downward adjustment to revenue in future years as a result of the estimates made in the current year is very low.

2. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

2.2 Segment information

The Board considers the Group's business to be a single segment entity engaged in the development, manufacture and sale of medical products and technologies. R&D, manufacturing and central support functions are managed globally for the Group, supporting all categories of sales. Revenues are managed both on a category and regional basis. This note presents the performance and activities of the Group as a single segment.

Pages 14 to 21 of the Strategic report provide further detail of category revenue.

Convatec's Executive Leadership Team (CELT) is the Group's Chief Operating Decision Maker (CODM). The CODM is the function that allocates resources and evaluates the Group's global product portfolios on a revenue basis and evaluates profitability and associated investment on an enterprise-wide basis due to shared infrastructures and support functions between the categories. Group financial information is provided to CELT for decision-making purposes with revenue included by category as disclosed below. Resources are allocated on a Group-wide basis, with a focus on both category and the key markets but primarily based on the merits of individual proposals.

Revenue by category

The Group generates revenue across four major product categories. The following table sets out the Group's revenue for the year ended 31 December by category:

	2024 $m	2023 $m
Advanced Wound Care	**742.7**	695.3
Ostomy Care	**634.0**	608.3
Continence Care	**501.4**	457.2
Infusion Care	**410.9**	370.9
Revenue excluding hospital care exit	**2,289.0**	2,131.7
Revenue from hospital care exit	**0.2**	10.7
Total	**2,289.2**	2,142.4

Geographic information

Geographic markets

The following chart sets out the Group's revenue by geographic market in which third-party customers are located:

	2024 $m	2023 $m
Europe	**661.1**	647.8
North America	**1,295.6**	1,186.0
Rest of World (RoW)[1]	**332.5**	308.6
Total	**2,289.2**	2,142.4

1. Rest of World (RoW) comprises all countries in Asia Pacific, Latin America (including Mexico and the Caribbean), the Middle East (including Turkey) and Africa.

Geographic regions

The following table sets out the Group's revenue on the basis of where the legal entity generating the revenue resides, including countries representing over 10% of Group revenue and the UK, where the Group is domiciled:

	2024 $m	2023 $m
Geographic regions		
US	**896.0**	821.5
Denmark	**400.2**	375.5
UK	**128.7**	116.7
Other[2]	**864.3**	828.7
Total	**2,289.2**	2,142.4

2. Other consists primarily of other countries in Europe, Asia-Pacific, Latin America and Canada.

The following table sets out the Group's long-lived assets by country in which the legal entity resides:

	2024 $m	2023 $m
Long-lived assets[3]		
US	**1,189.8**	1,285.9
UK	**838.4**	866.6
Denmark	**280.5**	274.4
Other	**357.5**	355.7
Total long-lived assets	**2,666.2**	2,782.6

3. Long-lived assets consist of property, plant and equipment, right-of-use assets, intangible assets and goodwill.

Notes to the consolidated financial statements continued

3. OPERATING COSTS

The Group incurs operating costs associated with the day-to-day operation of the business. These operating costs are deducted from revenue to calculate operating profit.

3.1 Operating profit

Operating profit is stated after deducting from revenue:

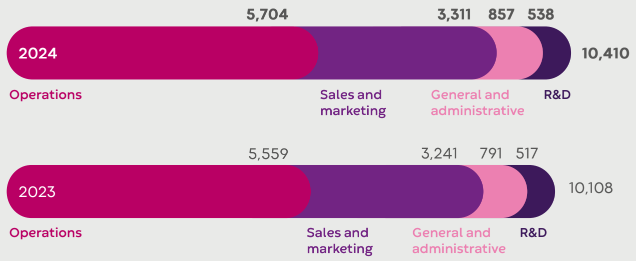
	Notes	2024 $m	2023 $m
Depreciation:			
Property, plant and equipment	8	**40.6**	37.5
Right-of-use assets	24	**23.2**	22.7
Amortisation of intangible assets	9	**157.0**	154.6
Impairment of intangible assets	9	**0.9**	–
Impairment of property, plant and equipment	8	**6.5**	2.7
Impairment of right-of-use assets	24	**0.3**	1.9
Amounts in respect of inventories included in cost of sales		**856.1**	794.4
Write-down of inventories		**15.6**	21.8
Lease expenses[1]	24	**1.5**	2.4
Staff costs:			
Wages and salaries		**618.0**	578.4
Share-based payment expense	19	**19.8**	14.6
Social security costs		**94.9**	77.3
Defined contribution plans post-employment costs		**27.7**	23.7
Defined benefit plans pension costs	15	**1.2**	1.4
Recruitment and other employment-related fees		**5.6**	5.9
Total staff costs		**767.2**	701.3

1. Lease expense comprises the costs in respect of low-value leases and short-term leases. Refer to accounting policy in Note 24 – Leases.

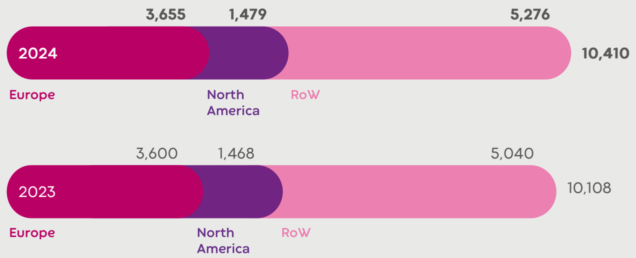
The remuneration of the Executive Directors, which is set out on pages 114 to 144, has been audited and is included within staff costs and forms part of these Consolidated Financial Statements.

3.2 Employee numbers

The average number of the Group's employees by function:



The average number of the Group's employees by location[2]:



2. North America comprises the United States and Canada, and Rest of World (RoW) comprises all countries in Asia Pacific, Latin America (including Mexico and the Caribbean), the Middle East (including Turkey) and Africa.

The total number of employees as at 31 December 2024 was 10,483 (2023: 10,129).

3. OPERATING COSTS (CONTINUED)

3.3 Auditor's remuneration

The total remuneration of the Group's auditor, Deloitte LLP, for services provided to the Group during the year ended 31 December is analysed below:

	2024 $m	2023 $m
Fees for audit services		
The audit of the Company and Group financial statements	**1.8**	1.6
The audit of the accounts of the Company's subsidiaries[1]	**3.1**	3.3
Total fees for audit services	**4.9**	4.9
Fees for non-audit services		
Audit-related assurance services	**0.2**	0.2
Other non-audit services	**0.1**	0.1
Total fees for non-audit services	**0.3**	0.3
Total auditor remuneration	**5.2**	5.2

1. Included in the $3.1 million for the audit of the Company's subsidiaries in 2024 is $0.3 million in respect of additional fees charged for the 2023 statutory audits.

A description of the work performed by the Audit and Risk Committee to safeguard auditor independence when non-audit services are provided is set out in the Audit and Risk Committee report on page 112.

4. OTHER OPERATING EXPENSES

Other operating expenses were as follows:

	2024 $m	2023 $m
Impairment of intangible assets	**0.7**	–
Impairment of property, plant and equipment and right-of-use assets	**6.1**	2.5
Other operating expenses	**6.8**	2.5

Other operating expenses in the year of $6.8 million consisted of $6.1 million of impairments in respect of property, plant and equipment and right-of-use assets and a $0.7 million impairment of intangible assets as a result of the Group's transformation projects (2023: $2.9 million). The prior year also included a $0.4 million reversal of impairment of property, plant and equipment.

5. NON-OPERATING INCOME, NET

Non-operating income, net was as follows:

	Notes	2024 $m	2023 $m
Net foreign exchange (loss)/gain[2]		**(18.1)**	3.7
Gain/(loss) on foreign exchange forward contracts	23	**25.8**	(4.3)
(Loss)/gain on foreign exchange cash flow hedges	23	**(4.3)**	0.8
Gain on divestiture		**–**	3.9
Other non-operating income		**0.3**	0.7
Non-operating income, net[3]		**3.7**	4.8

2. The foreign exchange loss in 2024 primarily relates to the foreign exchange impact on intercompany transactions, including loans transacted in non-functional currencies. The Group uses foreign exchange forward contracts to manage these exposures in accordance with the Group's foreign exchange risk management policy.
3. Of the total non-operating income of $3.7 million (2023: $4.8 million), $8.8 million relates to the realised gain arising from the settlement of FX derivatives (2023: $6.7 million realised loss), which has not been reflected in the adjustments to derive net cash generated from operations on the Consolidated Statement of Cash Flows.

Notes to the consolidated financial statements continued

6. INCOME TAXES

The note below sets out the current and deferred tax charges, which together comprise the total tax expense in the Consolidated Income Statement. The deferred tax section of the note also provides information on expected future tax charges or benefits and sets out the deferred tax assets and liabilities held across the Group.

Accounting policy

The tax expense represents the sum of current and deferred tax.

Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years. Taxable profit differs from profit before income taxes because taxable profit excludes items that are either never taxable or tax deductible or items that are taxable or tax deductible in a different period.

Deferred tax

Deferred tax is recognised using the balance sheet liability method for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences:

- On the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Arising on the initial recognition of goodwill; and
- On investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to temporary differences when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current tax and deferred tax for the year

Current tax and deferred tax are recognised in the Consolidated Income Statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax provisions

The Group is subject to income taxes in numerous tax jurisdictions. Judgement is sometimes required in determining the worldwide provision for income taxes. There may be transactions for which the ultimate tax determination is uncertain and may be challenged by the tax authorities. The Group recognises liabilities for anticipated or actual tax audit issues based on estimates of whether additional taxes will be due. Where an outflow of funds to a tax authority is considered probable and the Group can make a reliable estimate of the outcome of the issue, management calculates the provision for the best estimate of the liability. In assessing its uncertain tax provisions, management takes into account the specific facts of each issue, the likelihood of settlement and the input of professional advice where required. The Group assumes that where a tax authority has a right to examine amounts reported to it, they will do so and will have full knowledge of all relevant information. Where the ultimate liability as a result of an issue varies from the amounts provided, such differences could impact the current and deferred tax assets and liabilities in the period in which the matter is concluded.

6. INCOME TAXES (CONTINUED)

6.1 Taxation

The Group's income tax expense is the sum of the total current and deferred tax expense.

	2024 $m	2023 $m
Current tax		
UK corporation tax	**2.1**	–
Overseas taxation	**66.0**	46.1
Adjustment to prior years	**(4.2)**	(5.5)
Total current tax expense	**63.9**	40.6
Deferred tax		
Origination and reversal of temporary differences	**(4.6)**	2.0
Change in tax rates	**3.6**	1.6
Adjustment to prior years	**(7.2)**	(4.5)
Benefit from previously unrecognised tax losses	**(0.3)**	(2.6)
Total deferred tax benefit	**(8.5)**	(3.5)
Income tax expense	**55.4**	37.1

In 2023, the deferred tax movement included a net tax benefit of $15.1 million following the successful resolution of an uncertain tax position.

6.2 Reconciliation of effective tax rate

The effective tax rate for the year ended 31 December 2024 was 22.5% (2023: 22.2%).

Tax reconciliation to UK statutory rate

The table below reconciles the Group's profit before income taxes at the UK statutory rate to the Group's total income tax expense:

	2024 $m		2023 $m	
Profit before income taxes	**245.9**		167.4	
Profit before income taxes multiplied by rate of corporation tax in the UK of 25.0% (2023: 23.52%)	**61.5**		39.4	
Difference between UK and overseas tax rates[1]	**(0.3)**		1.6	
Non-deductible/non-taxable items	**5.2**		7.2	
Change in recognition of deferred tax assets	**–**		2.6	
Recognition of previously unrecognised US deferred tax assets	**–**		(2.6)	
Movement in provision for uncertain tax positions	**3.7**		(17.5)	
Other[2]	**(14.7)**		6.4	
Income tax expense and effective tax rate	**55.4**	**22.5%**	37.1	22.2%

1. This includes changes in tax rates based on substantively enacted legislation across various tax jurisdictions as of 31 December.
2. Includes the release of a $2.9 million tax liability relating to restructuring activities in Switzerland and the $11.4 million impact of prior year corporate income tax filings.

The Group has worldwide operations and therefore is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different tax jurisdictions, transfer pricing regulations, tax rates imposed and tax regime reforms. The calculation of the Group's tax expense involves a degree of estimation and judgements in respect of certain items for which the tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, specifically in relation to open tax and transfer pricing matters. Due to the high volume of intercompany transactions, the Group's evolving business model and the increasing complexity in interaction between multiple tax laws and regulations, transfer pricing requires judgement in determining the appropriate allocation of profits between jurisdictions. The Group assessed the impact of ongoing changes to the Group's operating model, the supporting documentation for the tax and transfer pricing positions, existing tax authority challenges, and the likelihood of new challenges by tax authorities.

The Group continues to believe it has made adequate provision for uncertain tax positions on open issues in accordance with IFRIC 23 Uncertainty over Income Tax Treatments. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of discussions with relevant tax authorities or, where applicable, appeal proceedings. The movement includes resolutions of uncertain tax positions in the year.

The Group has applied the temporary exception as detailed in the IASB announcement "International Tax Reform – Pillar Two Model Rules", which amended IAS 12 *Income Taxes*, and therefore has not recognised nor disclosed information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes to the consolidated financial statements continued

6. INCOME TAXES (CONTINUED)

6.3 Deferred tax

The components of deferred tax assets and liabilities at 31 December were as follows:

	2024 $m	2023 $m
Deferred tax assets	**22.7**	21.2
Deferred tax liabilities	**(82.7)**	(88.2)
	(60.0)	(67.0)

6.4 Movement in deferred tax assets and liabilities

Deferred tax is measured on the basis of the tax rates enacted or substantively enacted at the reporting date. The movements in the deferred tax assets and liabilities were as follows:

	Inventory $m	Tax losses $m	PP&E $m	Intangibles $m	Interest $m	Other $m	Total $m
At 1 January 2023	3.3	90.1	(3.5)	(217.6)	28.4	42.7	(56.6)
Recognised in income statement	6.4	(13.0)	(1.7)	11.0	7.6	(6.8)	3.5
Recognised in other comprehensive income	–	–	–	–	–	0.7	0.7
Acquisitions	–	–	–	(13.1)	–	–	(13.1)
Foreign exchange	(0.1)	0.4	(0.2)	(3.1)	0.5	1.0	(1.5)
At 31 December 2023	**9.6**	**77.5**	**(5.4)**	**(222.8)**	**36.5**	**37.6**	**(67.0)**
Recognised in income statement	**3.6**	**(34.4)**	**0.6**	**31.1**	**1.4**	**6.2**	**8.5**
Recognised in other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(1.6)**	**(1.6)**
Acquisitions	**–**	**–**	**–**	**(0.3)**	**–**	**–**	**(0.3)**
Foreign exchange	**–**	**(0.6)**	**0.8**	**1.2**	**(0.8)**	**(0.2)**	**0.4**
At 31 December 2024	**13.2**	**42.5**	**(4.0)**	**(190.8)**	**37.1**	**42.0**	**(60.0)**

Net deferred tax liabilities provided in relation to intangible assets are predominantly in respect of temporary differences arising on assets and liabilities acquired as part of business combinations. An amount relating to deductible tax amortisation of intangible assets of $135.3 million that is not expected to reverse due to anticipated restructuring of the Group's activities (2023: $145.9 million) is not recognised.

Net deferred tax assets recognised in relation to tax losses are predominantly in respect of the US. Deferred tax assets on foreign tax credits of $0.4 million remain unrecognised in the US based on forecasts of suitable future taxable profit and they are due to expire within five years (2023: $2.4 million).

Deferred tax on inventory predominantly relates to a deferred tax asset recognised on intra-Group profits arising on intercompany inventory that are eliminated in the Consolidated Financial Statements. As intra-Group profits are not eliminated from the individual entities' tax returns, a temporary difference arises and will reverse when the inventory is sold externally.

Other net temporary differences include accrued expenses, employee costs and pensions, for which a tax deduction is only available on a paid basis, research and development expenses, unremitted earnings and share-based payments.

To the extent that dividends remitted from overseas subsidiaries and branches are expected to result in additional taxes, appropriate amounts have been provided for. Deferred tax is not provided on temporary differences of $417.1 million in the year to 31 December 2024 (2023: $381.2 million) arising on unremitted earnings as management has the ability to control any future reversal and does not consider such a reversal in the foreseeable future to be probable.

6.5 Unrecognised tax losses carried forward

Deferred tax assets are only recognised where it is probable that future taxable profits will be available to utilise the tax losses. The following table shows the unrecognised tax losses carried forward, including anticipated period of expiration:

Trading and capital losses expiring:	2024 Losses $m	2023 Losses $m
Within five years	**1.3**	2.2
Between five to ten years	**–**	0.5
Unlimited	**925.4**	961.6
Total	**926.7**	964.3

The Group has Luxembourg tax losses of $911.3 million (2023: $944.5 million) which are not recognised and will not expire. The movement in Luxembourg tax losses not recognised is mainly attributable to foreign exchange differences.

7. EARNINGS PER SHARE

Basic earnings per share is calculated based on the Group's net profit for the year attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares is net of shares purchased by the Group and held as own shares.

Diluted earnings per share take into account the dilutive effect of all outstanding share options priced below the market price in arriving at the number of shares used in its calculation.

	2024	2023
Net profit attributable to the shareholders of the Group ($m)	**190.5**	130.3
Basic weighted average ordinary shares in issue (number)	**2,047,643,498**	2,038,653,228
Dilutive impact of share awards (number)	**9,153,919**	13,936,032
Diluted weighted average ordinary shares in issue (number)	**2,056,797,417**	2,052,589,260
Basic earnings per share (cents per share)	**9.3¢ per share**	6.4¢ per share
Diluted earnings per share (cents per share)	**9.3¢ per share**	6.3¢ per share

The calculation of diluted earnings per share does not contain any share options that were non-dilutive for the year, because the average market price of the Group's ordinary shares exceeded the exercise price (2023: average market price of the Group's ordinary shares exceeded the exercise price).

OPERATING ASSETS AND LIABILITIES

This section set outs the assets and liabilities that the Group holds in order to operate the business on a day-to-day basis, including long-term assets which generate future revenues and profits for the Group.

Liabilities relating to the Group's financing activities are addressed in "Capital structure and financial costs".

8. PROPERTY, PLANT AND EQUIPMENT

The Group invests in buildings, equipment and manufacturing machinery to operate the business and to generate revenue and profits. Assets are depreciated over their estimated useful economic life reflecting the reduction in value of the asset due, in particular, to wear and tear.

Accounting policy

Property, plant and equipment (PP&E) are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset including subsequent additions and improvements when it is probable that future economic benefit associated with the item will flow to the Group and the cost can be reliably measured.

Depreciation is provided using a straight-line method from the point an asset becomes available for use. Depreciation is calculated to reduce the asset's cost to its residual value over the asset's estimated useful economic life. Assets are depreciated as follows:

Asset category	Useful life
Land	not depreciated
Land improvements	15 to 40 years
Leasehold improvements	shorter of useful life or lease tenure
Buildings	15 to 50 years
Machinery, equipment and fixtures	3 to 20 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds, less any selling expenses, and the carrying amount of the asset. This difference is recognised in the Consolidated Income Statement.

