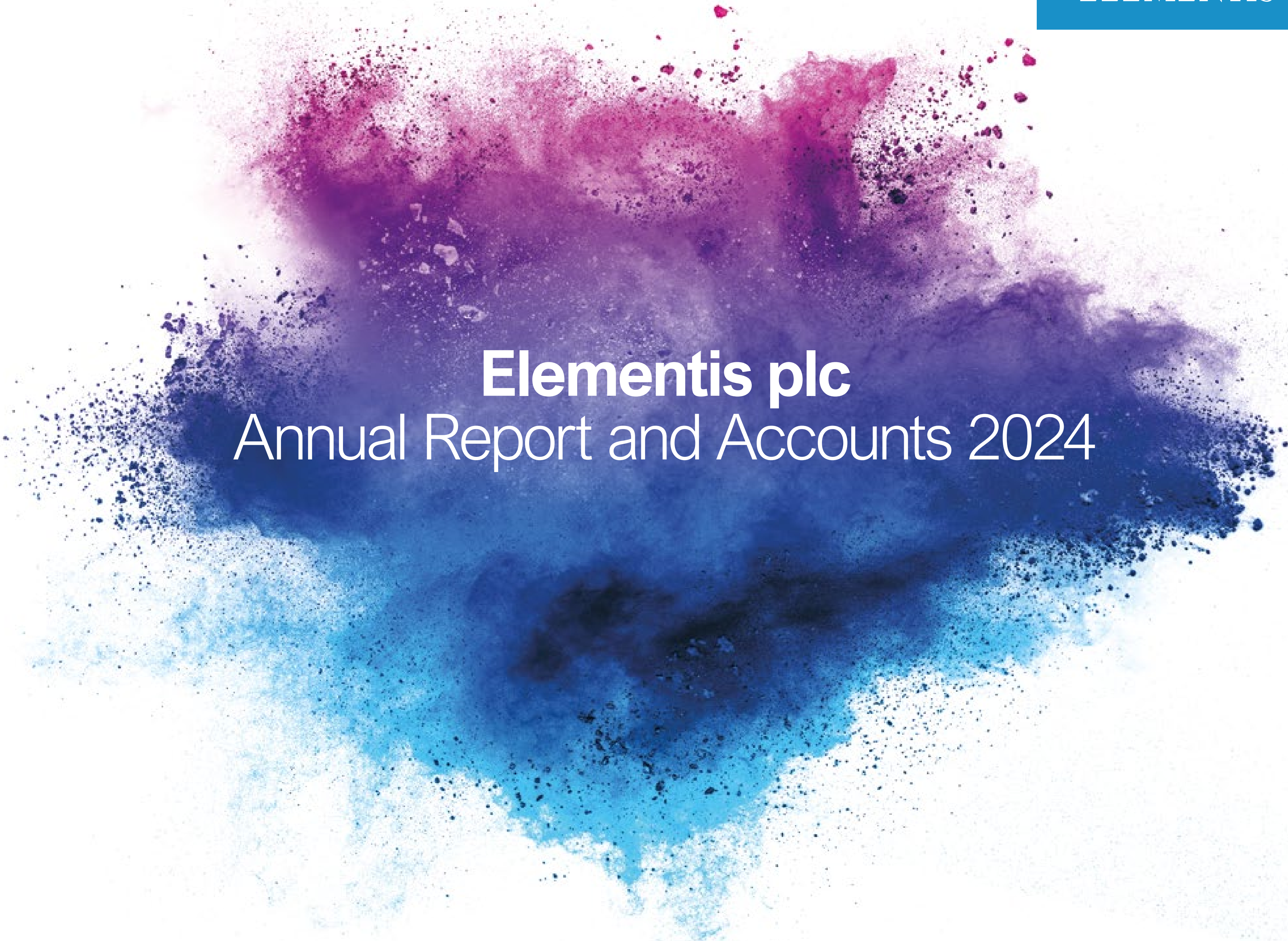
ELEMENTIS



Elementis plc
Annual Report and Accounts 2024

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Powder coating additives, as shown on the front cover, are very important for the powder coatings industry, a key growth market for Elementis.

Elementis is a global specialty chemicals company.

We offer performance-driven additives that help create innovative formulations for consumer and industrial applications.

Our purpose

Unique chemistry, sustainable solutions

At Elementis, we bring a distinctive combination of expertise, innovation and teamwork to every formulation challenge. We create high-value specialty additives that enhance the performance of our customers' products and make a positive change in the world.

Read more about how our purpose guides our strategy, culture and values on pages 3, 15-21, 44-50 and 86.

Cautionary statement The Annual Report and Accounts for the financial year ended 31 December 2024, as contained in this document ("Annual Report"), contains information which viewers or readers might consider to be forward-looking statements relating to or in respect of the financial condition, results, operations or businesses of Elementis plc. Any such statements involve risk and uncertainty because they relate to future events and circumstances. There are many factors that could cause actual results or developments to differ materially from those expressed or implied by any such forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.

Financial highlights[1]

Revenue
$738.3m
2023: $713.4m

Operating (loss)/profit
$(26.6)m
2023: $58.9m

Adjusted diluted earnings per share
13.3c
2023: 10.8c

Adjusted operating profit
$128.8m
2023: $103.9m

(Loss)/profit before tax
$(49.6)m
2023: $39.7m

Dividend per share
4.0c
2023: 2.1c

Adjusted operating margin
17.4%
2023: 14.6%

Diluted (loss)/earnings per share
(8.1)c
2023: 4.7c

Non-financial highlights

Total recordable injury rate
0.18
2023: 0.33

Scope 1 and 2 GHG emissions
77kt CO_2e
2023: 65kt CO_2e

Women in leadership
42.1%
2023: 37.3%

1 Refer to explanations and definitions, including alternative performance measures, on pages 22-23 and 192-193.

Elementis at a glance

What we do

Our products don't have everyday names, but there is a little bit of Elementis in many everyday items. We create specialty chemicals that deliver crucial end product attributes across a range of industries. Innovation is at the heart of what we do. Our focus is on creating solutions that deliver performance improvements and enhanced sustainability credentials.

c.1,200
employees

23
locations worldwide

FTSE 250
constituent

Two
focused businesses

Our businesses

Personal Care

We are a leading supplier of rheology modifiers, with focus on natural ingredients and antiperspirant actives. We offer a wide range of products to customers across personal care, home care, industrial cleaning, agriculture and pharma. Our products help make skin creams smoother, antiperspirants work longer, home care products more natural and plant protection products more efficient.

Revenue	% of Group adjusted operating profit[1]	Adjusted operating margin
$217m	42%	28%

Performance Specialties

Performance Specialties comprises Coatings and Talc.

Coatings supplies rheology modifiers and complementary specialty additives to manufacturers of industrial coatings, decorative paints, additives for oil and gas drilling, stimulation fluids and adhesives and sealants. Our products help make industrial coatings last longer, decorative paints more stain resistant and sealants apply more evenly.

We also supply talc to customers in a wide range of sectors, including automotive, plastics, paper, paint and agriculture.

