Section 172(1) statement

To enable our Directors to fulfil their duties when making decisions, it is essential that they understand what matters to, and the anticipated impact on, our stakeholders. Equally, 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 100-103.

The above statement on section 172 of the Companies Act 2006 is incorporated by reference into the Strategic Report on pages 1-88.

Key decisions in the year

Each of the matters described below was considered in detail at scheduled Board meetings throughout the year (and, for the CEO succession activities, at meetings of the Nomination and Remuneration Committees). A number of unscheduled meetings were also arranged to ensure stakeholder considerations were factored into the Board's decision-making processes.

S172	Disclosure	Page No
The likely consequences of any decision in the long term	Strategy Investment case Our business model Business performance review Sustainability	14-21 6 26-31 32-34 57-87
The interests of the Company's employees	Strategy People Workforce engagement Whistleblowing Culture	14-21 75-83 104 116 104
The need to foster business relationships with suppliers, customers and others	Strategy Business performance overview Sustainability Responsible business Our business model	14-21 32-34 57-87 84-87 26-31
The impact of the Company's operations on the community and the environment	Strategy Environment Materiality Responsible business	14-21 62-74 60 84-87
The desirability of the Company maintaining a reputation for high standards of business conduct	Strategy Risk management Audit Committee Report Responsible business	14-21 40-43 111-116 84-87
The need to act fairly as between members of the Company	Strategy Stakeholder engagement Materiality Environment People	14-21 100-103 60 62-74 75-83

Sale of the Talc business

The Board approved the initiation of a strategic review of the Group's Talc business in August 2024. In the intervening period, which led to the announcement (in May 2025) that a sale of the Talc business had been agreed, the Board regularly considered divestment options as part of the strategic review, including assessing if divesting the Talc business would deliver benefits to the retained Group, such as the ability to focus as a pure-play specialty chemicals business.

S.172(1) considerations

- The impact of a decision to divest the Talc business on the retained Group operations in the longer term, as well as on stakeholders of the divested business.
- Whether the interests of the Talc 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 and regulatory impacts if the Talc business were to be sold.

The Board's role

The Board's decision-making process took into consideration the possible applications for any sale proceeds, including the implementation of the share buyback programme. The Board also considered the implications for the Group's environmental sustainability profile, including the lower greenhouse gas emissions footprint that would result from a potential sale. The Board evaluated the profiles of prospective buyers for the Talc business and concluded that a divestment to IMI Fabi S.p.A., a global talc manufacturer, would be likely to result in positive outcomes for employees, customers and suppliers of the Talc business. Finally, the Board used insights from investor dialogues as part of the divestment strategy, including as to the optimal timing of the proposed divestment.

Key stakeholders identified

- Investors
- Employees (including past and current pension holders)
- Customers
- Suppliers
- Government and regulators
- Communities and the environment

Share buyback programme

The Board approved the implementation of a share buyback programme to return £40m in excess cash to shareholders in 2025, following the receipt of proceeds from the disposal of the Talc business.

S.172(1) considerations

When considering whether to approve the distribution, the Board took into account stakeholders' needs and all relevant circumstances, including the capital requirements of the business to support stakeholder initiatives.

The Board's role

The Board considered that the share buyback would benefit shareholders, specifically through the future application of the Group's stated dividend policy and the potential to deliver an increase in earnings per share.

The Board considered positive feedback from key institutional shareholders that a share buyback would represent an optimal use of capital. Furthermore, many of our employees are also shareholders in the business and would benefit from the opportunity for future dividends.

The Company may continue to engage in future share buybacks to create further value for shareholders, when cash flow permits and there is no immediate alternative investment use for the funds.

Key stakeholders identified

- Investors
- Employees

East Windsor, US

CEO succession

Following Paul Waterman's decision to step down as CEO as first announced in November 2024, Luc van Ravenstein was announced as our next CEO in March 2025, with his formal appointment to take effect at the AGM on 29 April 2025.

S.172(1) considerations

The Board considered Luc van Ravenstein's significant experience at Elementis, leading the Performance Specialties business for seven years and the Personal Care business for six years, measured against a range of objective assessment criteria and the suitability of other internal and external candidates.

The Board's role

Following a detailed evaluation of internal and external candidates and acting upon the recommendation of the Nomination Committee (and the Remuneration Committee in relation to remuneration considerations), the Board concluded that Elementis would benefit from Luc's strong track record of delivering innovation, growth and efficiency during his then 13 years at Elementis. He had led the Company's largest business segment, Performance Specialties (comprising Coatings, Energy and Talc), for seven years.

During this period, Luc had overseen the transformation of Coatings into a leading specialty chemicals business with a higher quality product portfolio and significantly higher margins. Before that, Luc had led the Personal Care segment during a period of significant growth.

Key stakeholders identified

- Investors
- Employees
- Customers
- Suppliers
- Government and regulators
- Communities and the environment

Porto, Portugal