Assets under construction reflects the cost of construction or improvement of items of PP&E that are not yet available for use. Assets under construction are not depreciated whilst under construction and depreciation commences once the asset is completed and ready for use. Finance costs incurred in the construction of assets that take more than one year to complete are capitalised using the Group's weighted average borrowing cost during the period in which the asset is under construction. Capitalisation of finance costs ceases when the asset becomes available for use.

Consideration of useful economic lives

The assets' residual values, depreciation methods and useful economic lives are reviewed annually and adjusted if appropriate.

Impairment of assets

The carrying values of PP&E are reviewed for indicators of impairment annually or when events or changes in circumstances indicate the carrying value may be impaired. If any such indication exists, the recoverable amount of the asset is estimated, being the higher of an asset's fair value less costs to sell and the net present value of its expected pre-tax future cash flows (value in use).

When an asset's recoverable amount falls below its carrying value, an impairment is charged to the Consolidated Income Statement.

Notes to the consolidated financial statements continued

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The movement in the carrying value of each major category of PP&E is as follows:

	Land & land improvements $m	Building, building equipment and leasehold improvements $m	Machinery, equipment and fixtures $m	Assets under construction $m	Total $m
Cost					
1 January 2023	14.2	135.2	481.2	143.7	774.3
Additions	–	2.1	34.5	60.7	97.3
Arising from acquisitions	–	–	1.1	–	1.1
Disposals[1]	–	(3.3)	(24.4)	–	(27.7)
Transfers	1.7	31.9	31.4	(65.0)	–
Foreign exchange	0.5	7.9	13.7	5.6	27.7
31 December 2023	**16.4**	**173.8**	**537.5**	**145.0**	**872.7**
Additions	**–**	**2.3**	**2.7**	**97.3**	**102.3**
Disposals[1]	**(1.1)**	**(5.4)**	**(9.6)**	**(0.2)**	**(16.3)**
Transfers	**–**	**17.5**	**48.5**	**(66.0)**	**–**
Foreign exchange	**(0.4)**	**(10.7)**	**(21.5)**	**(7.2)**	**(39.8)**
31 December 2024	**14.9**	**177.5**	**557.6**	**168.9**	**918.9**
Accumulated depreciation					
1 January 2023	1.0	55.3	317.6	–	373.9
Depreciation	0.1	7.6	29.8	–	37.5
Arising from acquisitions	–	–	0.7	–	0.7
Disposals[1]	–	(3.1)	(24.0)	–	(27.1)
Impairment	–	1.2	1.5	–	2.7
Foreign exchange	–	2.5	8.7	–	11.2
31 December 2023	**1.1**	**63.5**	**334.3**	**–**	**398.9**
Depreciation	**0.1**	**8.9**	**31.6**	**–**	**40.6**
Disposals[1]	**–**	**(4.0)**	**(9.6)**	**–**	**(13.6)**
Impairment	**–**	**1.6**	**4.9**	**–**	**6.5**
Foreign exchange	**–**	**(3.1)**	**(13.0)**	**–**	**(16.1)**
31 December 2024	**1.2**	**66.9**	**348.2**	**–**	**416.3**
Net carrying amount					
31 December 2023	15.3	110.3	203.2	145.0	473.8
31 December 2024	**13.7**	**110.6**	**209.4**	**168.9**	**502.6**

1. Assets with a net book value of $2.7 million (2023: $0.6 million) were sold during the year, with sale proceeds of $2.7 million (2023: $0.6 million).

9. INTANGIBLE ASSETS AND GOODWILL

9.1 Intangible assets

The Group's intangible assets are those that have been recognised at fair value as part of business combinations, investment in product development and software purchased to support business operations. These are assets that are not physical in nature but can be sold separately or arise from legal rights.

Accounting policy

Recognition

Measurement on initial recognition of intangible assets is determined at cost for assets acquired by the Group and at fair value at the date of acquisition if acquired in business combinations. Following initial recognition of the intangible asset, the asset is carried at cost less any subsequent accumulated amortisation and accumulated impairment losses.

Purchased computer software and certain costs of information technology are capitalised as intangible assets. Software that is integral to purchased computer hardware is capitalised as PP&E.

The Group accounts for its software-as-a-service (SaaS) arrangements by applying the guidance in the 2021 IFRIC agenda decision to determine whether the configuration and customisation expenditure gives rise to an asset, including whether the Group has control of the software that is being configured or customised or whether the configuration or customisation activities create a resource controlled by the Group that is separate from the software and can be transferred to another provider.

Where the recognition criteria of IAS 38 *Intangible Assets* are satisfied, including configuration and customisation costs which are distinct and within the control of the Group, these are capitalised and carried at cost less any accumulated amortisation and impairment, and amortised on a straight-line basis over the period which the developed software is expected to be used. Where these recognition criteria are not met, the Group recognises configuration and customisation costs, along with the ongoing fees to obtain access to the SaaS provider's application software, as operating expenses as the services are received.

R&D

R&D expenses are comprised of all activities involving investigative, technical and regulatory processes related to obtaining appropriate approvals to market our products. It also includes new product development aimed at developing more sustainable product portfolios for the longer term, as mentioned within the Responsible Business review section (refer to page 41). Costs include payroll, clinical manufacturing and pre-launch clinical trial costs, manufacturing development and scale-up costs, product development, regulatory costs including costs incurred to comply with legislative changes, contract services and other external contractors costs, research licence fees, depreciation and amortisation of laboratory facilities, and laboratory supplies.

Research costs are expensed as incurred. Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and use or sell the asset. Subsequent to initial recognition, development costs are measured at cost less accumulated amortisation and any accumulated impairment losses. Upgrades and enhancements are capitalised to the extent they will result in added functionality and probable future economic benefits.

Amortisation

Intangible assets with an indefinite life are not amortised. Amortisation of intangible assets with a finite life is calculated using the straight-line method based on the following estimated useful lives:

Asset category	Useful life
Product-related	3 to 20 years
Capitalised software	3 to 10 years
Customer relationships and non-compete agreements	2 to 20 years
Trade names – finite	2 to 10 years
Trade names – indefinite	Indefinite
Development costs	5 years

Assets under construction reflects the cost of development or improvement of intangible assets that are not yet available for use.

Impairment of assets

Intangible assets with finite life are reviewed for indicators of impairment at each reporting period or when events or changes in circumstances indicate the carrying value may be impaired. If any such indication exists, the recoverable amount of the asset is estimated, being the higher of an asset's fair value less costs to sell and the net present value of its expected pre-tax future cash flows (value in use).

When an asset's recoverable amount falls below its carrying value, an impairment is charged to the Consolidated Income Statement.

Refer to Note 9.3 – Cash Generating Unit (CGU) impairment review for consideration of impairment of indefinite-lived intangible assets.

Notes to the consolidated financial statements continued

9. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

The movement in the carrying value of each major category of intangible assets is as follows:

	Product-related $m	Capitalised software[1] $m	Customer relationships and non-compete agreements $m	Trade names $m	Development cost $m	Assets under construction $m	Total $m
Cost							
1 January 2023	2,120.5	130.4	324.4	262.8	11.0	35.5	2,884.6
Additions	–	2.0	–	–	–	35.6	37.6
Arising from acquisitions	112.5	–	4.3	–	–	–	116.8
Write-offs	–	(1.1)	–	–	–	–	(1.1)
Transfers	1.5	39.8	–	–	–	(41.3)	–
Foreign exchange	35.6	2.5	3.0	0.4	0.3	1.0	42.8
31 December 2023	**2,270.1**	**173.6**	**331.7**	**263.2**	**11.3**	**30.8**	**3,080.7**
Additions	**1.0**	**3.6**	**–**	**–**	**–**	**26.8**	**31.4**
Arising from acquisitions[2]	**–**	**–**	**1.0**	**0.3**	**–**	**–**	**1.3**
Write-offs	**(12.8)**	**–**	**–**	**–**	**–**	**–**	**(12.8)**
Transfers	**11.3**	**24.7**	**–**	**–**	**–**	**(36.0)**	**–**
Foreign exchange	**(13.3)**	**(1.2)**	**(5.8)**	**(1.0)**	**(0.7)**	**(0.6)**	**(22.6)**
31 December 2024	**2,256.3**	**200.7**	**326.9**	**262.5**	**10.6**	**21.0**	**3,078.0**
Accumulated amortisation							
1 January 2023	1,622.0	92.8	223.5	11.1	10.3	–	1,959.7
Amortisation	114.5	16.3	22.3	1.1	0.4	–	154.6
Write-offs	–	(1.1)	–	–	–	–	(1.1)
Foreign exchange	28.2	0.7	3.0	–	0.3	–	32.2
31 December 2023	**1,764.7**	**108.7**	**248.8**	**12.2**	**11.0**	**–**	**2,145.4**
Amortisation	**117.3**	**20.1**	**18.9**	**0.4**	**0.3**	**–**	**157.0**
Write-offs	**(12.8)**	**–**	**–**	**–**	**–**	**–**	**(12.8)**
Impairment	**–**	**0.2**	**0.7**	**–**	**–**	**–**	**0.9**
Foreign exchange	**(11.4)**	**(0.4)**	**(5.9)**	**–**	**(0.7)**	**–**	**(18.4)**
31 December 2024	**1,857.8**	**128.6**	**262.5**	**12.6**	**10.6**	**–**	**2,272.1**
Net carrying amount							
31 December 2023	505.4	64.9	82.9	251.0	0.3	30.8	935.3
31 December 2024	**398.5**	**72.1**	**64.4**	**249.9**	**–**	**21.0**	**805.9**

1. Capitalised software is in respect of purchased and internally generated software.
2. Acquisitions comprise assets in relation to the acquisition of Livramedom. See Note 26 – Acquisitions.

Amortisation expenses in respect of finite-lived intangible assets for the year ended 31 December were as follows:

	2024 $m	2023 $m
Cost of sales	**111.4**	112.4
Selling and distribution expenses	**5.0**	3.6
General and administrative expenses	**32.4**	31.0
Research and development expenses	**8.2**	7.6
Total amortisation expense	**157.0**	154.6

The carrying amount of trade names with indefinite life at 31 December 2024 was $248.4 million (2023: $249.4 million). Each of these trade names is considered to have an indefinite life, given the strength and durability of the current trade name and the level of marketing support. The trade names are in relatively similar stable and profitable market sectors, with similar risk profiles, and their size, diversification and market shares of the products to which the trade names relate mean that the risk of market-related factors causing a reduction in the lives of the trade names is considered to be relatively low. The Group is not aware of any material legal, regulatory, contractual, competitive, economic or other factor which could limit their useful lives.

Individual intangible assets with a carrying amount in excess of 10% of the total intangible asset carrying amount were as follows:

	2024 $m	2023 $m	Remaining life
Trade names			
Convatec trade name	**234.6**	234.6	Indefinite
Product-related			
InnovaMatrix™	**123.5**	134.5	11.3 years
NextGen Antimicrobial platform	**98.7**	107.0	13.3 years

9. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

9.2 Goodwill

The Group recognises goodwill resulting from business combinations where there are future economic benefits from assets which cannot be individually separated and recognised. Goodwill represents the amount paid in excess of the fair value of the net assets of the acquired business.

Accounting policy

Refer to Note 1 – Basis of preparation for the Group accounting policy in relation to the initial valuation and recognition of goodwill arising from acquisitions.

Goodwill is not subject to amortisation but is tested for impairment annually or when events or changes in circumstances indicate the carrying value may be impaired. Impairment losses recognised in respect of goodwill cannot be reversed.
Refer to Note 9.3 – Cash Generating Unit (CGU) impairment review for consideration of impairment of goodwill.

Goodwill is denominated in the functional currency of the acquired entity and revalued to the closing exchange rate at each reporting period date.

The changes in the carrying value of goodwill as at 31 December were as follows:

	Total $m
1 January 2023	1,224.6
Arising from acquisitions	45.9
Foreign exchange	28.3
31 December 2023	**1,298.8**
Arising from acquisitions (Note 26)	**11.5**
Foreign exchange	**(20.1)**
31 December 2024	**1,290.2**

9.3 Cash generating unit (CGU) impairment review

An impairment assessment is required to be performed annually for goodwill and indefinite-lived intangibles or when events or changes in circumstances indicate the carrying value may be impaired. An impairment is a reduction in the recoverable amount of an asset compared to the carrying value of the asset. Recoverable amount is the higher of value in use and fair value less costs to sell.

This note provides details of the annual impairment assessment that has been performed.

Accounting policy

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Additionally, goodwill arising from a business combination is allocated to a CGU or groups of CGUs that are expected to benefit from the synergies of the combination. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amounts of the CGUs are determined based on value in use calculations, which reflect the estimated future cash flows of each CGU discounted by an estimated weighted average cost of capital that represents the rate of return an outside investor would expect to earn. This discount rate is based on the weighted average cost of capital for comparable public companies and is adjusted for risks specific to the CGU including differences in risk due to its size, geographic concentration and trading history.

Future cash flows are determined using the latest available Board-approved forecasts and strategic plans. These forecasts and strategic plans are based on specific assumptions for each CGU during the five-year planning period with respect to revenue, results of operations, working capital, capital investments and other general assumptions for the projected period. The forecast assumptions that derive the future cash flows are based on the historical results of each CGU combined with external market information and defined strategic initiatives.

If identified, impairment losses are recognised in the Consolidated Income Statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the remaining assets in the CGU, on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Group has not recognised any reversal of previous impairments in either 2024 or 2023.

The CGUs identified by management are consistent with the four categories within the Group that generate cash inflows which are largely independent of each other. These are Advanced Wound Care, Ostomy Care, Continence Care and Infusion Care. The Group continues to operate under the same operating model as prior year and determined that there has not been any triggers for a change in CGU groups. Profitability continues to be assessed on a consolidated basis, and management's focus is predominantly category revenue and key market focus. Goodwill is allocated to these CGUs, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Notes to the consolidated financial statements continued

9. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Goodwill and intangible assets with an indefinite life (trade names) are allocated to the Group's CGU groups as at 31 December as follows:

	Goodwill		Indefinite-lived intangible assets	
	2024 $m	2023 $m	**2024 $m**	2023 $m
CGU groups				
Advanced Wound Care	**518.3**	523.7	**104.8**	104.8
Ostomy Care	**152.7**	154.3	**91.2**	91.2
Continence Care	**540.8**	535.0	**41.2**	41.2
Infusion Care	**78.4**	85.8	**11.2**	12.2
Total	**1,290.2**	1,298.8	**248.4**	249.4

Determining the estimated recoverable amount of a CGU group is judgemental in nature. The key input used in the estimation of value in use as at 31 December 2024 is the Group's five-year Board approved strategic plan, with key assumptions including forecast sales growth rates, terminal value growth rate and discount rates. Forecast sales growth rates are based on past experience adjusted for macroeconomic activity, sector market growth forecasts, competitor activity and strategic decisions made in respect of each CGU group.

The terminal value growth rate and discount rates used were as follows:

Discount rate (pre-tax)[1]	**2024 %**	2023 %
CGU groups		
Advanced Wound Care	**10.6**	14.5
Ostomy Care	**10.6**	13.5
Continence Care	**10.0**	12.0
Infusion Care	**10.2**	13.5
Terminal value growth rate[2]	**2.0**	2.0

1. The discount rate is based on the weighted average cost of capital for comparable public companies and is adjusted for risks specific to the CGU group including differences in risk due to its size, geographic concentration and trading history.
2. The estimated terminal value growth rate for the CGU groups is a prudent estimate based on expectations concerning the growth trends of the CGU groups and taking into account global gross domestic product growth, general long-term inflation and population expectations.

Discount rates have seen a decrease year-on-year, primarily attributable to a reduction in risk-free rates.

No impairments have been recognised in respect of the Group's current CGU groups for the years ended 31 December 2024 and 2023.

Taking into consideration the Board-approved 2025 budget and longer-term strategic plan as foundations, sensitivity analysis was performed considering changes in key assumptions including discount rates and terminal value growth rate and consideration of risk-based severe but plausible downside scenarios consistent with those identified as part of the Viability assessment (refer to page 83 for full details of scenarios). As part of the assessment, an external benchmarking assessment was also carried out on the forecast sales growth rates.

Under all severe but plausible scenarios, headroom remained on all CGU groups, demonstrating that the impairment of goodwill and indefinite-lived intangible assets is not a key source of estimation uncertainty and any possible impairment would not result in a material adjustment in the next financial year.

10. INVESTMENT IN FINANCIAL ASSETS

Accounting policy

Investment in financial assets comprise of non-current equity investments which are initially recorded at fair value plus any directly attributable transaction costs and subsequently recognised at fair value at each balance sheet date.

Unrealised gains and losses are recognised in other comprehensive income.

On disposal of the equity investment any gains and losses that have been deferred in other comprehensive income are transferred directly to retained earnings.

Dividends on equity investments are recognised in the income statement when the Group's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably.

The investment is in relation to the Group's investment in BlueWind Medical Limited in 2022 and the Group considers this investment to be strategic in nature and it is not held for trading.

The Group made an irrevocable election on initial recognition that changes in the fair value of the investment would be recognised in other comprehensive income. It was initially recorded at fair value plus transaction costs and will be remeasured to fair value at subsequent reporting dates. The fair value of the investment at 31 December 2024 was $16.9 million (31 December 2023: $22.9 million), with the movement of $6.0 million taken to the Consolidated Statement of Other Comprehensive Income. No dividends were recognised during the period.

10. INVESTMENT IN FINANCIAL ASSETS (CONTINUED)

In line with IFRS 13 *Fair Value Measurement*, this investment has been classified as Level 3 in the fair value hierarchy as its measurement is derived from significant unobservable inputs by reference to available information, including the current market value of similar instruments, recent financing rounds and discounted cash flows of the underlying net assets.

The fair value of the investment has been determined by a third party, and confirmed by management, by using an average of three valuation methodologies, those being the precedent transaction method, the income approach method and the probability-weighted expected return model. The table below summarises the various methodologies used by the Group to fair value the investment, the inputs and the sensitivities applied.

Methodology	Inputs	Sensitivity applied to input: Low range	High range
Precedent transaction method/Price of recent investment The initial transaction involving BlueWind Medical itself was the most relevant starting point and then this was calibrated by considering exogenous and idiosyncratic factors to apply a discount or uplift as applicable.	Change in market multiples (decrease of 45% to 55%)	Decrease of 5% to 60%	Increase of 5% to 40%
Income approach method (discounted cash flow analysis) Provides an estimation of the value of an asset based on expectations about the cash flows that an asset would generate over time, discounted at the appropriate rate of return.	Internal cash flow projections Discounted at weighted average cost of capital (WACC) appropriate for the risk of achieving the projected cash flows of 28.6% The final year of projections has been extrapolated using a reasonable long term growth rate (LTGR) of 2%.	+2.5% on the alpha	-2.5% on the alpha
Probability-weighted expected return model ("PWERM") Assesses multiple scenarios for the future proceeds to be received by the holders of the shares and weighting them according to their relative probability of occurring. The PWERM is a market approach based on comparable companies' market multiples.	Discounted at cost of equity of 31.5%	+2% to discount rate	-2% to discount rate
Fair value measurement		**$13.4m**	**$20.1m**

The impact of applying these sensitivities across the three methodologies would result in a fair value measurement range of $13.4 million to $20.1 million, with a mid-point range of $16.7 million, which is in line with the fair value recognised at year end.