Revenue	% of Group adjusted operating profit[1]	Adjusted operating margin
$521m	58%	17%

A global footprint

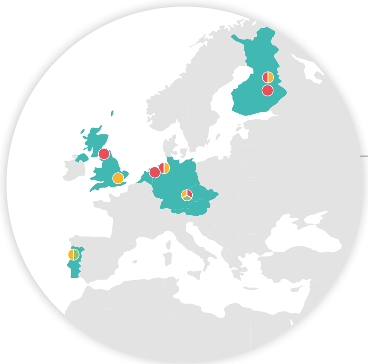
Americas

37% of Group revenues

26% of employees

8 locations

Europe

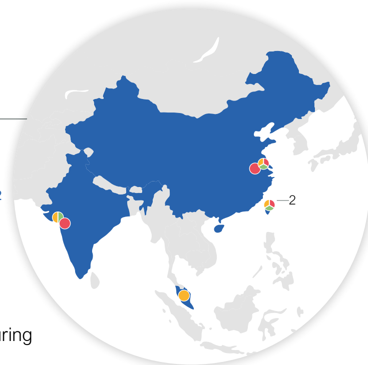


41% of Group revenues

41% of employees

8 locations

Asia



22% of Group revenues

33% of employees

7 locations[2]

Key

Office · Laboratory · Manufacturing

1 Pre-central costs.
2 We have two sites in Taiwan 1 km from each other.

The foundation of Elementis

We are purpose led

Unique chemistry, sustainable solutions.

Our culture

Our supportive culture is the catalyst to successful delivery of our strategy.

Our strategy

The right strategy is important to deliver business growth.

Our approach to sustainability

We are committed to conducting business with integrity and to fair and ethical behaviour throughout our organisation.

Our values are core to our high-performance culture

Safety

Our commitment to safety is our way of life.

Solutions

We make a difference through our expertise, responsiveness and focus on quality.

Ambition

We have a passion for excellence and a drive to create value.

Respect

We do the right thing for all our stakeholders.

Team

We work, grow and succeed together.

Read more about our culture and values on pages 44-50 and 86.

Our strategy ensures we continue to deliver long-term, sustainable growth…

Innovation

We are a global leader in performance-driven additives that help create innovative solutions for our customers. Leveraging our capabilities in rheology, surface chemistry and formulation, we help our customers create better products.

Growth

Our two businesses operate in attractive markets with structural growth opportunities, supported by clear market and industry trends.

Efficiency

We constantly seek to be a fit-for-purpose and more efficient business, agile and growing, with our impact on the environment and the communities in which we operate at the forefront of our minds.

Read more about our strategy on pages 15-21.

…enabling us to create value for our stakeholders

- Customers
- Employees
- Suppliers
- Communities and environment
- Investors
- Government, trade bodies and regulators

Read more about how we engage with, and create value for, our stakeholders on pages 24-26.

Sustainability flows through every aspect of our organisation

It underpins our strategy, allowing us to unlock value, provide better outcomes for our stakeholders and deliver on our purpose. Our sustainability strategy is based on a three-pillar framework.

Environment | **People** | **Responsible business**

Read more about our approach to sustainability and our sustainability strategy on pages 28-54.

Chair's statement

John O'Higgins
Chair

Thanks to the commitment and tenacity of our exceptional people, Elementis delivered another strong performance in 2024 and made good progress against our 2023 Capital Market Day objectives.

Overview

I am pleased to report a strong business and financial performance for 2024, reflecting our commitment to our updated strategy and associated targets, all achieved despite an ongoing challenging global economic climate.

It has been an eventful year, in which we successfully completed large organisational efficiency improvement, initiated a strategic review of the Talc business unit and announced a Chief Executive Officer ("CEO") succession. Our innovation and customer initiatives position the Group to further capitalise on the exciting global growth opportunities which we see.

Balance sheet and shareholder returns

Elementis remains a highly cash-generative business, as demonstrated by further deleveraging over the year. Net debt reduced to $157 million at year end, supported by higher earnings. As a result, the net debt to EBITDA ratio reduced to 1.0x (2023: 1.4x).

The Board, in light of the strength of the balance sheet, is recommending a final dividend of 2.9 cents per share to shareholders at the upcoming Annual General Meeting ("AGM"), resulting in a full-year dividend of 4.0 cents per share (2023: 2.1 cents). This is in line with the dividend policy announced last year with a payout ratio of around 30% of adjusted earnings. The final dividend will be paid on 30 May 2025 in pounds sterling at an exchange rate of £1.00:$1.2693 (equivalent to a sterling amount of 2.28 pence per share) to shareholders on the register at 2 May 2025.

We continue to focus on improving shareholder returns, while maintaining balance sheet flexibility and strength. We shall consider future returns of excess capital to our shareholders, as the opportunity arises, in line with the Group's capital allocation framework.

Our strategy

The three strategic pillars of Innovation, Growth and Efficiency provide a strong foundation for continued growth. At the 2023 Capital Markets Day ("CMD"), we announced new ambitious growth and efficiency programmes through to 2026, which will accelerate top-line performance while also enhancing operating margins. I am pleased with the strong progress made in the first year, getting closer to our 2026 financial targets. We expect these initiatives to deliver further revenue and profit growth in 2025.

This year has not been without some disappointments and challenges. The regulatory developments relating to Talc were a surprise to the company and indeed to the European talc industry at large. In 2024, we reported two impairment charges within the business totalling $126 million. The first one was triggered by an underperformance due to a nationwide strike in Finland in the first quarter, and the second followed the recent recommendation by the Risk Assessment Committee ("RAC") of the European Chemicals Agency ("ECHA") to reclassify talc as carcinogenic. Elementis disagrees with the RAC's opinion and, together with EUROTALC, will seek to demonstrate that the proposed classification for carcinogenicity is not appropriate. The Talc strategic review, announced in August 2024, is progressing and we will provide further update in due course.

Our strategy is underpinned by ambitious sustainability objectives, focused on creating innovative specialty additives that enhance the performance of our customers' products and make a positive change in the world.

This goes hand in hand with our goal of ensuring Elementis continues to reduce its greenhouse gas ("GHG") emissions in line with our ambition of Net Zero by 2050.

The journey to decarbonisation is not expected to be linear. Despite this year's increase in absolute emissions, we continued to make good progress on our broader sustainability objectives, including switching our energy and raw materials supplies from fossil fuels to renewable sources and improving the safety and sustainability profile of our products. This year, we developed a science-based target ("SBT") for GHG emission reductions. I am pleased to report, that our SBT was recently approved by the Science Based Targets initiative ("SBTi").

Our people and culture

I would like to thank all our employees for their commitment and contribution to the delivery of this year's strong performance. It is particularly pertinent as we complete the Fit for the Future organisational restructuring, saying goodbye to many of our colleagues over the year.

We also welcomed over 100 new colleagues in our new Porto office this year. Their energy and strive for excellence are a great fit with our high-performance culture, focused on understanding and supporting the needs of our customers.

