

Section 172(1) statement

Promoting the success of the Company

Our Directors have a duty under Section 172(1)(a) to (f) of the Companies Act 2006 (s.172(1)) to promote the success of the Company for the benefit of its members. In doing so, they must have regard (among other matters) to the likely long term consequences of their decisions, the interests of our employees, the business relationships with our suppliers, customers and others, the impact of our operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly as between our shareholders.

To be able to fulfil their duties when making decisions, it is essential that our Directors understand what matters to our stakeholders and, equally, that it is not always possible to provide positive outcomes for all stakeholders when considering the long term success of the Company.

Details of our stakeholder groups and how the business and the Board have engaged with them during the year are set out on pages 72-73.

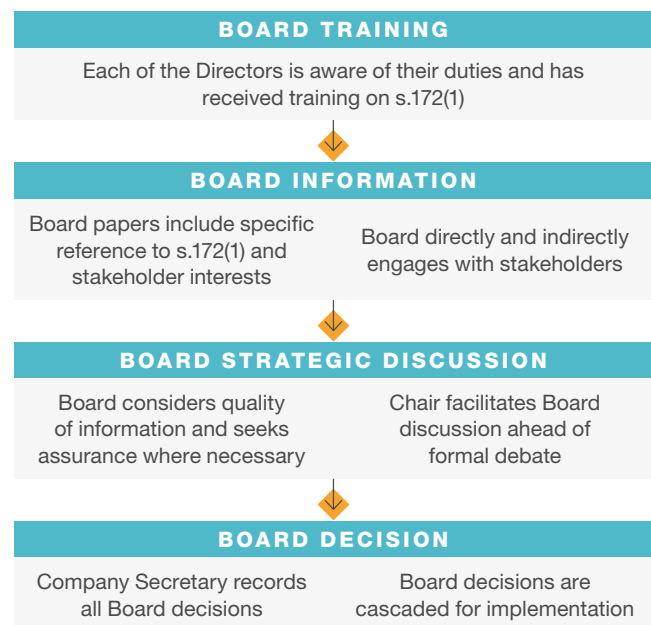
The Board receives information on stakeholder engagement matters through regular reports and presentations from senior management throughout the year. All Board papers for principal Board decisions include a specific section on s.172(1) and stakeholder interests. In addition to s.172(1) duties, there are also other factors that are taken into account or may be considered relevant in the context of decision making, for example, pension scheme members or engagement with regulatory authorities. Directors bring additional value by sharing knowledge or insight gained from previous or current roles which enable a more holistic approach to the decision making environment.

Christine Soden, our Designated Non-Executive Director for workforce engagement, ensures that the views and concerns of the workforce are brought to the Board and are taken into account. Further information on our approach to workforce engagement can be found on pages 106-108.

The Board made several site visits in 2022: to our Sotkamo and Vuonos sites in Finland and to our East Windsor and St Louis sites in the US. In addition, John O'Higgins, Christine Soden and Trudy Schoolenberg visited our Newberry Springs mine and processing plant in California, US. These visits provided opportunities for our employees to engage with the Directors during their tours of the sites, and through management overview presentations and 'fireside chats', as well as over dinners with the Board.

In addition, the Directors also engage directly with our investors (see page 110 for more detail) and participate in wider engagement with our employees.

HOW THE BOARD FULFILS ITS S.172 DUTIES

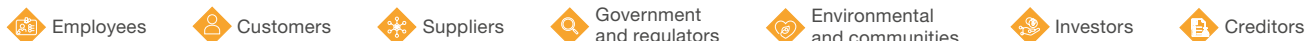


S.172 MATTERS	READ MORE	PAGES
(a) Consequences of decisions in the long term	Our business model Our strategic priorities Principal risks and uncertainties Viability statement and going concern Climate strategy Board activities	18-19 24-31 90-94 95 42-56 105
(b) Interests of employees	Non-financial information statement Supportive culture	71 61-67
(c) Fostering business relationships with suppliers, customers and others	Sustainability Materiality Operating review Our strategic priorities	36-38 39-41 82-85 24-31
(d) Impact of operations on the community and the environment	Sustainability Climate strategy Protecting the environment	36-38 42-56 57-60
(e) Maintaining high standards of business conduct	Sustainability	36-38
(f) Acting fairly between members	Shareholder engagement Voting rights	110 153