11. INVENTORIES

Inventories are the materials used in manufacturing, products manufactured or purchased to be sold by the Group in the ordinary course of business. Inventories include finished goods, goods which are in the process of being manufactured (work in progress) and raw and packaging materials awaiting use in production.

Accounting policy

Inventories are valued at the lower of cost or net realisable value, with the cost determined using an average cost method to calculate a standard cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and indirect production overheads. Production overheads comprises indirect material and labour costs, maintenance and depreciation of the machinery and production buildings used in the manufacturing process, as well as costs of production administration and management. Any manufacturing or purchasing variances between actual costs and standard costs are deferred over the appropriate inventory holding period, which may vary based on the specific nature of the inventory.

Net realisable value is defined as anticipated selling price or anticipated revenue less cost to completion. Estimates of net realisable value are based on the average selling prices at the end of the reporting period, net of applicable direct selling expenses. Subsequent events related to the fluctuation of prices and costs are also considered, if relevant. If net realisable values are below inventory costs, a provision corresponding to this difference is recognised.

Provisions are also made for obsolescence of inventories that (i) do not meet the Group's specifications, (ii) have exceeded their expiration date, or (iii) are considered slow-moving. The Group evaluates the carrying value of inventories on a regular basis, taking into account such factors as historical and anticipated future sales compared with quantities on hand, the price the Group expects to obtain for products in their respective markets compared with historical cost and the remaining shelf life of goods on hand.

Notes to the consolidated financial statements continued

11. INVENTORIES (CONTINUED)

The components of inventories at 31 December were as follows:

	2024 $m	2023 $m
Raw and packaging materials	**93.6**	102.3
Work in progress	**32.2**	42.5
Finished goods	**223.8**	251.3
Inventories	**349.6**	396.1

Inventories are stated net of provision for obsolescence of $10.6 million (2023: $17.0 million). Adjustments to write down inventory to its net realisable value are provided in Note 3.1 – Operating profit.

12. TRADE AND OTHER RECEIVABLES

Trade receivables consist of amounts billed and currently due from customers. Gross trade receivables are presented before allowances for expected credit losses, sales discounts and chargeback allowances. Credit risk with respect to trade receivables is generally diversified due to the large dispersion and type of customers across many different geographies.

Other receivables include amounts due from third parties not related to revenue and prepaid expenses.

Accounting policy

Credit is extended to customers based on the evaluation of the customer's financial condition. Creditworthiness of customers is evaluated on a regular basis. Exposure to credit risk is managed through credit approvals, credit limits and monitoring procedures. The Group considers a default event to be one where the customer does not have sufficient funds to make their required payments and/or is in the process of being liquidated.

An allowance is maintained for expected lifetime credit losses that result from the failure or inability of customers to make required payments. It is not necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group accounts for expected lifetime credit losses and changes in those expected lifetime credit losses. In determining the allowance, consideration includes the probability of recoverability based on past experience and general economic factors, incorporating forward-looking information and adjustments for customers who represent a lower risk of default, which includes public or private medical insurance customers and customers guaranteed by local government. The amount of expected credit losses, if any, is required to be updated at each reporting date.

Certain trade and other receivables may be fully reserved when specific collection issues are known to exist, such as pending bankruptcy. The Group writes off uncollectable receivables at the time it is determined the receivable is no longer collectable.

Trade and other receivables are not collateralised. Where the Group has entered into a receivables financing arrangement, these receivables are derecognised at the point of sale in accordance with IFRS 9 if we have substantially transferred all risks and rewards of ownership and there is no option to return the receivables to the Group.

Refer to Note 2.1 – Revenue recognition for details on the accounting policy in respect of chargeback allowances.

Trade and other receivables at 31 December were as follows:

	2024 $m	2023 $m
Included within current assets:		
Trade receivables	**310.9**	337.8
Less: allowances for expected credit losses	**(15.6)**	(27.1)
Less: sales discounts and chargebacks	**(28.3)**	(40.9)
Other receivables[1]	**34.0**	39.0
Prepayments	**34.0**	24.9
Trade and other receivables	**335.0**	333.7

1. The most significant component of other receivables comprises receivables for taxes other than corporate income tax of $17.4 million (2023: $13.5 million).

The aged analysis of trade receivables at 31 December was as follows:

	2024 $m	2023 $m
Current	**247.5**	244.2
Past due 1 to 30 days	**18.5**	27.7
Past due 31 to 90 days	**21.5**	19.2
Past due 91 to 180 days	**7.4**	15.1
Past due by more than 180 days	**16.0**	31.6
	310.9	337.8

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

The unimpaired amounts at 31 December that are past due were aged as follows:

	2024 $m	2023 $m
Past due 1 to 30 days	**18.2**	27.2
Past due 31 to 90 days	**21.1**	18.5
Past due 91 to 180 days	**6.3**	12.7
Past due by more than 180 days	**2.2**	8.1
	47.8	66.5

The Group believes that the unimpaired amounts that are past due are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk.

Movements in the allowance for expected credit losses for the years ended 31 December were as follows:

	2024 $m	2023 $m
At 1 January	**(27.1)**	(22.0)
Charged to the income statement	**(9.7)**	(14.3)
Released to the income statement	**8.8**	–
Utilisation of provision	**11.6**	9.4
Foreign exchange	**0.8**	(0.2)
At 31 December	**(15.6)**	(27.1)

Other non-current receivables

Other non-current receivables of $12.5 million (2023: $11.7 million) are principally in respect of deposits held with lessors, prepaid expenses and other receivables.

Receivables financing

The Group has a Limited Recourse Financing Arrangement at a beneficial financing cost with a financial institution for certain customers who have a stronger credit profile than the Group and longer than normal payment terms. It has been assessed that the Group has substantially transferred all the risks and rewards of ownership to the financial institution and accordingly, these receivables have been derecognised at the point of sale in accordance with IFRS 9.

As at 31 December 2024, $43.3 million (31 December 2023: $27.4 million) remained unpaid.

13. TRADE AND OTHER PAYABLES

Trade payables consist of amounts owed to third-party suppliers and represent a contractual obligation to deliver cash in the future.

Other payables include taxes and social security, accruals and liabilities for other employee-related benefits.

Accounting policy

Trade payables are recognised at the value of the invoice received from the supplier and are not interest bearing. The carrying amount of trade and other payables is considered to approximate fair value, due to their short-term maturities.

The components of trade and other payables at 31 December were as follows:

	2024 $m	2023 $m
Included within current liabilities:		
Trade payables	**124.9**	136.9
Taxes and social security	**31.8**	32.2
Other employee-related liabilities	**114.3**	108.2
Accruals and other payables[1]	**111.7**	111.4
Trade and other payables	**382.7**	388.7

1. Included within accruals and other payables are customer rebates of $17.7 million (2023: $19.8 million) and amounts held in escrow of $8.8 million (2023: $12.3 million).

	2024 $m	2023 $m
Included within non-current liabilities:		
Defined benefit obligations (Note 15)	**11.5**	12.1
Other employee-related liabilities	**4.2**	5.1
Accruals and other payables	**15.0**	15.3
Other non-current liabilities	**30.7**	32.5

Notes to the consolidated financial statements continued

14. PROVISIONS

A provision is an obligation recognised when there is uncertainty over the timing or amount that will be paid. Provisions recognised by the Group are primarily in respect of restructuring, dilapidations and legal liabilities.

Accounting policy

In line with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation and that obligation can be measured reliably. Restructuring provisions are only recognised when a constructive obligation exists, which requires both a detailed formal plan and a valid expectation being raised in those affected by starting to implement that plan or announcing the main features. Provisions are measured at the best estimate of the expenditure required to settle the obligation and are discounted to present value if the effect is material. Provisions are reviewed on a regular basis and adjusted to reflect management's best current estimates. Due to the judgemental nature of these items, future settlements may differ from amounts recognised.

When the timing of a settlement is uncertain or expected to be more than 12 months from the reporting date, amounts are classified as non-current.

The movements in provisions are as follows:

	Dilapidations $m	Restructuring $m	Legal $m	Total $m
1 January 2024	2.4	14.0	0.6	17.0
Charged to income statement	**0.7**	**6.7**	**0.3**	**7.7**
Released to income statement	**–**	**(2.9)**	**(0.1)**	**(3.0)**
Utilised	**–**	**(13.1)**	**(0.3)**	**(13.4)**
Foreign exchange	**–**	**(0.4)**	**(0.1)**	**(0.5)**
31 December 2024	**3.1**	**4.3**	**0.4**	**7.8**
Current	**–**	**4.3**	**–**	**4.3**
Non-current	**3.1**	**–**	**0.4**	**3.5**

The expected payment profile of the discounted provisions at 31 December was as follows:

	2024 $m	2023 $m
Within 1 year	**4.3**	14.0
2 to 5 years	**3.5**	3.0
Total	**7.8**	17.0

Dilapidation provisions

Dilapidation provisions are in respect of contractual obligations, on the expiry of a lease, to return leased properties in the condition which is specified in the individual leases.

Restructuring provisions

Restructuring provisions are in respect of the Group's strategic transformation activities. All restructuring provisions are supported by detailed plans and a valid expectation has been raised in those affected as required by the Group's accounting policy.

Legal provision

The legal provisions are in respect of ongoing cases. Legal issues are often subject to uncertainties over the timing and the final amounts of any settlement.

15. POST-EMPLOYMENT BENEFITS

The Group has over 10,000 employees globally and operates a number of defined benefit and defined contribution pension plans for its employees. Each individual plan is subject to the applicable laws and regulations of the country in which the plan operates.

Defined contribution arrangements are where the Group pays fixed payments as they fall due into a separate fund on behalf of employees participating in the plan and has no further legal or constructive obligations. The cost of Group contributions to defined contribution arrangements during the year is provided in Note 3 – Operating costs.

A defined benefit plan is a pension or other post-employment benefit plan under which the Group has an obligation to provide agreed benefits to current and former employees. The Group bears the risk that its obligation may increase or that the value of the assets in the pension fund may decline. The benefit payable in the future by the Group is discounted to the present value and the fair value of plan assets is deducted to measure the defined benefit pension position.

The Group has defined benefit plans in a number of European countries. The most significant plans are: Switzerland, a state mandated plan that remains open to all Swiss employees; and Germany, with one unfunded plan, that remains open to German employees but closed to new entrants, and a funded plan put in place from April 2019. The Group's other defined benefit plans are located in Austria, France and Italy (referred to as "Other" in the tables below).

For plans in Switzerland, Germany and Austria, asset funds for each country are being accumulated to meet the accruing liabilities. The assets of each of these funds are either held under trusts or managed by insurance companies and are entirely separate from the Group's assets.

Accounting policy

Defined contribution pension plans

Payments to defined contribution pension plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are treated as payments to defined contribution pension plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution pension plan.

Defined benefit pension plans

The Group records an asset or liability related to its defined benefit pension plans as the difference between the fair value of the plan assets and the present value of the plan liabilities. The obligations of the plans are calculated using the Projected Unit Credit Method, with actuarial valuations being performed by an independent actuary at the end of each reporting period. The valuation requires estimates and judgements to be made to calculate the Group's liabilities, and results in actuarial gains and losses being recorded.

Actuarial gains and losses, movements in the return on plan assets (excluding interest) and the impact of the asset ceiling (if applicable) are recognised immediately in the Consolidated Statement of Financial Position with a charge or credit to the Consolidated Statement of Comprehensive Income. Remeasurements recorded in the Consolidated Statement of Comprehensive Income are not subsequently reclassified to the Consolidated Income Statement.

Past service cost is recognised in the Consolidated Income Statement in the period of plan amendment, where relevant. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

The assets of the plans are held at fair value, which is equal to market value, and are held in separate trustee-administered funds or similar structures in the countries concerned. Surplus assets within the plan are only recognised to the extent that they are recoverable in accordance with IFRIC Interpretation 14, IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (IFRIC 14).

Risks

The defined benefit plans typically expose the Group to risks. The most significant risks impacting the Group as a result of these plans are as follows:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high-quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit.
Interest risk	A decrease in the interest rate will increase the plan liability, but this will be partially offset by an increase in the return on the plan's fixed rate debt instruments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the consolidated financial statements continued

15. POST-EMPLOYMENT BENEFITS (CONTINUED)

Amounts recorded in the Consolidated Financial Statements

Consolidated Income Statement

The aggregate expense for all post-employment defined benefit plans recognised in the Consolidated Income Statement for the year ended 31 December was as follows:

	2024 $m	2023 $m
Defined benefit plans:		
Current service cost	**1.0**	1.1
Past service (income)	**(0.1)**	(0.1)
Interest (income) on plan assets	**–**	(0.2)
Interest expense on defined benefit obligations	**0.3**	0.6
Total expense (Note 3)	**1.2**	1.4

Consolidated Statement of Comprehensive Income

Aggregate actuarial gains and losses for all defined benefit plans recognised in the Consolidated Statement of Comprehensive Income for the year ended 31 December were as follows:

	2024 $m	2023 $m
Remeasurement effect recognised in other comprehensive income:		
Actuarial gain on liabilities due to experience	**0.1**	0.1
Actuarial (loss)/gain arising from changes in financial assumptions	**(0.5)**	0.1
Actuarial gain/(loss) on plan assets	**0.1**	(0.2)
Remeasurement (loss)/gain recognised in other comprehensive income	**(0.3)**	–
Deferred tax on remeasurement loss recognised in other comprehensive income	**–**	(0.2)
Total amount recognised in other comprehensive income	**(0.3)**	(0.2)

Consolidated Statement of Financial Position

The amount recognised for each defined benefit arrangement in the Consolidated Statement of Financial Position at 31 December was as follows:

	Germany[1]		Switzerland		Other		Total	
	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Fair value of schemes' assets	**0.7**	–	**12.9**	11.8	**0.7**	0.8	**14.3**	12.6
Present value of funded schemes' liabilities	**(8.6)**	–	**(14.7)**	(13.8)	**(0.8)**	(0.7)	**(24.1)**	(14.5)
Deficit in the funded schemes	**(7.9)**	–	**(1.8)**	(2.0)	**(0.1)**	0.1	**(9.8)**	(1.9)
Present value of unfunded schemes' liabilities	**–**	(8.4)	**–**	–	**(1.7)**	(1.8)	**(1.7)**	(10.2)
Net pension liability	**(7.9)**	(8.4)	**(1.8)**	(2.0)	**(1.8)**	(1.7)	**(11.5)**	(12.1)
Recognised within Consolidated Statement of Financial Position:								
Defined benefit obligations (Note 13)							**(11.5)**	(12.1)

1. In 2024, the Group began funding the pension scheme in Germany.

The weighted average duration of the Group's defined benefit obligations at the end of the year is 17.3 years (2023: 16.5 years).

15. POST-EMPLOYMENT BENEFITS (CONTINUED)

Fair value of assets and present value of the liabilities of the plan

The amount included in the Consolidated Statement of Financial Position arising from its obligations in respect of its defined benefit plans was as follows:

	Assets $m	Liabilities $m	Total $m
At 1 January 2023	11.1	(22.1)	(11.0)
Current service cost	–	(1.2)	(1.2)
Past service income	–	0.1	0.1
Interest income/(expense)	0.2	(0.6)	(0.4)
Remeasurement (loss)/gain	(0.2)	0.1	(0.1)
Contributions by employer	0.7	–	0.7
Contributions by members	0.6	(0.6)	–
Benefits paid	(0.9)	1.0	0.1
Experience gain	–	0.1	0.1
Foreign exchange	1.1	(1.5)	(0.4)
At 31 December 2023	**12.6**	**(24.7)**	**(12.1)**
Current service cost	**–**	**(1.0)**	**(1.0)**
Past service income	**–**	**0.1**	**0.1**
Interest income/(expense)	**–**	**(0.3)**	**(0.3)**
Remeasurement gain/(loss)	**0.7**	**(0.5)**	**0.2**
Contributions by employer	**1.3**	**–**	**1.3**
Contributions by members	**0.4**	**(0.4)**	**–**
Benefits paid	**(3.3)**	**3.3**	**–**
Experience gain	**–**	**0.1**	**0.1**
Transfer from multi-employer scheme	**3.5**	**(4.1)**	**(0.6)**
Foreign exchange	**(0.9)**	**1.7**	**0.8**
At 31 December 2024	**14.3**	**(25.8)**	**(11.5)**

Plan assets

The fair value of defined benefit plan assets at 31 December, which has been determined in accordance with IFRS 13, *Fair Value Measurements*, is analysed below. All assets have a quoted market price and are categorised as a Level 1 measurement in the fair value hierarchy.

	Germany		Switzerland		Other		Total	
	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Equity instruments	**0.7**	–	**4.3**	3.9	**–**	–	**5.0**	3.9
Debt instruments	**–**	–	**4.5**	4.6	**–**	–	**4.5**	4.6
Property	**–**	–	**2.6**	1.8	**–**	–	**2.6**	1.8
Qualifying insurance policies	**–**	–	**–**	–	**0.7**	0.8	**0.7**	0.8
Other	**–**	–	**1.5**	1.5	**–**	–	**1.5**	1.5
Plan assets	**0.7**	–	**12.9**	11.8	**0.7**	0.8	**14.3**	12.6

Actuarial assumptions

The Group makes certain key assumptions in order to value the plan obligations, and the approach to how these were set was as follows:

	Approach taken
Discount rate	Calculated by reference to the yields on high-quality corporate bonds which match expected cash flows in each territory in which a defined benefit plan is present.
Inflation	Calculated using the difference on yields between fixed and index-linked government bonds.
Future salary increases	Based on historical expectations and known future increases, including expected inflation rates.
Mortality	Based on mortality tables derived from assessments performed by national governments and based upon recommendations by plan actuaries.

Notes to the consolidated financial statements continued

15. POST-EMPLOYMENT BENEFITS (CONTINUED)

The principal actuarial assumptions for each defined benefit arrangement used at 31 December were as follows:

	Germany		Switzerland		Other	
	2024	2023	**2024**	2023	**2024**	2023
Discount rate	**3.32%**	3.57%	**1.10%**	2.00%	**3.18% to 3.61%**	3.15% to 4.61%
Rate of price inflation	**N/A**	N/A	**1.00%**	1.00%	**2.00% to 2.20%**	2.00% to 2.20%
Future salary increases	**2.50%**	3.00%	**1.75%**	1.75%	**0% to 2.50%**	0.00% to 3.00%

Discount rates have remained consistent year on year.