We place significant importance on ensuring the safety and wellbeing of all employees, and we performed strongly in this area, with two recordable injuries and a significant reduction in the total recordable incident rate ("TRIR") in 2024. We have also made good progress against our objective of creating a more diverse and inclusive organisation, increasing the proportion of senior female leaders across our business to 42%. For additional diversity disclosures, including for the Directors, see pages 47-48 and 90-91 of this report.

The Board is committed to a high level of employee engagement, welcoming opportunities to meet with our colleagues in many of our locations over the year. Employee engagement is further encouraged and monitored via the biannual employee survey process. This allows us to regularly engage with our people and provide relevant and timely support and training throughout the year. You can read more about the results of the Gallup employee survey on pages 48-50.

Governance and Board

Early in the year, we welcomed Maria Ciliberti and Heejae Chae to the Board as Non-Executive Directors. Maria brings a strong and current global operational experience in the chemical industry and Heejae brings experience in both his executive and non-executive roles.

In November 2024, we announced that Paul Waterman will be leaving Elementis in 2025. Paul, who has served as CEO since 2016, will not be seeking re-election at the next AGM. On behalf of the Board, I would like to thank Paul for his service and commitment to Elementis during that tenure and for his significant contribution and leadership in developing the culture and values of the Group today. He leaves the business in a strong position.

In March 2025, we announced the appointment of Luc van Ravenstein as the new CEO of Elementis, succeeding Paul Waterman. Since joining Elementis in 2012, Luc has led the Personal Care, Coatings and more recently the Performance Specialties businesses. He was instrumental to the Coatings transformation programme in 2020, significantly improving the quality and performance of this business. He will assume the role of the CEO on 29 April 2025, subject to confirmation by shareholders at the 2025 AGM.

On 1 January 2025, we welcomed Christopher Mills to the Board as a Non-Executive Director. Christopher is a CEO of Harwood Capital Management, a shareholder of Elementis. We look forward to benefitting from his track record of generating value for all shareholders.

Shareholder engagement

In 2024, the Senior Independent Director ("SID"), Trudy Schoolenberg, and I had many opportunities to meet with our shareholders and discuss a broad range of topics. This year, the discussions focused on the updated strategy and the Group financial targets, CEO succession and investor activism. Shareholders were also keen to discuss potential sale of the Talc business, considering the recently announced talc reclassification, as well as other new initiatives to narrow the gap between the share price and the Company's intrinsic value.

The Board regularly receives feedback from shareholders and considers it in its decision-making. We believe that the progress on the efficiency and growth programmes delivered this year, alongside our disciplined capital allocation approach, demonstrate our commitment to improving shareholder returns over time.

Looking ahead

On behalf of the Board, I would like to thank all our employees for their enthusiasm and outstanding customer service, contributing to this year's strong performance. We are saying goodbye to Paul, who has led this business over the past nine years, and welcome Luc, as we embark on an exciting new phase for Elementis. I am confident that under Luc's leadership, Elementis will continue to grow and deliver long-term sustainable value for all our stakeholders.

John O'Higgins
Chair

Section 172(1) statement

The Board of Directors confirms that during the year ended 31 December 2024, it has acted to promote the long-term success of Elementis for the benefit of its shareholders, while having due regard to the matters set out in section 172(1) of the Companies Act 2006, being:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

Details of the Board's engagement with key stakeholders and key decisions taken over the year are included on pages 26-27.

Further details of the Board's activities are described in the Governance report on pages 81-85.

Our business model

Elementis is a business-to-business specialty chemicals company, offering performance-driven additives for consumer and industrial applications.

Our scientists are experts in rheology and formulation solutions. They create innovative solutions that help solve our customers' toughest formulation challenges.

We operate globally via two focused businesses

Personal Care

Key markets and our positioning

Colour cosmetic and skin care rheology leader; global antiperspirant actives leader.

We also supply specialty ingredients to customers across home care and institutional cleaning, agriculture and pharma industries.

Competitive advantage

- Innovation and formulation leadership
- Customised rheology modifiers
- Active ingredients
- High-quality hectorite resource
- Global reach

Skin Care

We offer a broad selection of natural and naturally-derived ingredients, facilitating the development of natural skin care products, while providing exceptional texture, great sensory properties and long-lasting stability. Our understanding of regional market demands and ongoing innovations in natural rheology enables us to deliver sustainable solutions for water-based systems and continue to expand our share of the global skin care sector.

Colour Cosmetics

As the market leader in oil-based rheology modification, we offer a wide range of solutions and technologies that help formulate make-up products with vibrant colour and excellent sensory properties.

Antiperspirants

As a leader in antiperspirant actives, we cater to consumer needs with effective and sustainable solutions. Our customers value our supply resilience, driven by our global production footprint. We are the leading industry innovators, responding to consumer trends for high-performance actives that ensure long-lasting sweat and odour protection.

Read more about Personal Care on pages 62 and 15-21.

Performance Specialties

Key markets and our positioning

Architectural and industrial coatings; auto plastics; global rheology additives leader; leader in high-end speciality talc.

We also supply specialty additives for adhesives, sealants and construction applications.

Competitive advantage

- Innovation and formulation leadership
- Rheology modifiers and additives
- High-quality hectorite resource
- High-performance talc

Coatings

We supply rheology modifiers and other complementary specialty additives to manufacturers of industrial coatings, decorative paints, additives for oil and gas drilling and simulation fluids, adhesives and sealants. Our products help make industrial coatings last longer, decorative paints more stain resistant and sealants apply evenly.

Talc

We have a well-established mine-to-market model, supplying diversified end markets. We use proprietary flotation technology, which produces consistent talc purity and allows customisation. Our talc makes long-life plastics stronger and lighter, gasoline particulate filters work, and food packaging recyclable.

Read more about Coatings and Talc on pages 63-64 and 15-21.

Our competitive advantage

We combine advantaged positions in hectorite and talc, with our distinctive technologies, to create value-added customer solutions.

Rheology 'the science of flow'. It deals with deformation and the flow of materials. At Elementis, we have deep expertise in providing tailored rheological solutions for specific customer needs.

Premium assets

We own the only high-grade hectorite mine in the world. Hectorite is a natural mineral that delivers excellent rheology in both water- and oil-based systems, making it an attractive alternative to synthetic materials. It can be processed at lower temperatures, leading to lower costs and improved sustainability. It also delivers important attributes, such as excellent texture and colour for Personal Care and long-term stability for Performance Specialties applications.

We have four talc mines in Finland and use proprietary flotation technology, which enables production of high-purity talc. We supply talc products to customers across a range of end-applications, including plastics, paint, paper and technical ceramics.

>50 years

of estimated hectorite resource life

Engaged and skilled people, with unparalleled expertise in rheology and formulation solutions

Our people are fundamental to the continued success of our business. We have a skilled and engaged global workforce, and we place great focus on recognising and valuing their contributions and the expertise they share.

Formulation solutions

We are experts at formulation solutions – the process of optimising formulation ingredients to achieve the desired functionality and performance of the final product.

