

**Sumika Polymer Compounds (Europe) Ltd – Year ended 31/3/2024**  
**Section 172 (1) statement**

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- (a) likely consequences of any decisions in the long-term;
- (b) interests of the company's employees;
- (c) need to foster the company's business relationships with suppliers, customers and others;
- (d) impact of the company's operations on the community and environment;
- (e) desirability of the company maintaining a reputation for high standards of business conduct;
- (f) need to act fairly between members of the company.

The Company has regular communication with its shareholder via face to face and videoconference meetings as well as reporting performance on a monthly basis. There are also robust approval processes in place which provide our shareholder with the opportunity to provide input, consideration and authorisation for key strategic decisions impacting both the financial prospects of the Company and those relating to sustainability objectives. The board of the Company includes a majority of members elected by the shareholder.

The strength of our business depends upon the expertise, commitment and hard work of our employees and our objective is to retain the best workforce in order to meet the long-term strategy of our business. We engage our workforce regularly in open, transparent communication to highlight our accomplishments, explain future challenges and make key objectives clear so that each person understands how their role contributes to the success of the business.

The companies in which the Company invests, serve global customers and, due to the nature of the products supplied, work closely with them to develop products which meet their specific needs. Many of the customers are long standing and our subsidiaries engage with them on a regular basis to ensure that the security of their supply chain is supported, their quality standards are met, and technical support is available. To achieve this, the companies in the group depend on the performance and reliability of their suppliers, and they work collaboratively with key suppliers to ensure that they meet their standards.

As long-standing local employers, our subsidiary companies work with their communities to ensure a safe and sustainable environment and support local and national charities through payroll giving schemes and fundraising events. On a wider scale, our companies support and develop products and technology which supports recycling in our industry, reduces waste and promotes the use of sustainable materials.

We set out below some examples of how the directors have had regard to the matters set out in section 172(1)(a)-(f) when discharging their section 172 duties in their decision making.

*Investment in recycling plant*

Following the successful outcome of a feasibility study into the expansion of the group's capacity for recycling of polypropylene materials in the previous year, the directors approved the building of a new recycling plant based in France. The project is expected to be partially funded by local and national sustainability grants, some of which have been successfully awarded and some of which are pending decision outcomes. The plant will enable the group in which the Company invests to significantly increase its capacity to recycle polypropylene from various sources in response to increasing customer demand in the area as well as enhancing sustainability objectives.

*Poland plant expansion*

The Company sanctioned investment in a new production line at its Polish subsidiary undertaking. The investment, which was completed in July 2024 doubles the existing capacity of the group's newest plant which primarily serves customers in Eastern Europe. The subsidiary has also established a dedicated sales team to serve its markets and these investments enable an enhanced range of products as well as being able to respond quickly to customer demand.