The current mortality assumptions underlying the values of the obligations in the defined benefit plans were as follows:

	Germany		Switzerland		Other	
	2024	2023	**2024**	2023	**2024**	2023
Life expectancy at age 65						
Male	**18.9 years**	18.8 years	**22.8 years**	23.0 years	**18.8 years**	24.0 years
Female	**22.3 years**	22.2 years	**24.5 years**	23.7 years	**24.0 years**	28.0 years
Life expectancy at age 65 in 20 years' time						
Male	**21.6 years**	21.5 years	**24.8 years**	25.2 years	**18.8 years**	24.9 years
Female	**24.5 years**	24.4 years	**26.4 years**	25.7 years	**24.0 years**	28.9 years

Sensitivity analysis

The effect of movements in the key actuarial assumptions in respect of the Germany and Switzerland plans at 31 December 2024 would be an (increase)/decrease to the defined benefit asset/liabilities as follows:

	Germany		Switzerland	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	**0.7**	**(0.8)**	**1.4**	**(1.5)**
Inflation	**N/A**	**N/A**	**(0.5)**	**0.5**
Future salary increases	**N/A**	**N/A**	**(0.2)**	**0.2**
	1 year increase	1 year decrease	1 year increase	1 year decrease
Life expectancy	**(0.2)**	**0.2**	**(0.3)**	**0.3**

Future funding

Payments expected to be made by the Group to its defined benefit pension plans in the year ending 31 December 2025 are as follows:

	Germany $m	Switzerland $m	Other $m	Total $m
Expected payments	**0.2**	**0.5**	**–**	**0.7**

CAPITAL STRUCTURE AND FINANCIAL COSTS

The Group ensures that all entities within the Group have sufficient funding to deliver the Group's strategy while maximising the return to shareholders through the debt and equity balance. The capital structure of the Group consists of net debt (which includes borrowings less cash and cash equivalents and excluding lease liabilities) and equity of the Group, comprising issued capital, reserves and earnings as disclosed in the Consolidated Statement of Changes in Equity.

16. CAPITAL STRUCTURE AND NET DEBT

The capital structure of the Group at 31 December was as follows:

	2024 $m	2023 $m
Borrowings (Note 21)	**1,122.8**	1,226.9
Less: Cash and cash equivalents (Note 22)	**(64.7)**	(97.6)
Net debt (excluding lease liabilities)	**1,058.1**	1,129.3
Equity	**1,688.9**	1,692.7
Total capital	**2,747.0**	2,822.0

The Group's capital structure is managed to provide ongoing returns to shareholders and service debt obligations whilst maintaining maximum operational flexibility.

17. SHARE CAPITAL AND RESERVES

Share capital

Called up share capital is the total number of shares in issue at their par value. The rights attaching to the ordinary shares are uniform in all respects. They form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Group. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds, net of tax.

Repurchased shares are classified as own shares and are disclosed in the own shares reserve.

Share premium

The share premium represents amounts received in excess of the nominal value of the ordinary shares.

Own shares

Own shares are ordinary shares in the Group purchased and held by an Employee Benefit Trust to satisfy obligations under the Group's employee share ownership programmes.

When any Group company purchases the Company's equity share capital (own shares), the consideration paid, including any directly attributable incremental costs (net of tax), is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable costs and the related tax effects, is recognised in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Merger reserve

In 2016, the Consolidated Financial Statements were prepared under merger accounting principles. Under these principles, no acquirer was required to be identified and all entities were included at their pre-combination carrying amounts. This accounting treatment led to differences on consolidation between issued share capital and the book value of the underlying net assets. This difference is included within equity as a merger reserve.

Cumulative translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Other reserves

Other reserves comprises of the cumulative changes in the effective portion of cash flow hedges, remeasurement of defined benefit plans, remeasurement of the equity investment, and the share-based payment reserve.

Share capital

In 2023, the Board took the decision to terminate the scrip dividend option, effective from 2024. The movements in ordinary shares of 10 pence each were as follows:

Issued and fully paid or credited as fully paid	Ordinary shares number	Share capital $m	Share premium $m
1 January 2023	2,043,872,048	250.7	165.7
Issue of new shares for Scrip Scheme – 2022 final dividend	1,717,549	0.2	4.5
Issue of new shares for Scrip Scheme – 2023 interim dividend	4,199,962	0.6	10.8
	5,917,511	0.8	15.3
31 December 2023	**2,049,789,559**	**251.5**	**181.0**
31 December 2024	**2,049,789,559**	**251.5**	**181.0**

At 31 December 2024, 5,444,666 shares (2023: 3,986,597 shares) were held in the Employee Benefit Trust. The market value of own shares at 31 December 2024 was $15.1 million (2023: $12.3 million).

Other reserves include the share-based payment reserve of $184.0 million (2023: $171.1 million) and remeasurement of defined benefit obligations of $4.3 million (2023: $4.6 million) offset by the remeasurement of equity investments of $13.8 million (2023: $7.8 million) and the effective portion of cash flow hedges of $3.2 million (2023: $4.4 million). A reconciliation of movements in all reserves is provided in the Consolidated Statement of Changes in Equity.

Distributable reserves

At 31 December 2024, the retained surplus of the Company was $3,088.5 million (2023: $1,539.4 million) of which $1,474.7 million (2023: $1,539.4 million) was realised and distributable – refer to Note 8 – Distributable Reserves in the Company's financial statements for further details. The capacity of the Company to make dividend payments is primarily determined by the availability of these retained and realised distributable reserves and the Group's cash resources including available borrowing facilities.

Notes to the consolidated financial statements continued

18. DIVIDENDS

The Group ensures that adequate realised distributable reserves are available in the Company in order to meet proposed shareholder dividends and the purchase of shares for employee share scheme incentives. The Company principally derives distributable reserves from dividends received from subsidiary companies.

In determining the level of dividend for the year, the Board considers the following factors and risks that may influence the proposed dividend:

- Availability of realised distributable reserves;
- Available cash resources and commitments;
- Strategic opportunities and investments, in line with the Group's strategic plan; and
- Principal risks of the Group (as disclosed on pages 76 to 80).

The Board paid the 2023 final dividend in May 2024 and the 2024 interim dividend in October 2024. The Board has taken into consideration balancing the return to shareholders and the additional investment in transformation in the period. The decision to increase the dividend for 2024 reflects the Board's confidence in the future performance of the Group, this includes its underlying financial strength and cash generation when assessing cash flow forecasts for the next two years from the date of the dividend payment. Further details of the Group's considerations and rationale for its policy in respect of the dividend distribution are given in the Directors' report on page 145.

Accounting policy

Dividends paid are included in the Group Consolidated Financial Statements at the earlier of payment of the dividends or, in respect of the Company's final dividend for the year, on approval by shareholders.

Dividends paid and proposed were as follows:

	Pence per share	Cents per share	Total $m	Settled in cash $m	Settled via scrip $m	No of scrip shares issued
Final dividend 2022	3.657	4.330	92.4	87.7	4.7	1,717,549
Interim dividend 2023	1.380	1.769	34.4	23.0	11.4	4,199,962
Paid in 2023	5.037	6.099	126.8	110.7	16.1	5,917,511
Final dividend 2023	**3.517**	**4.460**	**91.5**	**91.5**	–	–
Interim dividend 2024	**1.422**	**1.822**	**38.7**	**38.7**	–	–
Paid in 2024	**4.939**	**6.282**	**130.2**	**130.2**	–	–
Final dividend 2024 proposed	**3.639**	**4.594**	**94.2**			

The final dividend proposed for 2024 is to be distributed on 29 May 2025 to shareholders on the register at the close of business on 22 April 2025 and is subject to shareholder approval at the Annual General Meeting on 22 May 2025. The dividend will be declared in US dollars and will be paid in Sterling at the chosen exchange rate of $1.262/£1.00 determined on 25 February 2025.

The interim and final dividends for 2024 give a total dividend for the year of 6.416 cents per share (2023: 6.229 cents per share).

19. SHARE-BASED PAYMENTS

The Group operates a number of plans used to award shares to Executive Directors and other senior employees as part of their remuneration package. A charge is recognised over the vesting period in the Consolidated Income Statement to record the cost of these, based on the fair value of the award at the grant date.

The Group's share-based payment schemes in place are as follows:

Long Term Incentive Plan (LTIP)

Provides Performance Share Plan (PSP) awards subject to Group performance and market conditions and Restricted Stock Units (RSU) subject only to remaining employed up to the vesting date. Details on share-based payments in relation to Executive Directors is set out on page 137.

Deferred Bonus Plan (DBP)

Provides for the grant of share awards to defer a portion of the participant's bonus as determined by the Remuneration Committee. The awards vest subject only to remaining employed up to the vesting date.

Share Plan / Matching Share Plan (SP/MSP)

Provides for the grant of discretionary share awards. Awards granted in 2024 will vest to employees still employed on the vesting date.

Employee Plans

The Group also operates Employee Plans which provide eligible employees the opportunity to save up to £500 per month (or local currency equivalent) with an option to acquire shares using these savings at a 15% discount to the market price at date of grant. The Employee Plans are available to employees under the following schemes:

- *Save-As-You-Earn (SAYE)* – Available to all employees in the UK employed by participating Group companies.
- *Employee Stock Purchase Plan (ESPP)* – Available to all employees in the US.
- *International Share Save Plan* – Available to all employees in the rest of the world.

19. SHARE-BASED PAYMENTS (CONTINUED)

Accounting policy

Equity-settled share-based payment awards are measured at the fair value of the award on the grant date, excluding the effect of non-market-based vesting conditions. The fair value of the awards at the date of the grant is expensed to general and administrative expenses in the Consolidated Income Statement over the vesting period on a straight-line basis.

Appropriate adjustments are made to reflect expected and actual forfeitures during the vesting period due to uncertainties in satisfying service conditions or non-market performance conditions. The corresponding credit is to other reserves in the Consolidated Statement of Financial Position.

Share-based payment expenses recognised in the Consolidated Income Statement as follows:

	2024 $m	2023 $m
LTIP	**11.9**	7.3
SP/MSP	**6.0**	5.5
DBP	**1.2**	1.0
Employee Plans	**0.7**	0.8
	19.8	14.6

During the year to 31 December 2024, $19.7 million (2023: $14.5 million) of share-based payments were equity-settled, with $0.1 million (2023: $0.1 million) cash-settled. All amounts that were equity-settled were recognised in other reserves, with the amounts that were cash-settled recognised through other non-current liabilities.

Awards outstanding

The movements in the number of share and share option awards and the weighted average exercise price of share options are detailed below:

	2024		2023	
	Number of shares/ options 000's	Weighted average exercise price of options £ per share	Number of shares/ options 000's	Weighted average exercise price of options £ per share
Outstanding at 1 January	**31,439**	**0.29**	30,800	0.33
Granted	**10,667**	**0.27**	10,987	0.22
Forfeited	**(5,207)**	**0.25**	(4,081)	0.47
Exercised	**(6,009)**	**0.24**	(6,267)	0.25
Outstanding at 31 December	**30,890**	**0.28**	31,439	0.29
Exercisable at 31 December	**670**	**1.74**	840	1.51
Weighted average fair value of awards granted (£ per share)	**–**	**1.97**	–	1.53

The average share price during 2024 was £2.45 (2023: £2.21). The share price of the Company at 31 December 2024 was £2.21 (2023: £2.44).

The range of exercise prices and the weighted average remaining contractual life of options outstanding at 31 December were as follows:

Range of prices	2024 Number of shares/options 000's	2023 Number of shares/options 000's
Nil	**26,240**	26,414
1.21	**–**	73
1.74	**1,546**	2,002
1.76	**1,101**	1,821
1.84	**–**	18
1.96	**1,444**	–
2.08	**559**	1,111
	30,890	31,439
Weighted average remaining contractual life of options outstanding	**1.9 years**	1.9 years

Notes to the consolidated financial statements continued

19. SHARE-BASED PAYMENTS (CONTINUED)

Valuation assumptions

All share awards granted are valued directly by reference to the share price at date of grant except:

- PSP shares awarded under the LTIP and MSP plans are subject to both market-based measures and non-market based measures. Values under the market-based element are based on relative Total Shareholder Return (TSR) performance conditions and are valued using a Monte Carlo simulation.
- Options granted under the Employee Plans are valued using the Black-Scholes model.

The principal assumptions used in these valuations were:

	2024			2023		
	LTIP	**SAYE & International Share Save Plan**	**ESPP**	LTIP	SAYE & International Share Save Plan	ESPP
Share price at date of grant	**£2.81**	**£2.31**	**£2.31**	£2.21	£2.07	£2.07
Exercise price	**nil**	**£1.96**	**£1.96**	nil	£1.76	£1.76
Expected life	**3 years**	**3.6 years**	**2.0 years**	3 years	3.6 years	2.0 years
Expected volatility[1]	**28.1%**	**28.1%**	**28.1%**	25.1%	25.1%	25.1%
Risk free rate	**4.3%**	**4.3%**	**4.5%**	3.3%	3.3%	3.3%
Dividend yield	**n/a**	**1.9%**	**1.9%**	2.3%	2.3%	2.3%
Fair value	**£2.02 & £2.19**	**£0.48**	**£0.43**	£1.09 & £1.41	£0.38	£0.34

1. The expected volatility was determined by calculating the observed historical volatility of share prices of peer group companies (including the Company) over the expected life of the share award.

20. FINANCIAL RISK MANAGEMENT

The Group's treasury policy seeks to minimise the Group's principal financial risks. No trading or speculative transactions in financial instruments are undertaken. This note presents information about the Group's exposure to financial risks and the Group's objectives, policies and processes for measuring and managing risks.

Financial risk management objectives

Based on the global operations of the Group, management consider the key financial risks to be liquidity, foreign exchange, interest rate and counterparty credit. The management of counterparty credit risk is discussed in Note 12 – Trade and other receivables.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group manages and minimises liquidity risk by using global cash management solutions and actively monitoring both actual and projected cash outflows to ensure that it will have sufficient liquidity to meet its liabilities when due and have headroom to provide against unforeseen obligations. As at 31 December 2024, the Group held cash and cash equivalents of $64.7 million (2023: $97.6 million), of which 32.3% (2023: 57.5%) was held centrally.

Medium and long-term borrowing requirements are met through committed bank facilities and capital market funding as detailed in Note 21 – Borrowings. Short-term borrowing requirements, if necessary, may be met from drawings under the multicurrency facility.

Longer term, the Group has assessed its liquidity forecast as part of the viability assessment and its ability to continue trading as a going concern. For further detail on the Group's assessment of liquidity risk, refer to the Viability statement on pages 82 to 83.

Foreign exchange risk

As a result of the global nature of operations, the Group is exposed to market risk arising from changes in foreign currency exchange rates.

Where possible, the Group manages foreign exchange risk by matching same currency revenues and expenses. It will also denominate debt in certain currencies and use foreign exchange forward contracts and swap contracts to further minimise transactional foreign exchange risk, with certain currency contracts designated as cash flow hedges; refer to Note 23 – Financial Instruments for details. As a result, the impacts of the fluctuations in the market values of assets and liabilities and the settlement of foreign currency transactions are reduced.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table summarises the exchange rates used for the translation of currencies into US dollars that have the most significant impact on the Group results:

Currency	Average rate/ Closing rate	2024	2023
USD/EUR	Average	**1.08**	1.08
	Closing	**1.04**	1.10
USD/GBP	Average	**1.28**	1.24
	Closing	**1.25**	1.27
USD/DKK	Average	**0.15**	0.15
	Closing	**0.14**	0.15

During 2024, revenue was mostly USD denominated (56%) (2023: 55%). Other significant currencies were EUR (19%) (2023: 19%) and GBP (5%) (2023: 5%). The balance comprises a basket of other currencies which, on an individual basis, were each no more than 2% of revenue.

Sensitivity analysis on foreign exchange risk

The sensitivity analysis below assumes a 10% strengthening of the US dollar against the principal currencies to highlight the sensitivity of profit before income taxes and total equity to translation foreign exchange risk as at 31 December, with all other variables held constant.

Currency	Sensitivity	2024 $m	2023 $m
Increase/(decrease) in profit before income taxes			
USD/GBP	+10%	**3.8**	4.4
USD/EUR	+10%	**(7.9)**	(10.3)
USD/DKK	+10%	**(11.6)**	(11.2)
Decrease/(increase) in total equity			
USD/GBP	+10%	**(84.7)**	(88.0)
USD/EUR	+10%	**3.3**	(2.5)
USD/DKK	+10%	**(31.4)**	(27.0)

Interest rate risk

The Group's principal exposure to interest rate risk is in relation to interest expense on borrowings made under the Group's credit facilities which attract interest at floating rates plus a fixed margin as well as any cash or investments that result in interest income at floating rates. Floating rate instruments expose the Group to interest rate cash flow and expense risk. The Group manages this exposure on a net basis within Board approved policy parameters, including the use of interest rate swaps designated as cash flow hedges to maintain an appropriate mix between fixed and floating rate borrowings.

As at 31 December 2024, the Group's borrowings were principally denominated in USD and Euros. The Group's credit facilities expose the Group to SOFR and EURIBOR. The Group's interest rate swaps of $265.0 million, are referenced to the SOFR benchmark (see Note 23 – Financial Instruments).

IBOR Reform

Non-derivative financial liabilities
The Group's facilities are based on a floating rate and reflect IBOR reform. Whilst one of the Group's facilities is multicurrency, most borrowings are expected to be denominated in USD and EUR with the reference rates of SOFR and EURIBOR respectively.

Derivatives
As of 31 December 2024, the Group held interest rate swaps for the purpose of risk management that are designated in cash flow hedge relationships. The floating legs of these swaps are linked to SOFR. The Group's derivatives are governed by contracts based on the master agreement of the International Swaps and Derivatives Association (ISDA).

All interest rate swaps at 31 December 2024 had a floating rate linked to SOFR, aligned with the Group's facilities. See Note 23 – Financial Instruments.

Hedge accounting
Swaps with floating legs linked to SOFR had also been designated as cash flow hedges and will provide interest rate risk management beyond January 2025.

Sensitivity analysis on interest rate risk

Based on the composition and the terms of the Group's borrowings as at 31 December 2024, and including the 0% interest rate floor and after the effect of the interest rate swaps and cash, if interest rates were to increase or decrease by 100 basis points, the interest expense on borrowings would increase by $3.6 million (2023: $3.1 million) or decrease by $3.6 million (2023: $3.1 million) assuming that all other variables remain constant and excluding any effect of tax.

Notes to the consolidated financial statements continued

21. BORROWINGS

The Group's sources of borrowing for funding and liquidity purposes derive from senior notes and credit facilities including a committed revolving credit facility.

Accounting policy

Borrowings are recognised at fair value less directly attributable costs on the date that they are entered into and subsequently measured at amortised cost using the effective interest rate method. Borrowing costs directly attributable to the facility are capitalised and amortised over the period of the loan.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Borrowings are classified as non-current when the repayment date is more than 12 months from the period-end date or where they are drawn on a facility with more than 12 months to expiry.

The Group derecognises borrowings when its contractual obligations are discharged, terminated or expired.

Fair value measurement

Borrowings are classified as Level 1 or Level 2 in the fair value hierarchy in accordance with IFRS 13, *Fair Value Measurements*, based upon the degree to which the fair value movements are observable.