Rheology

Rheology is essential to the performance of a formulation – it makes the ingredients work together.

~100

scientists working in seven laboratories across four continents

Customer-centric, with global reach

Our global footprint allows us to build long-lasting relationships with our clients and serve them in their local markets, as well as large clients across multiple locations. Our manufacturing footprint provides flexibility and supply resilience.

We collaborate with our customers

We work in partnership with our customers, providing technical support and collaboration to develop innovative products, tailored to their needs and goals.

We develop innovative solutions

We are known innovators, with significant technical expertise. Leveraging our capabilities in rheology, surface chemistry and formulation, we focus on creating solutions for our customers that deliver product performance improvements, efficiency gains and enhanced sustainability credentials.

17

manufacturing sites around the world

Sustainable solutions

We have a high natural and naturally-derived material content in our product portfolio. We work with suppliers and customers to further increase our use of biobased materials, both as a direct replacement of fossil-derived petrochemicals and by creating new products. Many of our products already help our customers use less energy and their operations emit less GHG.

69%

of revenues from natural or naturally-derived ingredients

Strong cash generation

Strong cash generation enables us to invest for long-term growth, reduce financial leverage and generate returns for stakeholders.

88%

average three-year operating cash conversion

How we create value

Our integrated business model, combined with our technology, market-leading formulation capabilities and the continuous improvement focus, supports margin enhancement and drives returns.

We re-invest in our business to expand our capabilities, so we can continue to meet the requirements of our customers and generate long-term sustainable growth and stakeholder returns.

Read more about how we engage with our stakeholders on pages 24-25.

For customers

We work closely with our customers to provide innovative solutions that help solve their toughest formulations challenges and create value-enhancing products.

22

products launched

Read more about our approach to innovation on pages 16-17.

For our people

We promote a supportive culture where our people feel safe, valued, and can maximise their potential.

3.91

mean Gallup Q12 score (out of 5)

Read more about our people and culture on pages 44-50.

For suppliers

We are committed to driving transparency throughout our value chains and partnering with suppliers who share our commitments.

Read more about how we work with suppliers and our approach to sustainable sourcing on pages 24 and 53.

For communities and environment

We behave responsibly and with integrity in the communities in which we operate, and focus on reducing our environmental impact.

77%

of our electricity certified as zero carbon

Read more about our sustainability and community involvement on pages 28-43 and 49.

For investors

We seek to generate reliable returns for our shareholders over time, through sustained earnings growth and shareholder distribution.

4.0 cents

dividend per share

Read more about our investor engagement on page 83.

For government, trade bodies and regulators

We are committed to continuing high standards of business conduct in line with regulatory, governmental and legal expectations.

Read more about our business conduct on pages 51-54.

Chief Executive Officer's review

Paul Waterman
Chief Executive Officer

When I became CEO in 2016, Elementis was a very different Company. Approximately 30% of revenues were from more cyclical, commodity-oriented businesses such as Chromium and Surfactants. At that time, Personal Care contributed less than 10% to the Group's revenues, and our Coatings business was a collection of regional market positions.

Elementis is now a focused specialty chemical business, with a strong customer proposition and attractive growth opportunities globally. Today 80% of our revenues come from high-quality, high-margin businesses with compelling growth opportunities. We sold low-margin, commodity-oriented businesses, and focused our investment on new product innovation and developing the capabilities of our people. And we significantly improved the efficiency of our operations as well as our organisation. Importantly, over this time, we have reduced risk by strengthening our safety culture and materially improving our sustainability performance.

In August 2024, we announced a strategic review of our Talc business. Talc volumes across our key European markets (automotive, paint and paper) have reduced significantly since 2019, post COVID-19. Today, customers demand regional supply resilience, hence limiting our opportunity to expand beyond Europe. Equally, we consider that Talc remains a high-quality business. The strategic review is progressing, and a further update will be provided in due course.

The Innovation, Growth and Efficiency strategy introduced in November 2019 is working well, as demonstrated by the strong results delivered in 2024. But none of this would be possible without the fantastic team of people who bring their best to work every day, passionately serving customers across the markets in which we operate and helping them to solve their toughest formulation challenges.

I consider myself privileged to have led this great team over the past nine years and feel confident to leave the Group in an excellent financial position, well positioned for continued future success.

Performance

Elementis delivered strong financial performance in 2024. Revenue grew by 3% to $738 million (2023: $713 million), and we achieved record adjusted operating profit in both Personal Care and Coatings. A great result amid a continued environment of weak market demand faced by our industry over the past few years.

Group adjusted operating profit increased 24% to $129 million (2023: $104 million), and adjusted operating margin improved by 280bps to 17.4% (2023: 14.6%). Growth in profit was driven by self-help initiatives, including lower costs and favourable price and mix benefits, further supported by higher volumes in the year. Statutory operating loss of $27 million (2023: profit of $59 million) reflects $126 million of Talc impairment (2023: nil).

Personal Care revenue increased 4% to $217.4 million (2023: $209.3 million), driven by improved volumes as well as price and mix benefits. Revenues were higher across all regions, with Asia up 18%, benefitting from consistent continued investment in our capabilities in recent years and innovative new product launches. We delivered a record adjusted operating profit of $61.6 million (2023: $50.3 million), driven by improved volumes, self-help actions that reduced costs, and margin accretive route-to-market changes. This resulted in a significant improvement of adjusted operating margin to 28.3% (2023: 24.1%).

Note: Revenue and adjusted operating profit growth rates quoted on a reported basis.

Performance Specialties revenues were 3% higher than the prior year at $521 million (2023: $504 million) and adjusted operating profit increased 23% to $86 million (2023: $70 million), driven by Coatings.

Coatings, which represents approximately half of Elementis revenues, delivered strong performance, with revenue up 5% to $386 million (2023: $368 million), benefitting from improved volumes and price and mix benefits.

Performance varied across the regions, with revenues up 8% in both the Americas and Europe, driven by industrial coatings. Asia revenues reduced 1%, driven by China, where sales were weaker in the second half. We saw strong growth across many other key regions, including Japan, Indonesia, Malaysia as well as India.

We continued to leverage new product launches, and delivered $36 million of new business in 2024, driven by our focus on growth platforms. We delivered record adjusted operating profit of $78.4 million (2023: $56.1 million) and adjusted operating profit margin of 20.3% (2023: 15.3%), reflecting the combination of ongoing self-help actions, better mix and more normalised volumes.

Talc faced a challenging year, with lower revenues and profit, reflecting a nationwide strike in Finland in the first half, which closed all ports and railways in the country for a month, and continued weak demand across our European markets, which represent over 80% of our business. Revenue reduced 1% to $135 million (2023: $136 million). The overall impact of the Finnish strike on Talc operating profit was around $3 million, due to lost sales and higher costs in H1 2024. As a result, the adjusted operating profit reduced to $8.0 million (2023: $14.0 million) and adjusted operating margin declined to 5.9% (2023: 10.3%).