MATTERS CONSIDERED BY THE BOARD

The following are some of the decisions made by the Board this year which demonstrate how colleague interests, the need to foster business relationship with other key stakeholders and other section 172(1) matters have been taken into account in discussions and decision making:

KEY



DECISION	S. 172(1) CONSIDERATIONS	THE BOARD'S ROLE
<p>SALE OF CHROMIUM BUSINESS The key stakeholders identified:</p>	<ul style="list-style-type: none"> The impact of a decision to divest the Chromium business on the retained Group operations in the longer term, as well as on stakeholders of the divested business. Whether the interests of the Chromium business's employees, customers and suppliers would be best served as part of the Group or under a new owner. The changed profile of Elementis' environmental impacts if the Chromium business were to be sold. 	<p>The Board approved the initiation of a strategic review of the Group's Chromium business in April 2022. In the intervening period, which led to the announcement (in November 2022) that a sale of the Chromium business had been agreed, the Board regularly considered options in the strategic review, including assessing if divesting the Chromium business would deliver benefits to the retained Group, including the ability to focus as a specialty additives business. The Board's decision making process took into consideration the possible applications for any sale proceeds, including paying down the Group's debt and thereby strengthening its balance sheet, which in turn would be expected to have a positive impact on the covenant afforded to the Elementis Group Pension Scheme, as well as the Group's ability to resume dividends to shareholders in future. The Board also had regard to the implications for the Group's environmental sustainability profile of a potential sale, which would reduce the Group's Scope 1 and 2 (market) emissions by approximately 75%, as well as positively impact the Group's Scope 3 emissions. The Board evaluated the profiles of prospective buyers for the Chromium business and concluded that a divestment to the Yildirim Group, a leading Turkish industrial conglomerate and major producer of chrome ore and high carbon ferrochrome, would be likely to result in positive outcomes for employees, customers and suppliers of the Chromium business. Finally, the Board used insights from investor dialogues to conclude that the timing of the proposed divestment was appropriate.</p>
<p>EMPLOYEE VALUE PROPOSITION The key stakeholders identified:</p>	<p>The Board recognises the importance of attracting and retaining talented employees to the long term success of the Group.</p>	<p>In the context of the ongoing COVID-19 recovery, and the increased challenges for organisations in attracting and retaining high calibre employees, the Board received a proposal by management to take a proactive approach to communicating, internally and externally, a globally consistent position on what the Group uniquely offers as an employer. The Board received consolidated input from over 600 employees, from which the concept 'Connect. Grow. Make an Impact' emerged, and reviewed the proposed launch plans, including posters, brochures and in-person events. The Board endorsed the close alignment of the new Employee Value Proposition to the five Elementis Values.</p>
<p>SUSTAINABILITY STRATEGY The key stakeholders identified:</p>	<p>The ability to adapt to stakeholders' evolving environmental sustainability expectations as well as applicable legal requirements is essential to the long term viability of the Group.</p>	<p>The Board endorsed the output of the sustainability 'materiality assessment' in early 2022 – which identified the most important sustainability topics by business impact and stakeholder importance – and management's focus on these material areas during the year. The Board carefully considered the proposed adoption of a science based target for reduction in our greenhouse gas emissions by circa 2030, and the related updating of the Group's long term ambition statement from 'carbon neutral' to 'Net Zero by 2050', as well as the form of our first Net Zero transition plan, and approved these progressive steps, determining that they would better meet the expectations of the Group's employees, customers and shareholders in terms of the Group's management of its greenhouse gas footprint, as well as aligning our greenhouse gas emission reduction pathway with the UK's legal commitments and complying with UK corporate disclosure regulations.</p>