The Group's borrowings as at 31 December were as follows:

	Currency	Year of maturity	2024 Face value $m	2023 Face value $m
Revolving Credit Facility[1]	USD/Euro	2028	**383.5**	490.6
Term Loan	USD	2027	**250.0**	250.0
Senior Notes	USD	2029	**500.0**	500.0
Interest-bearing borrowings			**1,133.5**	1,240.6
Financing fees[2]			**(10.7)**	(13.7)
Total carrying value of borrowings			**1,122.8**	1,226.9
Current portion of borrowings			**–**	–
Non-current portion of borrowings			**1,122.8**	1,226.9

1. Included within the Revolving Credit Facility was €106.0 million ($109.8 million) and £7.0 million ($8.8 million) at 31 December 2024 (2023: €100.0 million ($110.4 million) and £8.0 million ($8.2 million)), representing 28.6% of RCF debt denominated in Euros, 2.3% of RCF debt denominated in GBP and 69.1% denominated in US dollars.
2. Financing fees of $10.7 million (2023: $13.7 million) related to the remaining unamortised fees incurred on the credit facilities of $5.8 million (2023: $7.8 million) and on the senior notes of $4.9 million (2023: $5.9 million).

Credit facilities

The credit facilities held by the Group are committed and available for the refinancing of certain existing financial indebtedness and general corporate purposes. The Group's bank credit facility of $1.2 billion comprises of a $250.0 million term loan and a $950.0 million multicurrency revolving credit facility. As at 31 December 2024, the term loan was fully drawn and $383.5 million (2023: $490.6 million) of the revolving credit facility was drawn, with $566.5 million undrawn (2023: $459.4 million).

Financial covenants

The principal financial covenants are based on a permitted net debt to covenant-adjusted EBITDA[3] ratio and interest cover test as defined in the credit facilities agreement. Testing is required on a semi-annual basis, at June and December, based on the last 12 months' financial performance. At 31 December 2024, the permitted net debt to covenant-adjusted EBITDA[3] ratio was a maximum of 3.50 times and the interest cover a minimum of 3.50 times, terms as defined by the credit facilities agreement. In accordance with the credit facilities agreement, the net debt to covenant-adjusted EBITDA[3] ratio can increase to a maximum 4.00 times for permitted acquisitions or investments.

The Group was in compliance with all financial and non-financial covenants at 31 December 2024, with significant available headroom on the financial covenants (in excess of $887.5 million debt headroom on net debt to covenant-adjusted EBITDA[3]).

Excluding the impact of interest rate swaps, the weighted average interest rate on borrowings for the year ended 31 December 2024 was 6.0% (2023: 5.7%).

3. Covenant-adjusted EBITDA is calculated based on terms as defined in the credit facilities agreement. This is different to adjusted EBITDA, which is an alternative performance measure ("APM") as disclosed on pages 28 to 31.

21. BORROWINGS (CONTINUED)

Senior notes

Unsecured senior notes of $500.0 million are subject to an interest cover financial covenant as defined in the indentures which is a minimum of 2.0 times, with testing required annually at 31 December on the last 12 calendar months' financial performance.

Borrowings measured at fair value

The senior notes are listed and their fair value at 31 December 2024 of $456.9 million (2023: $450.1 million) has been obtained from quoted market data and therefore categorised as a Level 1 measurement in the fair value hierarchy under IFRS 13, *Fair Value Measurements*. For the Group's other borrowings, the fair value is based on discounted cash flows using a current borrowing rate and is categorised as a Level 2 measurement. At 31 December 2024, the estimated fair value of the Group's other borrowings was $678.9 million (2023: $774.9 million).

Maturity of financial liabilities

The contractual undiscounted future cash flows, including contractual interest payments, related to the Group's financial liabilities were as follows:

	Contractual cash flows							
	Within 1 year or on demand $m	1 to 2 years $m	2 to 3 years $m	3 to 4 years $m	4 to 5 years $m	More than 5 years $m	Total $m	Carrying amount $m
At 31 December 2023								
Borrowings	58.6	49.8	47.7	298.0	532.8	519.4	1,506.3	1,226.9
Lease liabilities (Note 24)	25.6	19.5	14.6	10.1	8.2	18.5	96.5	85.5
Trade and other payables (Note 13)	388.7	–	–	–	–	–	388.7	388.7
Derivative financial instruments (Note 23)								
Derivative financial instruments payable	1,486.9	6.8	–	–	–	–	1,493.7	17.6
Derivative financial instruments receivable	1,483.1	5.4	–	–	–	–	1,488.5	13.6
At 31 December 2024								
Borrowings	**54.1**	**53.3**	**303.6**	**417.4**	**519.4**	**–**	**1,347.8**	**1,122.8**
Lease liabilities (Note 24)	**25.9**	**20.2**	**15.0**	**11.3**	**8.3**	**16.0**	**96.7**	**78.8**
Trade and other payables[1] (Note 13)	**350.9**	**–**	**–**	**–**	**–**	**–**	**350.9**	**350.9**
Derivative financial instruments (Note 23)								
Derivative financial instruments payable	**1,539.3**	**1.7**	**–**	**–**	**–**	**–**	**1,541.0**	**18.4**
Derivative financial instruments receivable	**1,538.2**	**1.5**	**–**	**–**	**–**	**–**	**1,539.7**	**18.4**

1. Trade and other payables excludes taxes and social security of $31.8 million as per Note 13 – Trade and other payables, as these are statutory rather than contractual requirements and therefore are not classified as financial liabilities in the above table.

Reconciliation of movement in borrowings

	2024 $m	2023 $m
Borrowings at 1 January	**1,226.9**	1,211.9
Repayment of borrowings	**(98.0)**	–
Proceeds of new borrowings, net of financing fees	**–**	9.4
Foreign exchange	**(9.1)**	2.8
Non-cash movements[2]	**3.0**	2.8
Borrowings at 31 December	**1,122.8**	1,226.9

2. Non-cash movements were in respect of the amortisation of deferred financing fees associated with the borrowings.

Notes to the consolidated financial statements continued

22. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash held at bank is used for the Group's day-to-day operations. The Group utilises bank deposits or money market funds which have a maturity of three months or less as liquid investments that enable short-term liquidity requirements to be met.

Accounting policy

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions. All liquid investments, including term deposits and money market funds, have original maturities of three months or less, are subject to insignificant risk of changes in value and are repayable within one business day with no significant loss of interest, resulting in classification as cash equivalents.

Cash at bank earns interest at rates based on daily bank deposit rates. Term deposits and money market funds earn interest at the respective short-term deposit rate.

Cash and cash equivalents at 31 December 2024 included $19.0 million (2023: $21.1 million) of cash held in territories where there are restrictions related to timely repatriation. The amounts meet the definition of cash and cash equivalents but are not deemed to be readily available for general use by the wider Group.

Consolidated Statement of Cash Flows

Under certain circumstances, the Group utilises bank overdrafts to manage temporary fluctuations in cash positions. The bank overdrafts are repayable on demand, used as part of the Group's overall cash management strategy and form part of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows. The Group had no bank overdrafts as at 31 December 2024 or 31 December 2023.

The Group reports cash flows from operating activities using the indirect method in accordance with IAS 7, *Statement of Cash Flows*. The Group has elected to classify net interest paid (including interest on lease liabilities) as cash flows from operating activities. Short-term lease payments and payments for leases of low-value assets are included in cash flows from operating activities.

Changes in working capital assets and liabilities as reported in cash flows from operating activities reflect the changes in the Consolidated Statement of Financial Position between the current and previous financial year end, including adjustments for amounts relating to acquisitions and disposals (when necessary), as well as currency translation adjustments.

Cash payments for the principal portion of lease liabilities is included within cash flows from financing activities.

Acquisition of property, plant and equipment, and intangible assets reflects additions to the related assets, including adjustments for changes in capital accruals. Acquisition of intangible assets relates to capitalised software, development and product-related licences. Refer to Note 9 – Intangible assets and goodwill for further details.

The adjustment for non-operating expense, net in the Consolidated Statement of Cash Flows excludes the gains and losses realised on cash-settled derivative financial instruments. Refer to Note 5 – Non-operating income, net.

Restricted cash

In certain instances, there are requirements to set aside cash to support payment guarantees and obligations, including the payment of value-added taxes, custom duties on imports, tender programmes and lease arrangements. Such amounts are classified by the Group as restricted cash, which do not form part of cash and cash equivalents. Cash paid into escrow, arising from a business combination, is also classified as restricted cash.

	2024 $m	2023 $m
Cash at bank and in hand	**56.8**	57.7
Money market funds	**7.9**	39.9
Cash and cash equivalents	**64.7**	97.6

	2024 $m	2023 $m
Restricted cash – current	**8.8**	12.5
Restricted cash – non-current	**3.4**	5.3
Total restricted cash	**12.2**	17.8

Current restricted cash of $8.8 million (2023: $12.5 million) relates to cash held in escrow in respect of the Group's acquisitions.

Non-current restricted cash of $3.4 million (2023: $5.3 million) relates primarily to amounts held in respect of guarantees and the Group's Share Save scheme for employees. Included in the 2023 balance was $1.6 million relating to cash held in escrow in respect of the Group's acquisitions. None of these amounts are accessible on demand.

23. FINANCIAL INSTRUMENTS

A derivative financial instrument is a contract that derives its value from the performance of an underlying variable, such as foreign exchange rates or interest rates. The Group uses derivative financial instruments to manage foreign exchange and interest rate risk arising from its operations and financing. Derivative financial instruments used by the Group are foreign exchange forwards and interest rate swaps.

The Group utilises interest rate swap agreements, designated as cash flow hedges, to manage its exposure to variability in expected future cash outflows attributable to the changes in interest rates on the Group's committed borrowing facilities.

Accounting policy

Derivative financial instruments are initially recognised at fair value on the derivative contract date and are remeasured at their fair value at subsequent reporting dates. Derivative financial instruments are classified at fair value through profit or loss (FVTPL) unless they are designated and qualify as an effective cash flow hedge. The fair value of forward foreign exchange contracts is determined by using the difference between the contract exchange rate and the quoted forward exchange rate from third parties at the reporting date.

Hedge accounting

The Group has elected to apply the IFRS 9, *Financial Instruments* hedge accounting requirements. Changes in the fair values of derivatives designated as cash flow hedges are recognised in other comprehensive income to the extent the hedges are effective. The fair value is the estimated amount that the Group would receive or pay to terminate the forward or swap at the reporting date, taking into account current market rates, the Group's current creditworthiness, as well as that of the financial instrument counterparties.

The cumulative gain or loss is then reclassified to the Consolidated Income Statement in the same period when the relevant hedged transaction is realised. Any ineffectiveness on hedging instruments is recognised in the Consolidated Income Statement as they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in the cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is immediately reclassified to profit or loss.

The Group held interest rate swaps of $265.0 million at 31 December 2024 (2023: $425.2 million), with exposure to SOFR as a reference rate and maturing at various points in the next two years. These have been designated as cash flow hedges through other comprehensive income.

Right to offset

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Fair value measurement

Financial instruments are classified as Level 1, Level 2 or Level 3 in the fair value hierarchy in accordance with IFRS 13, *Fair Value Measurements*, based upon the degree to which the fair value movements are observable. Level 1 fair value measures are defined as those with quoted (unadjusted) market prices in active markets for identical assets or liabilities. Level 2 fair value measurements are defined as those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (prices from third parties) or indirectly (derived from third-party prices). Level 3 fair value measurements are defined as those derived from significant unobservable inputs.

The only instrument classified as Level 1 are the senior notes, given the availability of quoted market price (Note 21 – Borrowings). The Group's derivative financial instruments, discussed below, are classified as Level 2. The Group's equity investment in preference shares (Note 10 – Investment in financial assets) and contingent consideration arising on business combinations are classified within Level 3 of the fair value hierarchy.

The Group holds interest rate swap agreements to fix a proportion of variable interest on the Group's US dollar debt, in accordance with the Group's risk management policy. The interest rate swaps are designated as hedging instruments in a cash flow hedging relationship.

In accordance with Group policy, the Group uses forward foreign exchange contracts, designated as cash flow hedges, to hedge certain forecast third-party foreign currency transactions. When a commitment is entered into a layered approach is taken when hedging the currency exposure, ensuring that no more than 100% of the transaction exposure is covered. The currencies hedged by forward foreign exchange contracts are US dollars, Swiss francs, Pound sterling, Danish krone and Japanese yen.

The Group further utilises foreign exchange contracts and swaps classified as FVTPL to manage short-term foreign exchange exposure.

Notes to the consolidated financial statements continued

23. FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges

The fair values are based on market values of equivalent instruments at 31 December. The following table presents the Group's outstanding interest rate swaps, which were designated as cash flow hedges at 31 December:

				2024		2023	
	Currency	Effective date	Maturity date	Notional amount $m	Fair value[1] assets/ (liabilities) $m	Notional amount $m	Fair value[1] assets/ (liabilities) $m
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	23 Jan 2023	23 Jan 2024	–	–	90.0	0.4
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	23 Jan 2023	23 Jul 2024	–	–	40.0	0.1
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	23 Jan 2023	23 Jan 2025	50.0	0.1	50.0	0.2
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	3 Aug 2023	3 Aug 2024	–	–	50.0	–
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	3 Aug 2023	3 Feb 2025	50.0	0.1	50.0	–
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	3 Aug 2023	4 Aug 2025	50.0	–	50.0	–
6 Month term EURIBOR Float to Fixed Interest Rate Swap	EUR	29 Sep 2023	29 Sep 2024	–	–	55.2	(0.2)
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	29 Sep 2023	29 Sep 2025	40.0	(0.3)	40.0	(0.5)
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	23 Jan 2024	23 Jan 2026	25.0	0.1	–	–
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	23 Jan 2024	23 Jan 2026	25.0	0.1	–	–
6 Month term SOFR Float to Fixed Interest Rate Swap	USD	28 May 2024	28 May 2026	25.0	(0.3)	–	–

1. The fair values of the interest rate swaps were disclosed in non-current derivative financial liabilities, current derivative financial liabilities and current derivative assets in the Consolidated Statement of Financial Position. There was no ineffectiveness recognised in the Consolidated Income Statement.

Foreign exchange forward contracts

The following table presents the Group's outstanding foreign exchange forward contracts valued at FVTPL and foreign currency forward contracts designated as cash flow hedges, disclosed in current derivative financial assets and liabilities, at 31 December:

		2024		2023	
	Term	Notional amount $m	Fair value assets/ (liabilities) $m	Notional amount $m	Fair value assets/ (liabilities) $m
Foreign exchange contracts	≤ 3 months	783.5	16.8	453.0	8.0
Foreign currency forward exchange contracts designated as cash flow hedges	≤ 12 months	36.2	1.2	195.9	4.4
Derivative financial assets		819.7	18.0	648.9	12.4
Foreign exchange contracts	≤ 3 months	514.5	(8.4)	760.7	(15.2)
Foreign currency forward exchange contracts designated as cash flow hedges	≤ 12 months	193.5	(9.4)	53.3	(1.3)
Derivative financial liabilities		708.0	(17.8)	814.0	(16.5)

During the year ended 31 December 2024, the Group realised a net gain of $25.8 million (2023: $4.3 million loss) on foreign exchange forward contracts designated as FVTPL in Note 5 – Non-operating income, net in the Consolidated Income Statement.

Impact of hedging on other comprehensive income

The following table presents the impact of hedging on other comprehensive income:

	2024 $m	2023 $m
Recognised in other comprehensive income:		
Effective portion of changes in fair value of cash flow hedges:		
Interest rate swaps	0.5	(1.3)
Foreign currency forward exchange contracts designated as cash flow hedges	(11.6)	2.0
Changes in fair value of cash flow hedges reclassified to the Consolidated Income Statement	2.1	(0.8)
Cost of hedging	0.6	(0.5)
Total	(8.4)	(0.6)

23. FINANCIAL INSTRUMENTS (CONTINUED)

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Amounts which do not meet all of the criteria for offsetting on the balance sheet but could be settled net in certain circumstances primarily relate to derivative transactions entered under International Swaps and Derivatives Association (ISDA) master netting arrangements or other similar agreements. In general, under such agreements, each party has the option to settle on a net basis in the event of default of the other party. As there is presently not a legally enforceable right of offset, these amounts have not been offset in the balance sheet and have been presented separately in the table below.

The financial assets and financial liabilities presented below are subject to offsetting, enforceable master netting or similar agreements. The column 'Net amount' shows the impact on the Group's balance sheet if all set-off rights were exercised.

Financial liabilities offset against trade and other receivables mainly relate to accrued customer rebates/discounts and chargebacks, as the offsetting criteria for these are met under IAS 32.

	Gross financial assets/ (liabilities) $m	Gross financial (liabilities)/ assets set off $m	Net financial assets/ (liabilities) per balance sheet $m	Related amounts not set off in the balance sheet $m	Net amount $m
As at 31 December 2024					
Financial assets					
Trade and other receivables	363.3	(28.3)	335.0	–	335.0
Derivative financial assets	18.4	–	18.4	(10.1)	8.3
Financial liabilities					
Trade and other payables[1]	(379.2)	28.3	(350.9)	–	(350.9)
Derivative financial liabilities	(18.4)	–	(18.4)	10.1	(8.3)

	Gross financial assets/ (liabilities) $m	Gross financial (liabilities)/ assets set off $m	Net financial assets/ (liabilities) per balance sheet $m	Related amounts not set off in the balance sheet $m	Net amount $m
As at 31 December 2023					
Financial assets					
Trade and other receivables	374.6	(40.9)	333.7	–	333.7
Derivative financial assets	13.6	–	13.6	(11.3)	2.3
Financial liabilities					
Trade and other payables	(429.6)	40.9	(388.7)	–	(388.7)
Derivative financial liabilities	(17.6)	–	(17.6)	11.3	(6.3)

1. Trade and other payables excludes taxes and social security of $31.8 million as per Note 13 – Trade and other payables, as these are statutory rather than contractual requirements and therefore are not classified as financial liabilities in the above table.

24. LEASES

The Group principally leases real estate and vehicles. Leases are recognised as a right-of-use asset with a corresponding liability recorded at the date at which the leased asset is available for use by the Group.

Accounting policy

The lease liability is measured at the present value of future lease payments discounted using the rate implicit in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Options such as lease extensions or terminations on lease contracts are considered on a case-by-case basis by regular management assessment.

Each lease payment is allocated between amounts paid for principal and interest. The interest cost is charged to the Consolidated Income Statement over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the lease term.

Payments associated with short-term leases and low-value leases are recognised on a straight-line basis as an expense in the Consolidated Income Statement. Short-term leases are leases with a lease term of 12 months or less and low-value leases comprise of leases with an underlying asset value of less than $5,000. Expenses recognised for these short-term and low-value leases for the year ended 31 December 2024 were $1.5 million (2023: $2.4 million).