The impact of the nationwide strike, alongside weak market demand, triggered a preparation of a new business plan for the Talc business, which resulted in an impairment of assets of $66.1 million in the first half.

In September, the RA of the ECHA recommended that talc be classified as STOT RE1 and Carc 1B[1]. A final decision by the European Commission ("EC") is expected in H2 2026, creating ongoing uncertainty for the European talc industry. As a result, there is a high degree of uncertainty with regards to the future demand and profitability profile of the Talc business, which gave rise to a further impairment of $59.9 million in the second half of 2024.

Our balance sheet further strengthened over the year, with net debt reducing to $157 million (2023: $202 million) driven by higher earnings. As a result, the net debt to EBITDA ratio reduced to 1.0x (2023: 1.4x). The Board has recommended a final dividend of 2.9 cents per share (2023: 2.1 cents), resulting in a full-year dividend of 4.0 cents per share. In recognition of our strong balance sheet and the positive outlook for the business, the Board will evaluate a range of options for additional shareholder returns.

Innovation, Growth and Efficiency strategy is delivering, we are on track to achieve our 2026 financial targets

We made good progress implementing our strategy, launching 22 new products, and delivering $60 million of new business. We delivered 15% of revenues from innovation sales and currently hold a new business opportunities pipeline of $327 million at the end of 2024.

At the November 2023 CMD, we communicated the growth and efficiency initiatives that will underpin our performance through 2026. Our ambition is to deliver above-market revenue of $75 million across six growth platforms[2] by 2026 and $30 million annual cost savings by 2025.

We made good progress on both goals in 2024. We achieved $18 million of annual savings. The Fit for the Future organisational restructuring is largely completed, with a few remaining roles exiting in Q1 2025. Our new research and development ("R&D") support centre in Porto will be completed in 2025. In addition, we delivered material efficiencies across our global supply chain, further consolidating our manufacturing footprint and improving our supply and demand management processes, leveraging digital tools. We are investing in AI-driven automation, which alongside upgrades to our data processes will lead to further efficiency savings in the coming years.

Across procurement, we focused on improving our supply resilience by reducing the number of raw materials that are single sourced and adding 90 new vendors to diversify our coverage. In 2025, we are looking to implement efficiencies via further reduction in single sourcing as well as enhancing efficiencies through our new digital vendor management system.

In the first year of our three-year growth programme, we delivered $26 million of above-market revenue growth, against a flat demand environment. Personal Care and Coatings platforms delivered above-market revenue growth of $6 million and $20 million respectively.

In the Colour Cosmetics market segment, we saw growth across all regions, particularly in Asia, driven by new and existing relationships with local players and route-to-market optimisation. We launched two new customised products developed specifically for emerging markets.

Growth over the coming years is underpinned by innovative products including a range of patent-pending Bentone® Ultimate products, with a higher efficacy in use and a fully natural activation mechanism.

In Skin Care, the strategy focuses on creating products with natural ingredients to meet the increasing demand for sustainable products.

We launched two new products, including Bentone Hydroluxe™ 360, which together with the existing products, will enable us to expand our share in the natural rheology modifier market for skin care, worth over $200 million.

We have a global leading position in the Antiperspirants sub segment, and the growth here has been driven by innovative high-efficacy products and the successful consolidation of our production plants. We launched four new products, including a lower carbon antiperspirant active product, and are excited about the launch of a new deodorant active, at the in-cosmetics trade show in April.

Growth in Architectural Coatings was supported by strong growth in Asia, where we added a new non-ionic synthetic associated thickeners ("NiSATs") facility in China and expanded our localised production. We have a big opportunity to tap into the growing demand for high-end paints in Asia, which is an attractive $300 million ingredients market. Our recently launched RHEOLATE® biobased NiSATs are targeting this market.

Revenue across Industrial Coatings increased 9% despite flat market demand, improving across all regions. Growth was driven by increasing demand for our hectorite-based solutions. We launched two new products in 2024 that continue to support the transition from solvent-based to water-based coating systems. Over the next 12 months, we will complete our testing phase to refine our market expansion strategy for the powder coating industry, leveraging our hectorite and organic thixotrope-based portfolio, and helping us expand into this fast-growing market, currently worth around $200 million.

We saw a strong growth in the Adhesives, Sealants, and Construction Additives market, which is a relatively new adjacency that leverages our hectorite position and our organic thixotrope technology. Revenue growth was driven by success of our THIXATROL® range, up over 40%, and our hectorite-based additives, which increased over 25%.

1 STOT RE 1 defined as 'specific target organ toxicity – repeated exposure, category 1'. Carcinogenicity category 1B defined as 'presumed to have carcinogenic potential for humans'.
2 Due to the ongoing strategic review of Talc, we now exclude the Talc growth platform from the overall 2023 CMD growth programme.

We now have a dedicated global sales and technical team in place and are well-positioned to gain momentum and accelerate penetration in 2025.

Ongoing investment in innovation is a key driver of growth and we take a multi-year approach to launching distinctive products. In 2024 we launched 22 new products, and as a result, our revenues from innovation sales have continued to grow to 15.3% of sales (2023: 14.3%).

The combination of growth and efficiency programmes has underpinned financial delivery against our 2026 CMD objectives. Adjusted operating profit margin stood at 17.4% against our 19%+ target. The three-year average operating cash conversion increased to 88% (2023: 77%), with an annual cash conversion of 104% in 2024. This gives me a lot of confidence that we will reach our 90%+ target. Finally, we have a 2026 return on capital employed ("ROCE") target of 20%+. In 2024, our ROCE improved to 19% (2023: 15%), excluding the impact of Talc impairment. Including the Talc impairment, ROCE was 23%.

Safety

Safety is one of our fundamental values and is key to the success of Elementis. We have an ambition of becoming a zero-injury business, and we made a good ongoing progress against this objective, reducing the recordable injuries by 50% to two, with 90% of our sites remaining injury free over the year.

We continued to drive further improvements, training our people and maintaining our assets. We rolled out a global health, safety and environment ("HSE") management framework, aligned with the international standards for health and safety at work, and published life-critical global standards. We also developed a process safety management dashboard to track high-risk equipment and enhanced our global HSE Week to include health and environmental initiatives.

Sustainability

Sustainability is a key component of our strategy. Our aim is to develop high-performance additives that deliver positive, sustainable outcomes for the environment and for society. We seek to design products that use fewer resources and create less pollution. We are committed to reducing our impact on the environment, by reducing our global greenhouse gas ("GHG") emissions and helping our customers on their sustainability journeys.

Our absolute Scope 1 and 2 GHG emissions this year increased 18% to 77kt CO_2e (2023: 65kt CO_2e). This was mainly driven by increased production at our India plant, which uses relatively high-emission grid electricity, as well as a greater mix of higher-energy intensity products. Despite this, we made good progress on strengthening our sustainability processes and implementing tools and systems that will support our efforts to achieve our ambition of becoming net zero by 2050. For example, we developed more detailed ten-year GHG emission reduction plans, covering every manufacturing site. We also reduced the annual GHG emissions at Sotkamo by over 90%, and 77% of our purchased electricity was certified zero carbon. Furthermore, we have developed a SBT for overall GHG emissions reduction and shared it with the SBTi initiative for validation. Our target was approved by the SBTi in early March 2025, and will be published in due course.