Notes to the consolidated financial statements continued

24. LEASES (CONTINUED)

The movements in right-of-use assets were as follows:

	Real estate and other $m	Vehicles $m	Total $m
As at 1 January 2023	65.6	13.8	79.4
Lease additions	14.2	10.9	25.1
Arising from acquisitions	1.6	–	1.6
Leases terminated	(7.4)	(0.9)	(8.3)
Depreciation of right-of-use assets	(14.7)	(8.0)	(22.7)
Impairment of right-of-use assets	(1.9)	–	(1.9)
Foreign exchange	0.9	0.6	1.5
As at 31 December 2023	58.3	16.4	74.7
Lease additions	**9.8**	**12.4**	**22.2**
Arising from acquisitions (Note 26)	**0.4**	**0.5**	**0.9**
Leases terminated	**(0.7)**	**(1.0)**	**(1.7)**
Depreciation of right-of-use assets	**(14.8)**	**(8.4)**	**(23.2)**
Impairment of right-of-use assets	**(0.3)**	**–**	**(0.3)**
Sublease of right-of-use assets	**(2.1)**	**–**	**(2.1)**
Foreign exchange	**(1.9)**	**(1.1)**	**(3.0)**
As at 31 December 2024	**48.7**	**18.8**	**67.5**

Movements in lease liabilities were as follows:

	2024 $m	2023 $m
Lease liabilities as at 1 January	**85.5**	88.3
Lease additions	**22.2**	25.1
Arising from acquisitions (Note 26)	**0.9**	1.6
Payment of lease liabilities	**(24.7)**	(22.7)
Leases terminated	**(1.7)**	(8.3)
Interest expense on lease liabilities (Note 25)	**3.6**	3.5
Interest paid on lease liabilities	**(3.6)**	(3.5)
Foreign exchange	**(3.4)**	1.5
Lease liabilities as at 31 December	**78.8**	85.5

The total cash outflow of lease liabilities including interest for the year ended 31 December 2024 was $28.3 million (2023: $26.2 million). Interest paid during the year was $3.6 million (2023: $3.5 million).

Lease liabilities by category at 31 December were as follows:

	2024			2023		
	Real estate and other $m	Vehicles $m	Total $m	Real estate and other $m	Vehicles $m	Total $m
Current	**14.6**	**7.4**	**22.0**	13.9	6.8	20.7
Non-current	**45.4**	**11.4**	**56.8**	55.3	9.5	64.8
Total	**60.0**	**18.8**	**78.8**	69.2	16.3	85.5

The maturity of lease liabilities at 31 December was as follows:

	2024			2023		
	Real estate and other $m	Vehicles $m	Total $m	Real estate and other $m	Vehicles $m	Total $m
Within 1 year	**14.6**	**7.4**	**22.0**	13.9	6.8	20.7
1 to 2 years	**11.0**	**6.1**	**17.1**	14.0	5.0	19.0
2 to 3 years	**8.9**	**3.7**	**12.6**	9.7	3.2	12.9
3 to 4 years	**8.0**	**1.5**	**9.5**	7.6	1.1	8.7
4 to 5 years	**6.7**	**0.1**	**6.8**	7.0	0.1	7.1
More than 5 years	**10.8**	**–**	**10.8**	17.0	0.1	17.1
Total	**60.0**	**18.8**	**78.8**	69.2	16.3	85.5

The undiscounted contractual cash flows in relation to the maturity of leases liabilities have been disclosed in Note 21 – Borrowings.

25. FINANCE INCOME AND EXPENSE

Finance expenses arise from interest on the Group's borrowings and lease liabilities. Finance income arises from interest earned on investment of surplus cash.

Accounting policy

Finance expenses, including the transaction costs for borrowings and any discount or premium on issue, are recognised in the Consolidated Income Statement using the effective interest rate method.

When existing debt is derecognised in the financial statements any transaction costs not amortised are recognised immediately in the Consolidated Income Statement.

Upon derecognition of financial liabilities, any unamortised financing fees are recognised immediately in the Consolidated Income Statement.

Interest related to qualifying assets under construction included within PP&E is capitalised (refer to Note 8 – Property, plant and equipment).

Refer to Note 24 – Leases for accounting policy on interest expense on lease liabilities.

Interest arising from interest rate swaps is recorded as either interest income or expense over the term of the agreement. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in the cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Finance costs, net for the year ended 31 December were as follows:

	2024 $m	2023 $m
Finance income		
Interest income on cash and cash equivalents	**4.8**	5.2
Total finance income	**4.8**	5.2
Finance expense		
Interest expense on borrowings	**(76.1)**	(75.2)
Other financing-related fees[1]	**(8.9)**	(7.2)
Interest expense on interest rate derivatives	**(0.2)**	–
Interest expense on lease liabilities	**(3.6)**	(3.5)
Capitalised interest[2]	**6.4**	5.4
Other finance costs	**(0.5)**	(0.2)
Total finance expense	**(82.9)**	(80.7)
Finance costs, net	**(78.1)**	(75.5)

1. Other financing-related fees include the amortisation of deferred financing fees associated with the multicurrency revolving credit facilities, term loan facilities and senior notes.
2. Capitalised interest was calculated using the Group's weighted average interest rate over the year of 6.0% (2023: 5.7%) and will be treated as tax deductible.

26. ACQUISITIONS

During the year to 31 December 2024, the Group completed the acquisition of Livramedom. The Group used acquisition accounting to reflect the fair value of the assets acquired and liabilities assumed as well as the intangible assets and goodwill recognised upon acquisitions. These valuations are considered provisional as at 31 December 2024.

The contingent consideration liabilities recognised by the Group is in respect of acquisitions and includes amounts contingent on future events such as development milestones and sales performance.

Accounting policy

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. Consideration transferred in respect of an acquisition is measured at the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed on the date of the acquisition. Identified assets acquired and liabilities assumed are measured at their respective acquisition-date fair values.

The excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired is recorded as goodwill. If the fair value of the identifiable net assets acquired is greater than the fair value of the consideration given, the excess is recognised immediately in the Consolidated Income Statement as a bargain purchase gain. Acquisition-related costs are expensed as incurred.

The operating results of the acquired business are reflected in the Group's Consolidated Financial Statements from the date of acquisition.

Notes to the consolidated financial statements continued

26. ACQUISITIONS (CONTINUED)

Accounting policy (continued)

Contingent consideration arising from a business combination is recognised at fair value on acquisition. Contingent consideration classified as a liability is a financial instrument and within the scope of IFRS 9 – Financial Instruments and is subsequently measured at fair value, with the changes in fair value recognised in the Consolidated Income Statement, in accordance with IFRS 9. This is classified within Level 3 of the fair value hierarchy (Note 23 – Financial Instruments).

The classification of cash payments associated with contingent consideration within the Consolidated Statement of Cash Flows is dependent on the nature of the arrangement. The settlement of the amount initially recognised upon acquisition is reflected in cash flows from investing activities, with the element of the payment relating to any subsequent remeasurement included within cash flows from operating activities.

Livramedom

On 17 September 2024, the Group completed its acquisition of 100% of the share capital of Livramedom, a France-based retailer of equipment for the treatment of continence, wound healing, and stoma therapy disorders, which will strengthen our direct-to-consumer capabilities in Continence Care and Ostomy Care. The company was founded in 2006, and is based in Marseille, France. The total consideration for the acquisition was $12.8 million (€11.5 million). There is no contingent consideration associated with this acquisition.

Assets acquired and liabilities assumed

The transaction meets the definition of a business combination and has been accounted for under the acquisition method of accounting. The following table summarises the provisional fair values of the assets acquired and liabilities assumed as at the acquisition date:

	Livramedom *Provisional* $m
Non-current assets	
Right-of-use assets	1.0
Intangible assets	1.3
Other non-current receivables	0.1
Current assets	
Inventories	0.9
Trade and other receivables	1.5
Cash and cash equivalents	0.9
Total assets acquired	5.7
Current liabilities	
Trade and other payables	(3.0)
Lease liabilities	(0.3)
Deferred tax liabilities	(0.2)
Non-current liabilities	
Lease liabilities	(0.7)
Deferred tax liabilities	(0.2)
Total liabilities assumed	(4.4)
Net assets acquired	1.3
Goodwill (Note 9.2)	11.5
Total	12.8
Initial cash consideration	14.5
Working capital adjustment[1]	(1.5)
Gross indebtedness adjustment[1]	(0.2)
Total consideration	12.8

1. These are the Group's calculations of the working capital and gross indebtedness adjustments in accordance with the terms of the Merger Agreement. These were not finalised or paid by the reporting date.

Analysis of cash outflow in the Consolidated Statement of Cash Flows

	Livramedom *Provisional* $m
Initial cash consideration	14.5
Cash and cash equivalents acquired	(0.9)
Net cash outflow from acquisitions, net of cash acquired	13.6

26. ACQUISITIONS (CONTINUED)

The fair values of the assets acquired and liabilities assumed are provisional at 31 December 2024. The Group will finalise these amounts as it obtains the information necessary to complete the measurement process. Any changes resulting from facts and circumstances that existed as of the acquisition dates may result in retrospective adjustments to the provisional amounts recognised at the acquisition date. The Group will finalise these amounts no later than one year from the acquisition date.

The provisional fair value of trade and other receivables amounted to $1.5 million, with a gross contractual amount of $1.6 million. At the acquisition date, the Group's best estimate of the contractual cash flows expected not be collected amounted to $0.1 million.

Goodwill amounting to $11.5 million was recognised on acquisition and is underpinned by a number of elements, which individually could not be quantified. Most significant amongst these is the premium attributable to a pre-existing, well-positioned business in the important Direct to Consumer market in France that will now allow Convatec to be more competitive. Additionally, Livramedom has a highly skilled workforce and established reputation. The Group expects cost savings, operational synergies and future growth opportunities to arise from combining the operations of the business to those of the Group. The Livramedom acquisition is included in the Continence Care CGU.

Acquisition-related costs

The Group incurred $3.5 million of acquisition-related costs in the year, primarily relating to legal and professional fees in respect of completed or aborted acquisitions in both the current year and previous years. The acquisition-related costs have been recognised in general and administrative expenses in the Consolidated Income Statement.

Revenue and profit

The revenue of Livramedom for the period from the acquisition date to 31 December 2024 was $4.8 million and net loss for the period was $0.6 million. If the acquisition had been completed on 1 January 2024, reported Group revenue would have been $11.4 million higher and Group profit for the year would have been $0.1 million higher.

Contingent consideration

As at 31 December 2024, the discounted fair value of the contingent consideration payable in respect of the Group's acquisitions was $70.3 million. During the year, final earn out payments totalling $70.9 million were made in respect of the Cure Medical and Triad Life Sciences acquisitions ($22.8 million recognised within cash flows from investing activities and $48.1 million recognised within cash flows from operating activities in the Consolidated Statement of Cash Flows). The net charge to the income statement in respect of changes in the fair value of contingent consideration (based on the best estimates of the amounts payable as at 31 December 2024) was $4.6 million. In addition, there was a foreign exchange movement of $1.4 million from the re-translation of non-USD denominated balances.

The movement in contingent consideration to 31 December was as follows:

	2024 $m	2023 $m
1 January	138.0	140.0
Contingent consideration from acquisitions	–	66.7
Fair value movement of contingent consideration	4.6	24.6
Utilised	(70.9)	(94.7)
Foreign exchange	(1.4)	1.4
31 December	70.3	138.0
Current	53.3	69.7
Non-current	17.0	68.3

The expected payment profile of the contingent consideration at 31 December was as follows:

	2024 $m	2023 $m
Within 1 year	53.3	69.7
2 to 5 years	0.4	55.8
More than 5 years	16.6	12.5
Total	70.3	138.0

Notes to the consolidated financial statements continued

26. ACQUISITIONS (CONTINUED)

Fair value of contingent consideration at reporting date

Contingent consideration arising on business combinations is classified as a recurring fair value measurement within Level 3 of the fair value hierarchy, in line with IFRS 13 Fair Value Measurements. Key unobservable inputs in respect of the Group's acquisitions include actual results, management forecasts and an appropriate discount rate.

As at 31 December 2024, the discounted fair value of the contingent consideration payable in respect of the Group's acquisitions was $70.3 million (2023: $138.0 million).

Management has determined that the potential range of undiscounted outcomes at 31 December 2024 is between $58.8 million and $163.9 million, from a maximum undiscounted amount of $163.9 million.

The table below shows an indicative basis of the sensitivity to the income statement and balance sheet at 31 December 2024.

	Sales forecast				Discount rate			
	5%	10%	-5%	-10%	1%	2%	-1%	-2%
Increase/(decrease) in financial liability and loss/(gain) in income statement	0.5	1.0	(0.5)	(1.1)	(1.8)	(3.3)	2.0	4.0

27. COMMITMENTS AND CONTINGENCIES

Commitments represent the Group's future capital expenditure which is not recognised as a liability in the Consolidated Financial Statements but represents a non-cancellable commitment.

A contingent liability is a possible liability that is not sufficiently certain to qualify for recognition as a provision because the amount cannot be measured reliably or because settlement is not considered probable.

Capital commitments

At 31 December 2024, the Group had non-cancellable commitments for the purchase of property, plant and equipment, capitalised software and development of $42.6 million (2023: $22.3 million).

Contingent liabilities

The Company and its subsidiaries are party to various legal claims and disputes which arise in the normal course of business. Provisions are recognised for outcomes that are deemed probable and can be reliably estimated. Management believe that any material liability in respect of legal actions and claims not already provided for, is remote.

28. RELATED PARTY TRANSACTIONS

The Directors have not identified any related parties to the Group, other than the key management personnel. The Group considers key management personnel as defined in IAS 24, *Related Party Disclosures* to be the members of the CELT as set out on pages 94 to 95 and the Non-Executive Directors as set out on pages 92 to 93.

Key management personnel compensation

Key management personnel compensation for the year ended 31 December was as follows:

	2024 $m	2023 $m
Short-term employee benefits	18.6	15.5
Share-based payment expense	9.2	7.1
Post-employment benefits	0.6	0.5
Termination benefits	0.3	–
Total	28.7	23.1

Further details of short-term employee benefits, share-based payment expense and post-employment benefits for the two Executive Directors are shown on page 135. Details of the Non-Executive Directors' fees, included in the table above, are provided on page 143.

The Group has not been a party to any other material transaction, or proposed transactions, in which any member of the key management personnel had or was to have a direct or indirect material interest.

29. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through to 25 February 2025, the date the Consolidated Financial Statements were approved by the Board of Directors.

On 25 February 2025, the Board proposed the final dividend in respect of 2024 subject to shareholder approval at the Annual General Meeting on 22 May 2025, to be distributed on 29 May 2025. See Note 18 – Dividends to the Consolidated Financial Statements for further details.

Company financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 $m	2023 $m
Assets			
Non-current assets			
Investment in subsidiaries	3	5,529.6	4,019.4
Deferred tax assets	4	2.2	3.0
		5,531.8	4,022.4
Current assets			
Other receivables	5	31.4	33.4
Total assets		5,563.2	4,055.8
Equity and liabilities			
Current liabilities			
Trade and other payables	6	59.3	4.6
		59.3	4.6
Non-current liabilities			
Other payables		0.1	0.1
Total liabilities		59.4	4.7
Net assets		5,503.8	4,051.1
Equity			
Share capital	7	251.5	251.5
Share premium	7	181.0	181.0
Own shares	7	(16.4)	(0.6)
Retained surplus		3,088.5	1,539.4
Merger reserve		1,765.6	1,765.6
Cumulative translation reserve		112.4	206.6
Other reserves		121.2	107.6
Total equity		5,503.8	4,051.1
Total equity and liabilities		5,563.2	4,055.8

The Company reported a net profit for the year ended 31 December 2024 of $1,679.3 million (2023: $103.3 million).

The Financial Statements of Convatec Group Plc (registered number 10361298) were approved by the Board of Directors and authorised for issue on 25 February 2025. They were signed on its behalf by:

Jonny Mason
Chief Financial Officer

Karim Bitar
Chief Executive Officer

Company financial statements continued

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital $m	Share premium $m	Own shares $m	Retained surplus $m	Merger reserve $m	Cumulative translation reserve $m	Other reserves $m	Total equity $m
At 1 January 2023	250.7	165.7	(1.5)	1,562.9	1,765.6	3.7	91.3	3,838.4
Net profit	–	–	–	103.3	–	–	–	103.3
Foreign currency translation adjustment	–	–	–	–	–	202.9	–	202.9
Total comprehensive income	–	–	–	103.3	–	202.9	–	306.2
Dividends paid	–	–	–	(110.7)	–	–	–	(110.7)
Scrip dividend	0.8	15.3	–	(16.1)	–	–	–	–
Share-based payments	–	–	–	–	–	–	14.5	14.5
Share awards vested	–	–	0.9	–	–	–	1.5	2.4
Excess deferred tax benefit from share-based payments	–	–	–	–	–	–	0.3	0.3
At 31 December 2023	251.5	181.0	(0.6)	1,539.4	1,765.6	206.6	107.6	4,051.1
Net profit	**–**	**–**	**–**	**1,679.3**	**–**	**–**	**–**	**1,679.3**
Foreign currency translation adjustment	**–**	**–**	**–**	**–**	**–**	**(94.2)**	**–**	**(94.2)**
Total comprehensive income	**–**	**–**	**–**	**1,679.3**	**–**	**(94.2)**	**–**	**1,585.1**
Dividends paid	**–**	**–**	**–**	**(130.2)**	**–**	**–**	**–**	**(130.2)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**19.7**	**19.7**
Share awards vested	**–**	**–**	**7.0**	**–**	**–**	**–**	**(5.3)**	**1.7**
Excess deferred tax benefit from share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**(0.8)**	**(0.8)**
Purchase of shares by Employee Benefit Trust	**–**	**–**	**(22.8)**	**–**	**–**	**–**	**–**	**(22.8)**
At 31 December 2024	**251.5**	**181.0**	**(16.4)**	**3,088.5**	**1,765.6**	**112.4**	**121.2**	**5,503.8**

For further information on share-based payments, refer to Note 19 – Share-based payments, and for dividends refer to Note 18 – Dividends to the Consolidated Financial Statements.

1. BASIS OF PREPARATION

This section describes the Company's material accounting policies in respect of the Company Financial Statements and explains critical accounting judgements and estimates that management has identified as having a potentially material impact to the Company. Specific accounting policies relating to the Notes to the Company Financial Statements are described within that note.

1.1 General information

The separate Financial Statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council (FRC). Accordingly, the Financial Statements have been prepared in accordance with Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework as issued by the FRC.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in respect of share-based payments, financial instruments, capital management, comparative information, presentation of a cash flow statement, new but not yet effective IFRSs and certain related party transactions.

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own Income Statement for the current or prior year. The profit attributable to the Company is disclosed in the footnote to the Company's Statement of Financial Position.

Where required, equivalent disclosures are given in the Consolidated Financial Statements.

The auditor's remuneration for audit and other services is disclosed in Note 3.3 – Auditor's remuneration to the Consolidated Financial Statements.

1.2 Material accounting policies

Basis of accounting

The Financial Statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in the Consolidated Financial Statements except as noted below.

Foreign currencies

The functional currency of the Company is Sterling, being the currency of the primary economic environment in which it operates.