We are aware of the impact our products and processes have on our customers. To help them deliver and improve their sustainability objectives, we continue to expand our use of product lifecycle analysis across our product portfolio. In addition, we focus on finding unique solutions to emerging sustainability challenges. For example, our new biobased NiSATs are based on a waste stream of sugarcane molasses and hence provide additional sustainability benefits, without compromising on performance, and our lower-carbon antiperspirant active utilises upcycled aluminium waste, resulting in a lower product carbon footprint for both Elementis and our customers.

Today we have a high natural material content in our product portfolio, and 69% of Group revenues (2023: 68%) were generated from natural or naturally-derived ingredients (as defined by ISO 16128).

We continue to improve our environmental, social and governance disclosure processes across Elementis. This year we implemented a comprehensive due diligence system for all clients and suppliers, enhancing our compliance practices. We also published a new Human Rights Policy Statement, reinforcing our commitment to ethical business conduct. I am pleased that our efforts are recognised, having achieved a Gold rating from EcoVadis for the fourth consecutive year. A Gold rating puts Elementis in the top 5% of all companies assessed by EcoVadis.

People, culture and values

The strong results we delivered this year would not be possible without the hard work and commitment of our people. We have seen a lot of change over the past year, affecting our global workforce. The Fit for the Future organisational restructuring we announced in 2023 triggered over 190 redundancies, the large majority of which were completed in 2024.

Decisions such as these are difficult to make but will deliver a more streamlined and efficient organisation. All employees affected by this change have demonstrated incredible loyalty and resilience and I am grateful for their contribution while at Elementis. We also welcomed over 100 new people in our new Porto, Portugal, office, bringing a lot of energy and new ideas to our organisation. We continue to monitor employee engagement throughout the year, and I am pleased to see that, in spite of all the change, our scores are improving. In addition, gender diversity across the organisation, including our leadership is continuing to improve, with 42% of our senior leadership being female.

Thank you

Any CEO's goal is to leave the company they lead in far better shape than when they arrived. This was certainly my goal. As I prepare to hand over the leadership of Elementis, I am confident the Company is well positioned to deliver further performance improvement in the near term, despite a market environment that will likely remain challenging. Our strategy of ongoing new product innovation, and our focus on the most compelling growth opportunities and on delivering further efficiency will underpin future success.

I leave Elementis in good hands. Luc and I have worked together for the past nine years. He has great experience, deep knowledge and the ambition to take the business to the next level. He inherits a very talented and committed management team and I'm certain together they will make the most of the opportunities that lie ahead.

Paul Waterman
Chief Executive Officer

Investment case

Our shareholder value proposition is built on:

Hectorite is a natural white clay mineral, with a layered 'house of cards' molecular structure.

Differentiated premium assets

Our California-based mine is the largest high-quality hectorite mine in the world, with substantial reserves of white-coloured hectorite. We also own significant deposits of high-quality talc in Finland. Our vertically integrated model utilises our natural mineral resources, which, combined with our technology and market-leading formulation capabilities, creates unique product sets and compelling competitive advantages.

Hectorite:

>50 years of estimated resource life

Two attractive, resilient businesses

Our businesses are focused on market segments with structural growth opportunities, supported by industry trends.

Personal Care:

42% of Group operating profit[1]

Performance Specialties:

58% of Group operating profit[1]

Customer-centric and innovation focus

A leading supplier of specialty chemicals, we leverage our capabilities in rheology, surface chemistry and formulation to solve our customers' formulation challenges.

Through our key account partnerships, we develop customised solutions and provide ongoing technical support, adding further value to our customers.

15% innovation sales

Global reach

Our manufacturing and research and development ("R&D") capabilities in key regions allow us to serve customers globally and provide supply chain resilience.

17 manufacturing plants across four continents

7 R&D centres globally

Sustainable solutions

We combine our expertise in natural clay and talc minerals with bio-derived molecules to create more sustainable solutions for our customers.

We take pride in our extensive portfolio of natural products and sustainable formulation concepts, meeting consumer needs while improving both our own and our customers' environmental impact.

69% revenue from natural products

Strong cash generation

Our strong cash generation, alongside our Innovation, Growth and Efficiency priorities, support re-investment for long-term growth, financial deleveraging and sustainable shareholder returns.

>90% operating cash conversion target[2]

30% dividend payout ratio

1 On adjusted basis, pre-central costs.
2 Three-year average.

Market drivers providing tailwinds

We identified three key global trends affecting our customers and the markets in which we operate. We have positioned our strategy to address the needs of our clients, while maximising the growth opportunities arising from those megatrends.

Sustainability

Climate change, environmental degradation, and increasing competition for resources require new solutions to solve the complex planetary and societal issues they cause. This includes the transition to cleaner energy, and the creation of a circular economy that can benefit everyone.

What this means for our industry

- Consumers are becoming more sustainability focused, demanding natural products that have low negative impact on the environment, communities and workers in the value chain
- It is increasingly important that companies can support claimed product benefits with credible, science-based evidence and standards
- Increased desire for solutions that contribute positively to the health and wellbeing of society
- Demand for solutions that increase production yields and contribute towards the circular economy
- Pressure to minimise social and environmental impact of production throughout supply chains

Our opportunities

- Leverage our naturally-derived products and high-quality hectorite clay resource to help customers use less material, energy and water
- Innovatively designed products to help minimise pollution in downstream applications Decarbonise our own and our customers' value chains
- Growth in natural and naturally-derived rheology modifiers as a replacement to synthetic alternatives
- Improved manufacturing processes and supply chain management resulting in better outcomes for all stakeholders

How we are responding

- Innovation focused on specialty additives that deliver improved product performance, lower operational costs and enhanced sustainability claims, e.g. low-temperature organic thixotropes and powdered NiSATs
- Identifying new applications for our natural personal care ingredients, bringing long-lasting and more efficacious benefits from the whole formulation
- Replacing virgin with waste aluminium in antiperspirants, leading to improved sustainability profile of the end product, with no impact on its efficacy
- Setting challenging environmental targets that help us to innovate better solutions, such as our SBTi commitment to reduce GHG emissions
- Investing in our capabilities to assess risk and quantify impacts of our supply chain, portfolio and products, to better prioritise our most impactful actions
- Continuing to improve product verification against leading certification standards such as COSMOS and Ecolabel to highlight the credentials of our products

REACH AZP-908 LC: High-efficacy antiperspirant, with improved sustainability profile

Our recently launched REACH AZP-908 LC demonstrate our focus on creating innovative products that deliver great performance with additional sustainability benefits.

The new lower-carbon grade of antiperspirant ingredients utilises upcycled aluminium waste to partially replace virgin aluminium feedstock.

Aluminium from an industrial waste stream (which would usually undergo an energy-intensive recycling process) is taken into our manufacturing process. We use it to make high-performance antiperspirant ingredients that comply with the high standards for use on human skin while having lower environmental impact.

Based on our cradle-to-gate lifecycle analysis, the carbon footprint of this product can be reduced by up to 30% compared to the conventional grade, reducing GHG emissions for us and our customers.

Demographics

The United Nations expects the world's population to increase to nearly 10 billion by 2050, driven by increased longevity, increasing urbanisation and accelerating migration.

Most of this population growth will be in the developing world. Economic development, along with an expanding middle class, is fuelling consumption and demand for higher-quality products. In the West, older consumers, with greater disposable income, are becoming more health and sustainability focused, with increasing interest in services and experiences.

What this means for our industry

- Increasing demand for construction and infrastructure-related solutions
- Rise of new 'giant brands' in emerging markets, demanding quality products and faster speed to market
- Rising demand for personal care products such as colour cosmetics and skin creams
- Increased demand for longer-lasting and more technologically advanced products
- Demand for products that make consumers' lives easier and provide premium and feel-good characteristics

Our opportunities

- New geographic markets for consumer and industrial products that require premium performance additives
- Our manufacturing and R&D capabilities in key regions allow us to serve customers globally and provide supply chain resilience
- Our high-quality hectorite clay resource has a chemical structure that can retain various active ingredients, delivering a combination of benefits for a wide range of personal care products
- Consumers are willing to pay a premium for products that deliver superior performance with additional benefits

- Higher demand for additives that deliver premium product performance characteristics
- Opportunities for natural or naturally-derived ingredients (e.g. hectorite, talc or castor wax based)

How we are responding

- Expanded our capabilities in China and India, allowing us to make local formulations and develop new products that comply with local regulations
- Expanded resources in Asia in new and existing regions, generating more insights on local market needs and deepening innovation dialogue
- Leveraging our leading rheology position and high-quality hectorite resource to launch new natural rheology modifiers for Personal Care
- We recently launched our first natural film former for sun care and plan to launch one for colour cosmetics in 2025
- Planning product launches that are suitable for the 'mass' market and reduce speed to market
- Launching new product solutions with better durability, workability and aesthetics for the decorative and construction markets

Technology/digital

Technology progress is advancing rapidly, and technologies are becoming ever-more interconnected. Computing power and materials science are the key enablers to drive technology changes, providing options for process and product innovation and increased personalisation.

Technology is also being used to drive improvements to customer experiences: for example, through providing richer data insights, better monitoring of customer engagement and automating non-value-adding processes.

The process of developing customised solutions has become both virtual and digital, with joint development teams working across multiple locations.

What this means for our industry

- Ability to move fast and adapt the right technology provides competitive advantage
- A growing use of simulation and software is required to generate smarter insights early on and to develop products faster, more efficiently and in a more sustainable manner
- Renewable energy applications require more demanding materials to deliver performance
- Digitalisation, with generation of big data and its interpretation using AI, will impact consumers' behavioural changes through better access to information, improve decision-making processes, and change the way the different players interact across value chains
- Multichannel approach to customer engagement increases transparency across the supply chain
- Technological changes increase customer need and willingness to reformulate, while digital support to testing and trials can speed up innovation projects
- Virtual reality opens opportunities for remote training and technical support

Our opportunities

- Access to digitalised processes and customer interface increases the speed, flexibility and service level we can provide to our customers
- We can achieve safer and more efficient production technologies via manufacturing automation and digitalised supply chain
- Increased market penetration among SMEs is boosting creation of indie brands on a global scale
- Use of AI-driven tools to accelerate product development and formulation solution creation, enhance quality and predictive maintenance processes
- New technologies may open new value pockets in fast-growing markets

Elementis tops SpecialChem's supplier rankings

Ranked #1 supplier for rheology modifier additives and #2 most popular coatings supplier on SpecialChem's website – the world's largest global network of engineers and technical professionals in chemicals and materials.

Our clear focus on innovation, with attractive new products that are meeting the needs of our customers, are increasingly resonating with a wider audience, enabled through technology.

Source: SpecialChem.

#1

supplier for rheology modifier additives in 2024

How we are responding

- Investing in testing AI use cases across different business areas such as innovation and technical support to enhance formulation solution as a winner differentiator
- Enhancing our data governance framework as a key enabler for AI adoption
- We are developing digital data management capability to scale new products faster
- Continue to explore innovative technologies and testing our products' suitability for new applications
- Better use of customer data to analyse search behaviours and product reviews, generating insights on new trends in our target markets. Ability to process data quickly and accelerate innovation will lead to better customer proposition
- New product information management system, one centralised repository for our product information, offering a user-friendly and intuitive interface for Elementis' employees, partners and customers
- Increased digital media outreach, online customer education, sophisticated formulation support and close collaboration with distribution partners
- Increased Product Stewardship and Regulatory Affairs efforts and proactive positioning of technologies as being natural and safe
- Continuing to improve our automation capability, enhancing both productivity and safety in our plants

Strategy at a glance

Elementis operates via two focused businesses, well positioned in attractive and structural growth segments. Our strategy is built on the three pillars of Innovation, Growth and Efficiency, underpinned by sustainability objectives.

	Innovation	Growth	Efficiency
	We are a global leader in performance-driven additives that help create innovative solutions for our customers. Leveraging our capabilities in rheology, surface chemistry and formulation, we help our customers create better products. Read more about our approach to innovation on pages 16-17.	Our two businesses operate in attractive markets with structural growth opportunities, supported by clear market and industry trends. Read more about our growth strategy on pages 18-20.	We constantly seek to be a fit-for-purpose and more efficient business, agile and growing, with our impact on the environment and the communities in which we operate at the forefront of our minds. Read more about our approach to efficiency on page 21.
Sustainable approach	We respond to sustainability drivers (Climate, Circularity, Nature and Health) in our markets and use our expertise to find new ways to add value. For example, innovating with a new natural skin care ingredient, introducing a novel biobased coating additive, developing an antiperspirant using waste aluminium or enabling our customers to use safer ingredients.	As innovation becomes established in the market, we help our customers to maximise their positive impacts. We add to the health and wellbeing of society with natural personal care products, coatings additives with low volatile organic compounds ("VOC"), lowering the use of biocides and contributing to the effectiveness of vehicle pollution control systems.	We contribute to our customers' sustainability goals. Some of our products can lower processing energy requirements and improve transportation efficiency. We also strive to make our own operations more efficient and reduce their environmental impact by increasing our use of renewable energy, improving energy efficiency, recycling water and reducing waste.
2024 progress	• Launched 22 new products • 69% of revenue from natural or naturally-derived products (2023: 68%) • Total innovation sales increased to 15.3% (2023: 14.3%) • Expanded alternative sourcing, improving supply resilience	• $60 million of NBO created • $26 million of above-market revenue across six growth platforms • NBO pipeline of $327 million • Expanded manufacturing capabilities at Taloja, leading to increase of high-efficacy AP actives products and growth in new business	• $18 million of annual cost savings • 50% reduction in work-related injuries • Continuous improvement projects in the supply chain, reducing cost and environmental impact • Developed an SBT for GHG emission reductions for all three scopes and shared it with the SBTi for validation • Launched ESG risk assessment tool enhancing our responsible sourcing system
2023 CMD objectives	**$90m** above-market revenue growth by 2026	Seven growth platforms across Personal Care and Performance Specialties	**$30m** of savings by 2025
2024 update	**$26m** above-market revenue across six[1] growth platforms	Talc strategic reviewing progressing	**$18m** of annual cost savings
2025 objectives	**>$25m** above-market revenue growth across six growth platforms		**$12m** of additional savings

1 Talc growth platform now excluded from the overall 2026 CMD growth target.

Link to KPIs
Refer to the Key performance indicators section on pages 22-23 for further detail, including how those link to our strategy.