The Company has adopted US dollars as the presentation currency for its Financial Statements, in line with the presentation currency for the Consolidated Financial Statements. For the purpose of presenting individual company financial statements, assets and liabilities of the Company are translated into US dollars at exchange rates prevailing on the balance sheet date. Equity is translated into US dollars at the historic rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity, the cumulative translation reserve, in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Share-based payments

The Company has implemented the generally accepted accounting principle for accounting for share-based payments with subsidiary undertakings under FRS 101, whereby the Company has granted rights to issue its shares to employees of its subsidiary undertakings under an equity-settled arrangement and the subsidiaries have not reimbursed the Company for these rights. Under this arrangement, the Company treats the share-based payment recognised in the subsidiary's financial statements as an increase in the cost of investment in the subsidiary and credits equity with an equal amount.

Investments

Investments in Group undertakings are stated at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the investment is less than the carrying amount of the investment, the investment is considered to be impaired and is written down to its recoverable amount.

Any impairment charge is initially taken to retained earnings and subsequently offset against any merger reserve by way of a reserves transfer.

At the end of each reporting period, the Company assesses whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Company should estimate the recoverable amount to determine if all or part of the previously recognised impairment loss should be reversed.

1.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's Financial Statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported value of assets and liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

There were no critical accounting judgements that would have a significant effect on the amounts recognised in the parent company financial statements or key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Company financial statements continued

2. STAFF COSTS

The Executive Directors of Convatec Group Plc are the only employees of the Company. The remuneration of the Executive Directors is set out on pages 114 to 144 within the Remuneration Committee report.

Their aggregate remuneration comprised:

	2024 $m	2023 $m
Wages and salaries	**4.2**	3.8
Share-based payment expense	**5.2**	3.7
Social security costs	**1.1**	1.1
Pension-related costs	**0.1**	0.2
Total	**10.6**	8.8

Average monthly number of employees (including Executive Directors) was 2 (2023: 2).

3. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries represent the cost of the Company's investment in its subsidiary undertakings, net of any impairment charges. Refer to pages 207 to 209 for details of all the Company's direct and indirect holdings.

	Cost $m	Impairment $m	Net book value $m
At 1 January 2023	5,350.1	(1,531.2)	3,818.9
Capital contributions in respect of share-based payments to employees of subsidiaries	12.1	–	12.1
Reduction due to reimbursement upon exercised awards	(16.4)	–	(16.4)
Foreign exchange	286.9	(82.1)	204.8
At 31 December 2023	**5,632.7**	**(1,613.3)**	**4,019.4**
Capital contributions in respect of share-based payments to employees of subsidiaries	**14.5**	**–**	**14.5**
Reduction due to reimbursement upon exercised awards	**(22.6)**	**–**	**(22.6)**
Reversal of impairment loss	**–**	**1,613.8**	**1,613.8**
Foreign exchange	**(95.0)**	**(0.5)**	**(95.5)**
At 31 December 2024	**5,529.6**	**–**	**5,529.6**

The Company performed an assessment of the recoverable amount of the investments in subsidiaries at 31 December 2024. The recoverable amount was determined with reference to IAS 36 by assessing the value in use of the investments based on the discounted cash flows. This resulted in a complete reversal of the previous impairment from 2018 of $1,613.8 million, which has been taken to the retained surplus account. Refer to Note 8 for further details.

In undertaking this assessment, the company has considered both external and internal sources of information, as well as any observable indications that may suggest that the impairment had reversed.

The future cash flows are determined using the latest available Board-approved forecasts and strategic plans. These forecasts and strategic plans are based on specific assumptions during the five-year planning period with respect to revenue, results of operations, working capital, capital investments and other general assumptions for the projected period. The forecast assumptions, that derive the future cash flows, are based on the historical results of the Group combined with external market information and defined strategic initiatives. The recoverable amount has been estimated by the application of an appropriate discount rate to these future cash flows.

The share price of Convatec Group Plc at 31 December 2024 was £2.21 (2023: £2.44), resulting in a market valuation of £4,534.1 million ($5,674.9 million) (2023: £5,006 million ($6,373 million)).

The following UK subsidiaries are exempt from the requirement to file audited accounts by virtue of Section 479A of the Companies Act 2006:

	Company registration number
Convatec Group Holdings Limited	12698069
Starlight Science Limited	14419310
Convatec International U.K. Limited	06622355

4. DEFERRED TAX ASSETS

Deferred tax assets mainly arise in relation to timing differences on the exercise of share-based awards.

	$m
At 1 January 2023	2.6
Movement in income statement	0.1
Movement in other comprehensive income	0.3
Foreign exchange	–
At 31 December 2023	**3.0**
Movement in income statement	**0.1**
Movement in other comprehensive income	**(0.8)**
Foreign exchange	**(0.1)**
At 31 December 2024	**2.2**

The deferred tax asset consists of deferred tax on the following items:

	2024 $m	2023 $m
Share-based payments	**2.2**	3.0
At 31 December	**2.2**	3.0

Deferred tax assets are only recognised where it is probably that future profit will be available to utilise the tax losses.

5. OTHER RECEIVABLES

Other receivables consist of amounts due from Group undertakings, other receivables and prepaid insurance.

	2024 $m	2023 $m
Amounts falling due within one year:		
Amounts owed by Group undertakings	**31.0**	23.0
Other receivables	**0.2**	10.3
Prepayments	**0.2**	0.1
	31.4	33.4

Included in the amounts owed by Group undertakings at 31 December 2023 were intercompany loans of $6.3 million with a variable interest rate set at a margin 35bps below SONIA. In 2024, this was in a payable position and is discussed in Note 6 – Trade and other payables below. All amounts owed by Group undertakings are unsecured and are expected to be realised within 12 months of the reporting date.

6. TRADE AND OTHER PAYABLES

Trade payables consist of amounts payable to third parties related predominantly to the Company's corporate responsibilities.

Other payables represent amounts owed to Group undertakings, accruals and other taxation and social security.

	2024 $m	2023 $m
Amounts falling due within one year:		
Trade payables	**0.3**	1.1
Amounts owed to Group undertakings	**54.6**	–
Other taxation and social security	**1.3**	0.8
Accruals	**3.1**	2.7
	59.3	4.6

Included in the amounts owed to Group undertakings at 31 December 2024 are intercompany loans of $53.9 million (2023: nil) with a variable interest rate set at a margin 200bps above SONIA. All amounts owed to Group undertakings are unsecured and are repayable on demand.

7. RESERVES

All reserve balances included in this note are components of equity and are non-distributable.

Share capital, share premium and own shares

Details of the Company's share capital, share premium and own shares are detailed in Note 17 – Share capital and reserves to the Consolidated Financial Statements.

Company financial statements continued

7. RESERVES (CONTINUED)

Merger reserve

The merger reserve represents the fair value in excess of the par value of shares issued as part of a share exchange upon incorporation of the Company.

Currency translation reserve

The currency translation reserve comprise the exchange differences arising on the translation of the assets and liabilities of the Company into US dollars at the prevailing balance sheet rate and income and expense items being translated at the average exchange rates for the period.

Other reserves

Other reserves are in respect of movements on equity-settled share-based payments.

8. DISTRIBUTABLE RESERVES

As the Company is a holding company with no direct operations the capacity of the Company to make dividend payments is primarily derived from dividends received from subsidiary companies.

As disclosed in Note 3, a previous impairment of $1,613.8 million in respect of investments in subsidiaries was reversed during the year and taken to the retained surplus account. This amount is treated as non-distributable. At 31 December 2024, the retained surplus of the Company was $3,088.5 million (2023: $1,539.4 million) of which $1,474.7 million (2023: $1,539.4 million) was realised and distributable. Details of the considerations and rationale for the distribution of dividends are given in the Directors' report on page 145.

9. FINANCIAL GUARANTEES

The Company has guaranteed certain external borrowings of subsidiaries which at 31 December 2024 amounted to $1,133.5 million (2023: $1,240.6 million). The likelihood of these guarantees being called upon is considered to be remote and therefore the estimated fair value of these guarantees is considered to be nil at 31 December 2024 (2023: nil).

10. SUBSEQUENT EVENTS

On 25 February 2025, the Board proposed the final dividend in respect of 2024 subject to shareholder approval at the Annual General Meeting on 22 May 2025, to be distributed on 29 May 2025. See Note 18 – Dividends to the Consolidated Financial Statements for further details.

Subsidiary and related undertakings

Details of the Company's subsidiaries and associated undertakings at 31 December 2024 are as follows:

Name	Place of business and registered office	Portion of ownership interest %	Portion of voting power held %
Akers & Dickinson Limited[1]	United Kingdom	100%	100%
Allied Medical (UK) Services Limited[1]	United Kingdom	100%	100%
Alpha-Med (Medical & Surgical) Limited[1]	United Kingdom	100%	100%
Amcare Limited[1]	United Kingdom	100%	100%
Arthur Wood Limited[1]	United Kingdom	100%	100%
B.C.A. Direct Limited[1]	United Kingdom	100%	100%
Bradgate-Unitech Limited[1]	United Kingdom	100%	100%
Convatec Accessories Limited[1]	United Kingdom	100%	100%
Convatec Holdings U.K. Limited[2]	United Kingdom	100%	100%
Convatec NAP Limited[1]	United Kingdom	100%	100%
Convatec Speciality Fibres Limited[1]	United Kingdom	100%	100%
Convatec International U.K. Limited[2]	United Kingdom	100%	100%
Convatec Limited[1]	United Kingdom	100%	100%
Farnhurst Medical Limited[1]	United Kingdom	100%	100%
Lance Blades Limited[1]	United Kingdom	100%	100%
M.S.B. Limited[1]	United Kingdom	100%	100%
Needle Industries (Sheffield) Limited[1]	United Kingdom	100%	100%
Nottingham Medical Equipment Limited[1]	United Kingdom	100%	100%
Novacare UK Limited[1]	United Kingdom	100%	100%
Pharma-Plast Limited[1]	United Kingdom	100%	100%
Project Dragon SPV Limited[2]	United Kingdom	100%	100%
Resus Positive Limited[1]	United Kingdom	100%	100%
Rotax Razor Company Limited[1]	United Kingdom	100%	100%
Shrimpton & Fletcher Limited[1]	United Kingdom	100%	100%
Starlight Science Limited[1]	United Kingdom	100%	100%
Steriseal Limited[1]	United Kingdom	100%	100%
SureCalm Healthcare Holdings Limited[1]	United Kingdom	100%	100%
SureCalm Healthcare Ltd[1]	United Kingdom	100%	100%
SureCalm Pharmacy Limited[1]	United Kingdom	100%	100%
Unomedical Developments Limited[1]	United Kingdom	100%	100%
Unomedical Holdings Limited[1]	United Kingdom	100%	100%
Unomedical Limited[1]	United Kingdom	100%	100%
Unoplast (U.K.) Limited[1]	United Kingdom	100%	100%
Convatec Finance Holdings Limited[2]	United Kingdom	100%	100%
Convatec Management Holdings Limited*[1]	United Kingdom	100%	100%
Convatec Group Holdings Limited*[2]	United Kingdom	100%	100%
Cidron Healthcare Limited*[3]	Jersey	100%	100%
Convatec Healthcare Ireland Limited[4]	Ireland	100%	100%
Convatec France Holdings SAS[5]	France	100%	100%
Laboratoires ConvaTec SAS[5]	France	100%	100%
Livramedom SAS[11]	France	100%	100%
Convatec Healthcare D S.à.r.l.[6]	Luxembourg	100%	100%
Convatec Spain Holdings, S.L.[7]	Spain	100%	100%
Convatec Spain S.L.[7]	Spain	100%	100%
CVT Business Services, Unipessoal Lda.[8]	Portugal	100%	100%
KVTech Portugal – Produtos Medicos Unipessoal Ltda[8]	Portugal	100%	100%
Convatec OY[9]	Finland	100%	100%
Convatec (Switzerland) GmbH[10]	Switzerland	100%	100%
Convatec International Services GmbH[10]	Switzerland	100%	100%
Convatec (Austria) GmbH[12]	Austria	100%	100%
Convatec Italia S.r.l.[13]	Italy	100%	100%
Convatec Hellas Medical Products S.A.[14]	Greece	100%	100%
Convatec Polska Sp. Z.o.o[15]	Poland	100%	100%
Convatec Ceska Republika s.r.o.[16]	Czech Republic	100%	100%
Convatec (Australia) PTY Limited[17]	Australia	100%	100%

Subsidiary and related undertakings continued

Name	Place of business and registered office	Portion of ownership interest %	Portion of voting power held %
Convatec (New Zealand) Limited[18]	New Zealand	100%	100%
Convatec Sağlik Ürünleri Limited Şirketi[19]	Turkey	100%	100%
Convatec (Sweden) AB[20]	Sweden	100%	100%
Convatec Norway AS[21]	Norway	100%	100%
Convatec (Germany) GmbH[22]	Germany	100%	100%
EuroTec GmbH[23]	Germany	100%	100%
Unomedical s.r.o.[24]	Slovakia	100%	100%
EuroTec B.V.[25]	Netherlands	100%	100%
EuroTec Beheer B.V.[25]	Netherlands	100%	100%
Convatec Nederland B.V.[26]	Netherlands	100%	100%
Convatec Belgium BVBA[27]	Belgium	100%	100%
EuroTec BV (Belguim Branch)[28]	Belgium	100%	100%
Papyro-Tex A/S[29]	Denmark	100%	100%
Convatec Denmark A/S[30]	Denmark	100%	100%
Unomedical A/S[31]	Denmark	100%	100%
Convatec Denmark Holdings ApS[32]	Denmark	100%	100%
Convatec South Africa (PTY) Limited[33]	South Africa	100%	100%
ConvaCare Medical South Africa (PTY) Ltd[33]	South Africa	100%	100%
Convatec Middle East & Africa LLC[34]	Egypt	100%	100%
Convatec Middle East FZ-LLC[35]	United Arab Emirates	100%	100%
Convatec (Singapore) PTE Limited[36]	Singapore	100%	100%
Convatec Malaysia Sdn Bhd[37]	Malaysia	100%	100%
Convatec China Limited (Beijing Branch)[38]	China	100%	100%
Convatec China Limited (Guang Zhou Branch)[39]	China	100%	100%
Convatec China Limited[40]	China	100%	100%
Boston Medical Device Dominicana S.R.L.[41]	Dominican Republic	100%	100%
Convatec Hong Kong Limited[42]	Hong Kong	100%	100%
Convatec Japan KK[43]	Japan	100%	100%
Convatec (Singapore) PTE Limited (Taiwan Branch)[44]	Taiwan	100%	100%
Convatec (Thailand) Co. Limited[45]	Thailand	100%	100%
ZAO ConvaTec[46]**	Russia	100%	100%
Convatec Korea, Ltd[47]	Korea	100%	100%
Convatec Argentina SRL[48]	Argentina	100%	100%
Convatec Canada Limited[49]	Canada	100%	100%
Unomedical S.A de C.V.[50]	Mexico	100%	100%
Convatec Medical Care Mexico S. de R.L. de C.V.[51]	Mexico	100%	100%
Boston Medical Device de México, S. de R.L. de C.V.[51]	Mexico	100%	100%
Unomedical Devices S.A. de C.V.[52]	Mexico	100%	100%
Convatec Peru S.A.C.[53]	Peru	100%	100%
Convatec Brasil Ltda.[74]	Brazil	100%	100%
Convatec Medical Care Assistência a Paciente Ltda[54]	Brazil	100%	100%
Convatec Colombia Ltda.[55]	Colombia	100%	100%
Boston Medical Care S.A.S IPS[56]	Colombia	100%	100%
Convatec Medical Care S.P.A[57]	Chile	100%	100%
Convatec Chile S.A.[57]	Chile	100%	100%
Convatec Ecuador S.A.[58]	Ecuador	100%	100%
Boston Medical Device de Venezuela, C.A.[59]	Venezuela	100%	100%
Convatec India Private Limited[60]	India	100%	100%
180 Medical Acquisition Inc.[61]	US	100%	100%
180 Medical Holdings Inc.[61]	US	100%	100%
180 Medical Inc.[61]	US	100%	100%
180 Medical Distribution Inc.[62]	US	100%	100%
AbViser Medical, LLC[63]	US	100%	100%
Boston Medical Device, Inc.[64]	US	100%	100%
Boston Med Device International, LLC[64]	US	100%	100%
Convatec Dominican Republic Inc.[62]	US	100%	100%

Name	Place of business and registered office	Portion of ownership interest %	Portion of voting power held %
Convatec Inc.[64]	US	100%	100%
Convatec Technologies Inc.[65]	US	100%	100%
Woodbury Holdings, Inc.[66]	US	100%	100%
WPI Acquisition Corporation[66]	US	100%	100%
WPI Holdings Corporation[66]	US	100%	100%
Wilmington Medical Supply, Inc.[67]	US	100%	100%
PRN Medical Services, LLC[68]	US	100%	100%
PRNMS Investments LLC[68]	US	100%	100%
Symbius Medical Inc.[68]	US	100%	100%
South Shore Medical Supply, Inc.[69]	US	100%	100%
Unomedical America, Inc.[64]	US	100%	100%
Unomedical, Inc.[64]	US	100%	100%
J&R Medical, LLC[70]	US	100%	100%
Cure Medical LLC[71]	US	100%	100%
Convatec Triad Life Sciences, LLC[62]	US	100%	100%
Convatec NAP Holdings, Inc.[64]	US	100%	100%
A Better Choice Medical Supply, L.L.C[72]	US	100%	100%
All American Medical Supply Corp.[73]	US	100%	100%

1. GDC First Avenue, Deeside Industrial Park, Deeside, Flintshire CH5 2NU, UK
2. 20 Eastbourne Terrace, Paddington, London W2 6LG, UK
3. 44 Esplanade, St. Helier, Jersey, JE4 9WG, Channel Islands
4. 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland
5. 89, Boulevard National, 92250 La Garenne-Colombes, France
6. 12C, rue Guillaume Kroll, L-1882, Luxembourg
7. C/Constitucion, Num 1, Planta 4, Puerta 4, 08960 Sant Just Desvern, Barcelona, Spain
8. Av. Duque de Loulé, 106, 4th Floor, 1050-093, Lisboa Portugal
9. Karhumäentie 3, 01530 Vantaa, Finland
10. Herrenacker15, 8200 Schaffhausen, Switzerland
11. 111 Avenue de la Roque Forcade, 13420 Gemenos, France
12. Schubertring 6, 1010 Wien, Austria
13. Via della Sierra Nevada, 60-00144 Rome, Italy 14.392A Mesogeion Avenue, Ag. Paraskevi, Athens, 15341, Greece
15. Rondo Daszyńskiego 1, 00-843Warszawa, Poland
16. Olivova 2096/4, Prague 1, 11000, Czech Republic
17. C/o Intertrust Australia Pty Ltd, Suite 2, Level 25, 100 Miller Street, North Sydney, NSW 2060, Australia
18. C/o Intertrust New Zealand, Level 1, 33 Federal Street, Auckland, 1010, New Zealand
19. Ayazağa Mah.Mimar Sinan SK. A Blok No:21A İC Kapi No:9 Sariyer, Istanbul, Turkey
20. Box 3096, 169 03 Solna, Stockholm, Sweden
21. Wergelandsveien 7, 0167 Oslo, Norway
22. Mühldorfstrasse 8, 81671 Munich, Germany
23. Solingerstrasse 93 40764 Langenfeld, Germany
24. Priemyselný Park 3, 071 01 Michalovce, Slovakia
25. Schotsbossenstraat 8, 4705AG Roosendaal, Netherlands
26. Papendorpseweg 95, 3528 BJ, Utrecht, Netherlands
27. Parc d'Alliance, Boulevard de France 9, B-1420 Braine l'Alleud, Belgium
28. Stationsstraat 35, 2950 Kapellen, Belgium
29. ConvaTec Harlev Skinderskovvej 32-36, 2730, Herlev, Denmark
30. Transformervej 14, 2860 Søborg, Denmark
31. Åholmvej 1-3, 4320 Lejre, Denmark
32. Åholmvej 1 Osted, 4320 Lejre, Denmark
33. Workshop 17, 16 Baker Street, Rosebank, Johannesburg, Gauteng 2196, South Africa
34. Office No. M017, Raya Building, 70 Street, New Cairo Banks, Cairo, Egypt
35. 604N, 6th Floor, Dubai Science Park Park (DSP) Towers North, Dubai Science Park, Dubai, United Arab Emirates
36. 456 Alexandra Road, #18-02 Fragrance Empire Building, Singapore 119962, Singapore
37. 18-12 Menara Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Wilayah Persekutuan 50470 Malaysia
38. Unit 805, 8F Jinbao Tower, No.89 Jinbao Street Dongcheng District, Beijing 100005, China.
39. Unit 808, Level 8, Fortune plaza, No.116 Ti Yu Dong Road, Tianhe District, Guangzhou City, Guangdong, 510620, China.
40. Unit 1105-1106, Crystal Plaza Office Tower 1, No.1359 Yaolong Road, China (Shanghai) Pilot Free Trade Zone, Shanghai 200124, China
41. Arzobispo Portes No. 659, Ciudad Nueva, Santo Domingo, Dominican Republic
42. Unit 1901 Yue Xiu Bldg 160–174, Lockhart Road, Wan Chai, Hong Kong
43. 1-1-7 Kouraku, Bunkyo-ku, Tokyo 112-0004, Japan
44. 5F.-4, No. 57, Fuxing N. Rd, Songshan Dist., Taipei City, 10595, Taiwan
45. 9th Floor, M. Thai Tower, All Seasons Place, 87 Wireless Road, Lumphini, Phatum Wan, Bangkok, 10330, Thailand
46. Kosmodamianskaya nab. 52, building 1, 9th floor, 115054, Moscow, Russia
47. 4F, American Standard B/D, Yeongdongdaero 112gil 66, Gangnam-Gu, Seoul, 06083, Republic of Korea
48. Calle Cerrito No.1070 Tercer Piso, Oficina 71, Buenos Aires, Argentina
49. 600-1741 Lower Water Street, Halifax, Nova Scotia B3J 0J2, Canada
50. Avenida Industrial Falcón, L7, Parque Industrial del Norte, Reynosa Tamps, C.P. 88736, Mexico
51. Avenida Insurgentes Sur 619, 3° Piso, Nápoles, Ciudad de Mexico 03810, Mexico
52. Av. Fomento Industrial L9 M3, Parque Industrial del Norte, Reynosa Tamps, C.P. 88736, Mexico
53. Cal. Monte Rosa Nro 255 Int. 301 Urb. Chacarilla, Lima, Santiago DE Surco, Perú
54. Rua Alexandre Dumas, 2100,15º. Andar, Ed Corporate Plaza, Conj 151 e 152, Chácará Stº Antonio, São Paulo, 04717-913, Brazil
55. Av. Carrera 45 #108 – 27 Centro Empresarial Paralelo 108, Bogotá, DC Codigo Postal 111111, Colombia
56. Calle 82 # 18-31, Bogotá, Colombia
57. Av. Andres Bello #2325, Oficina 8, Santiago, Chile
58. Francisco Robles E4-136 y Av. Amazonas, Edificio Proinco Calisto, Piso 12, Quito, EC170526, Ecuador
59. Av. Eugenio Mendoza Urb. La Castellana, Torre La Castellana Piso 7, Caracas Venezuela
60. Unit No 206, 2nd Floor Tower B, Digital Greens, Sector 61, Golf Course Road, Gurgaon 122102, Haryana, India
61. 8516 Northwest Expressway, Oklahoma City, OK 73162-601, US
62. 251 Little Falls Drive, Wilmington, DE 19808, US 63. 79 W 4500 S, Suite 18, Salt Lake City UT 84107-2647, US
64. 200 Connell Drive, Suite 1000, Berkeley Heights, NJ 07922, US
65. C/o CSC, 112 North Curry Street, Carson City, NV 89703, US
66. 725 Primera Blvd, Suite 230, Lake Mary, FL 32746-2127, US
67. 5815 Oleander Drive, Unit 310, Wilmington, NC 28403-4853, US
68. 16610 N. Black Canyon Highway, Suite 109, Phoenix, AZ 85053-7551, US
69. 58 Norfolk Avenue, Unit 2, South Easton, MA 02375-1907, US
70. 4625 Southwest Freeway, Suite 800, Houston, TX 77027-7105, US
71. 3471 Via Lido, Suite 211, Newport Beach, CA 92663, US
72. 3100 Dixie Hwy, Waterford Twp, MI 48328, US 73. 5493 Merrick Road, Massapequa, NY 11758, US
74. Floor 2, Room 21/22, Av Pres. Juscelino Kubitschek 50, New Conception Village, Sao Paulo, Brazil

* Directly held investment by Convatec Group Plc

** The Group discontinued operations (including all sales and marketing activities) in Russia in 2022. We are in the process of managing our exit from the Group's dormant entity, and from 1 March 2025, will have no remaining employees in the country. We have no plans to recommence operations.

Shareholder information

Our corporate website: www.convatecgroup.com

Information about our Stock Exchange announcements, key dates in our financial calendar, our share price information and background information is available on our corporate website at www.convatecgroup.com/investors.

– We will release our interim results for the six months ended 30 June 2025 on 29 July 2025.

Shareholders may also receive information by email by signing up to the news alert service available at www.convatecgroup.com/investors/sign-up-for-more-information.

Share price information

Our closing share price as at 31 December 2024 was 221.2p.

Managing your shareholding

You can manage your shareholding online by registering to use Investor Centre, a free and secure website. Investor Centre is available 24 hours a day, 365 days a year. To find out more about Investor Centre visit www.investorcentre.co.uk. Registration is a straightforward process and all you will need is your shareholder reference number (SRN) and registered address details.

Shareholders who prefer not to manage their shareholding online can contact our Registrars, Computershare Investor Services PLC, who manage our share register. The shareholder helpline number is +44 (0) 370 703 6219 and further information about Computershare Investor Services PLC is set out below.

Internet share dealing

Please note that, if you wish to purchase shares in the Company, you may do so through a bank or stockbroker. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services made available by Computershare; this service is only available to shareholders in the UK. This service provides shareholders with a convenient way to buy or sell the Company's ordinary shares on the London Stock Exchange. The commission is 1.4%, subject to a minimum charge of £40. In addition, stamp duty, currently 0.5%, is payable on purchases. Real-time dealing is available during market hours. In addition, there is a convenient facility to place your order outside of market hours.

Up to 90-day limit orders are available for sales. Before you can trade you will need to register for the service. To access go to www.computershare.com/dealing/uk.

Shareholders should have their SRN available. The SRN appears on share certificates as it will be required as part of the registration process. A bank debit card will be required for purchases.

Postal share dealing

Please note this service is, at present, only available to shareholders resident in the UK. The commission is 1.4% plus a charge of £40. In addition, stamp duty, currently 0.5%, is payable on purchases. The service is available from 8.00am to 4.30pm Monday to Friday, excluding bank holidays, on telephone number +44 (0) 370 703 0084. Before you trade you will need to register for this service. This can be done by going online at www.computershare.com/dealing/uk. Shareholders should have their SRN ready when making the call. The SRN appears on share certificates. A bank debit card will be required for purchases. Detailed terms and conditions are available on request by telephoning +44 (0) 370 703 0084.

Please note that due to the regulations in the UK, Computershare are required to check that you have read and accepted their Terms and Conditions before being able to trade, which could delay your first telephone trade. If you wish to trade quickly, we suggest visiting their website and registering online first.

Share fraud

We would like to warn all of our shareholders to be very wary of any unsolicited telephone calls or letters which offer investment advice, offer to buy your shares at a discounted price, or sell them at an inflated price or offers free company reports. This type of call should be treated as an investment scam. Further information about investment scams and how they should be reported is available at www.convatecgroup.com/investors/shareholder-services/.

Company Secretary and registered office

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Registrar

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Telephone: +44 (0) 370 703 6219
Contact: www.investorcentre.co.uk/contactus

Auditor

Deloitte LLP

Brokers

UBS Limited

Solicitors

Freshfields Bruckhaus Deringer LLP

Glossary

AAALAC	Assessment and Accreditation of Laboratory Animal Care.
Alternative performance measures (APMs)	Certain financial measures in this Annual Report and Accounts not prepared in accordance with IFRS and used as a meaningful supplement to reported measures. Also referred to as adjusting items.
Advanced Wound Care (AWC)	Advanced dressings for the management of acute and chronic wounds resulting from ongoing conditions, such as diabetes, and acute conditions resulting from traumatic injury and burns.
AGM	Annual General Meeting of the Company.
AI	Artificial intelligence.
ARA	Annual Report and Accounts.
ARC	Audit and Risk Committee.
Articles	The Articles of Association of the Company for the time being in force.
ATT	Advanced Tissue Technologies.
Base erosion and profit shifting (BEPS) initiative	OECD initiative which seeks to close gaps in international taxation for companies that allegedly avoid tax or reduce tax burden in their home country by engaging in tax inversions.
Basic earnings per share	Net profit available for Convatec shareholders divided by the weighted average number of ordinary shares in issue during the year.
Basis points (bps)	A unit of measurement that represents one-hundredth of one percent, or 0.01%.
BMS	Bristol Myers Squibb.
Board	The Board of Directors of Convatec Group Plc.
Book tax rate	The tax charge in the income statement as a percentage of profit before tax.
Compound annual growth rate (CAGR)	CAGR shows the rate of growth over a certain period of time, expressed in annual percentage terms.
Capital expenditure (capex)	Purchases of property, plant and equipment and intangible assets.
Cash-generating units (CGUs)	The smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
CE mark	Certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area.
CELT	Convatec Executive Leadership Team.
CHW	Community Health Worker
Code	UK Corporate Governance Code 2018 in effect from 1 January 2019, issued by the FRC.
Code of conduct	Our code of conduct which covers business conduct and compliance issues, including bribery and corruption.
CODM	Chief Operating Decision Maker.
CoE	Centre of Excellence.
COGS	Cost of Goods Sold.
Companies Act	Companies Act 2006, as amended, of England and Wales.
Company or parent company	Convatec Group Plc.
Constant currency growth	Constant currency growth is calculated by applying the applicable prior period average exchange rates to the Group's actual performance in the respective period.
Continence Care (CC)	Products and services for people with urinary continence issues related to spinal cord injuries, neurological disease, prostate enlargement and other causes.
COSO	The Committee of Sponsoring Organizations, a global organisation providing a framework for risk management, internal control, governance and fraud deterrence.
CPM	Complaints per million.
CR	Corporate responsibility.
CSRD	The EU Corporate Sustainability Reporting Directive.
DE&I	Diversity, equity and inclusion.
Derivatives	Financial instruments used to reduce risk, the price of which is derived from an underlying asset, index or rate.
Diluted earnings per share	The calculation of diluted earnings per share, includes the dilutive impact of share awards where the average market price of the Group's ordinary shares exceeds the exercise price.
Director	A member of the Board of Directors of Convatec Group Plc.
Disclosure guidance and transparency rules (DTRs)	FCA disclosure guidance and transparency rules with which the Group must comply.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EcoVadis	Third-party platform used for supplier risk assessment and ESG engagement.
Effective tax rate (ETR)	The tax charge in the income statement as a percentage of profit before tax.
EPS	Earnings per share.
Equity cash conversion	Free cash flow to equity divided by adjusted net profit.
EHS	Environment, Health and Safety.
eNPS	Employee Net Promoter Score.
ERG	Employee Resource Group.
ESG	Environmental, Social and Governance.
ESMA	European Securities and Markets Authority.
ESOS	Energy Savings Opportunity Scheme.
EU	European Union.
EURIBOR	Euro Interbank Offered Rate.
FBU	Fair, Balanced and Understandable. Statement made by the Board that considers the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable. The Board is supported by the Audit and Risk Committee.
FCA	Financial Conduct Authority.
FDA	US Food and Drug Administration.
FISBE	Convatec's corporate strategy: Focus, Innovate, Simplify, Build, Execute.
FRC	Financial Reporting Council.
FX	Foreign exchange.
G&A	General & Administrative.

Glossary continued

GBS	Global Business Services (located in Lisbon, Bogotá and Kuala Lumpur).
GDGs	Green Design Guidelines.
GDP	Gross Domestic Product.
GDPR	General Data Protection Regulation.
GEM	Global emerging markets.
GHG emissions	Greenhouse gas emissions.
Group	The Company and its subsidiaries.
GPO	Group purchasing organisations.
GQO	Global Quality & Operations.
H&S	Health and safety.
HCP	Healthcare professional.
Home Services Group (HSG)	The Group's US home services business unit for distribution catheter and ostomy products.
IASB	International Accounting Standards Board – the independent standard setting body of the IFRS Foundation.
IBOR	Interbank Offered Rate.
IDA	Industrial Denatured Alcohol.
IEA	International Energy Agency, an autonomous intergovernmental organisation providing policy recommendations and analysis and data on the global energy sector.
IFRS	International Financial Reporting Standards as issued by the IASB.
IFRIC	International Financial Reporting Interpretations as issued by the IASB.
Infusion Care (IC)	Disposable infusion sets used with insulin pumps for diabetes or with continuous infusion treatments for conditions such as Parkinson's diesease.
IP	Intellectual property.
IR	Investor Relations.
KPI – Key Performance Indicator	Financial and non-financial measures that the Group uses to assess performance and strategic progress.
LCDs	Local Coverage Determinations (eligibility for local Medicare coverage in the US).
Leverage	Net debt (excluding leases) divided by adjusted EBITDA.
LTIP	Long-term incentive plan.
LTIR	Lost time injury rate.
M&A	Mergers and acquisitions.
MAR	Market abuse regulation.
MDR	Medical Device Regulations introduced in the EU with required transition by May 2021. MDR imposes rigorous requirements in relation to a number of areas including clinical data and post market surveillance.
MedTech	Medical technology.
Net debt	Borrowings less cash and cash equivalents and excluding lease liabilities.
NGO	Non-governmental organisation.
NHS	UK National Health Service.
OEC	Office of Ethics and Compliance.
OECD	Organisation for Economic Cooperation and Development.
Operating cash conversion	Operating cash flow divided by adjusted operating profit.
Opex	Operating expenses, being the total of selling and distribution expenses, general administrative expenses and research and development, and other operating expenses.
Organic growth	Period-over-period growth at constant currency, adjusted for: Livramedom (September 2024), Starlight Science Limited (April 2023), A Better Choice Medical Supply (July 2023) and All American Medical Supply (October 2023) acquisitions; and the discontinuation of hospital care, related industrial sales and associated Russia operations.
Organisational Health Index (OHI)	McKinsey index tracking organisational health that drives performance.
Ostomy Care (OC)	Devices, accessories and services for people with a stoma (a surgically created opening where bodily waste is discharged), commonly resulting from causes such as colorectal cancer, bladder cancer, inflammatory bowel disease and trauma.
PBT	Profit before income taxes.
Peakon	Workday employee voice platform.
PIH	Partners in Health, an international public health organisation providing healthcare in the poorest areas of developing countries.
PP&E	Property, plant and equipment.
Product categories	The Group has four product groups, being Advanced Wound Care, Ostomy Care, Continence Care and Infusion Care.
R&D	Research and Development.
RCT	Randomised controlled trial.
ROIC	Return on invested capital.
SBTi	Science Based Target initiative.
SBTs	Science Based Targets.
Sedex	Third-party platform used for supplier risk assessment and ESG engagement.
SID	Senior Independent Director.
SKU	Stock keeping unit.
SLR	SLR Consulting Limited, our specialist sustainability advisers.
SOFR	Secured Overnight Financing Rate.
SONIA	Sterling Overnight Index Rate.
Sterling, £, pence or p	The currency of the United Kingdom.
Subsidiary	A company over which the Group exercises control.
T&I	Technology & Innovation.
TCFD	Task Force on Climate-related Financial Disclosures.
Transformation Initiative	Initiatives and associated investment focused on transforming the business to deliver sustainable and profitable growth.
TSL	Total Safety Leadership.
TSR	Total shareholder return.
UKLA	The UK's Listing Authority.
US dollar, $, cent or ¢	The currency of the United States of America.
UTI	Urinary tract infection.
YoY	Year-on-year.
Viability period	The three-year period from January 2025 to December 2027 (based on the Annual Report).
WACC	Weighted average cost of capital.

Important information for readers of this Annual Report

Cautionary statement regarding forward-looking statements

The purpose of this Annual Report is to provide information to the members of the Company. The Group and its Directors, employees, agents and advisers do not accept or assume responsibility to any other person to whom this Annual Report is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. In order, among other things, to utilise the 'safe harbour' provisions of the US Private Securities Litigation Reform Act 1995 and the UK Companies Act 2006, we are providing the following cautionary statement: This Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group, including among other things, statements about expected revenues, margins, earnings per share or other financial or other measures. Forward-looking statements are generally identified by the use of terms such as 'believes', 'estimates', 'aims', 'anticipates', 'expects', 'intends', 'plans', 'predicts', 'may', 'will', 'could', 'targets', 'continues' or, in each case, their negatives or other similar expressions. These forward-looking statements include all matters that are not historical facts.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies that are difficult to predict and many of which are outside the Group's control. As such, no assurance can be given that such future results, including guidance provided by the Group, will be achieved.

Forward-looking statements are not guarantees of future performance and such uncertainties and contingencies, including the factors set out in the Principal Risks section of the Strategic report which begins on page 76, could cause the actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates, to differ materially from the position expressed or implied in the forward-looking statements set out in this Annual Report. Past performance of the Group cannot be relied on as a guide to future performance. Nothing in this Annual Report should be construed as a profit forecast.

Forward-looking statements are based only on knowledge and information available to the Group at the date of preparation of this document and speak only as at the date of this Annual Report. The Group and its Directors, officers, employees, agents, affiliates and advisers expressly disclaim any obligations to update any forward-looking statements (except to the extent required by applicable law or regulation).

Third-party data

The industry and market data contained in this Annual Report has come from third-party sources and from the Group's own internal research and estimates based on the knowledge and experience of the Group's management in the market in which the Group operates. Whilst the Group believes that such sources, research and estimates are reasonable and reliable, they have not been independently verified and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data in this Annual Report.

Convatec website

Information on or accessible through our website www.convatecgroup.com and other websites mentioned in this Annual Report, does not form part of and is not incorporated into this Annual Report.

Figures

Figures in parentheses in tables and in the Financial Statements are used to represent negative numbers.

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