Innovation

Priorities for 2025

- Launch at least 15 new products
- Increase new and proprietary products to 16% of sales (2024: 15%)
- Progress AI with focus on manufacturing use cases, R&D and marketing

Link to risk

1 2 4 7 8 9 10

For detail about our principal risks and uncertainties, see pages 70-74.

69%
natural or naturally-derived revenue

We are a global leader in performance-driven additives and are focused on creating solutions for our customers that deliver product performance improvements, efficiency gains and enhanced sustainability credentials. We continued to leverage our relationships and digital capabilities to drive the launch of 22 new products in 2024.

Our innovation focus is clear. We want to create solutions for the biggest challenges that our customers face, which, in turn, are reflected in our growth platform focus. In Personal Care, consumers no longer just want natural ingredients that deliver superior performance. They are looking for more sophisticated products, for example, with additional skin care benefits. As we expand our portfolio of hectorite-based products we are well-positioned to benefit from this trend.

Our hectorite provides excellent rheology modification properties, and in addition, it can be used as an active ingredient for oil absorption and mattifying benefits.

Similarly, the coatings industry wants high-performance additives that offer sustainability and new efficiency benefits. Our CHARGUARD™ fire retardant synergists are designed to enhance anti-drip and char formation properties of non-halogenated fire retardants. Being organoclay-based, they provide a natural and safer alternative to halogen-based fire retardants and polyfluoroalkyl substances ("PFAS") such as polytetrafluoroethylene ("PTFE") synergists, reducing the environmental and health impacts of these substances.

Growth platform: Skin care

BENTONE HYDROLUXE™ 360
The natural multi-tasker for oil in water systems

In April 2024, at the in-cosmetics trade show in Paris, the biggest show for personal ingredients in the world, we launched Bentone Hydroluxe™ 360 – a 100% naturally-derived all-in-one emulsifying wax. It combines natural ingredients, such as hectorite and xanthan gum, to provide excellent suspension and formulations stability.

The hectorite clay provides a soft silky feel on the skin and offers a natural emulsifying and thickening solution, and also makes it easier for our customers to get the right stability and viscosity in their natural formulations. As a result, it enables formulators to create products with a variety of textures, from light fluid serum, soft cream to rich velvet cream, and supports industry trends of skin glow skinification and sustainability.

We received great feedback from customers and, since its launch, have sent out over 1,200 samples to customers worldwide.

Scan me!
Find out more

We identified sustainability as one of the key drivers that is changing and creating trends in the markets in which we operate. At Elementis, innovation and sustainability go hand in hand. All our new product launches and pipeline projects must have clear sustainability credentials. In 2024, 69% of our revenue was from natural or naturally-derived chemistries, for example, castor wax based organic thixotropes. In addition, we are conscious of the need for our products to contribute to the overall wellbeing of society, whether it is through biobased THIXATROL® technology or utilisation of recycled aluminium in antiperspirant actives.

In addition, through our established global key account programme, we work closely with our customers, offering our expertise and innovation, and keeping them at the forefront of their industries. Our scientists are formulation experts in our core markets, and our laboratories are equipped to facilitate formulation of finished goods similar to our customers' products. We can test these materials to mimic real-life conditions for demonstration. This allows us to build strong technical and commercial relationships with major customers and cooperate in the development of new formulations to enhance their products and processes.

This drives volume and sales growth, increases our share of these customers' spend and opens up major new business opportunities.

Our revenue from new and innovation products continued to increase, reaching 15% compared with 14% in 2023, and we want to increase this further. Our new business pipeline stood at $327 million at the end of 2024, with over 30 products in the pipeline, of which approximately 15 are scheduled to launch in 2025. This will support our ambition to achieve an adjusted operating profit margin target of 19%+.

Innovation sales

15.3%

2020	11.5%
2021	13.5%
2022	13.3%
2023	14.3%
2024	15.3%

Growth platform: Industrial Coatings

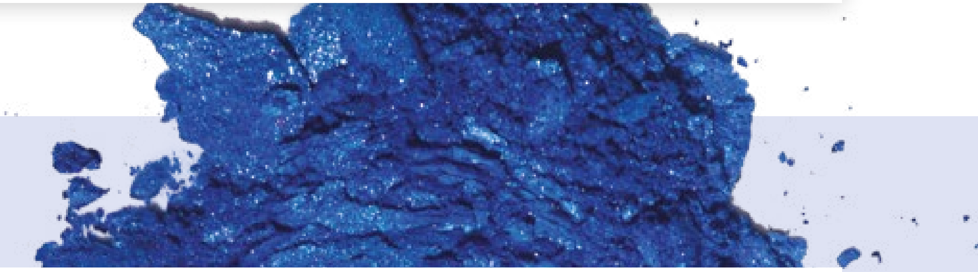
SUPREAD™ 3410
A low-foaming silicone substrate wetting agent

As industrial coating manufacturers navigate the transition from solvent-based to water-based systems to meet stringent VOC reduction regulations, the demand for effective additives has never been more pressing. Addressing this critical need, we launched SUPREAD™ 3410, a low-foaming silicone substrate wetting agent.

Traditional silicone wetting agents, while effective in reducing surface tension and promoting even coating spread, have often been plagued by foaming issues. SUPREAD™ 3410, designed with a unique branch structure and precise hydrophilic control, tackles these challenges head-on. Its dynamic surface tension ensures efficient droplet formation during spraying, while its molecular structure prevents foam stability, leading to excellent coating application.

Extensively tested across a range of parameters, SUPREAD™ 3410 offers the following benefits:

- Excellent substrate wetting ability of both porous and non-porous substrates, resulting in flawless coating application
- Low-foaming property allows smoother and more consistent coating application
- Effective reduction of static surface tension, enhancing coating spread and adhesion
- Good compatibility with various coating formulations and maintains efficacy over the long term
- Improved anti-blocking properties, ensuring optimal surface finish
- Contributes to VOC reduction efforts and serves as a sustainable alternative to PFAS-containing additives



Growth

Priorities for 2025

- Deliver $25 million above-market revenue growth across six growth platforms
- Generate $35 million of NBO sales
- Increase NBO pipeline by $60 million

Link to risk

1 2 3 4 5 6 7 8 9

For detail about our principal risks and uncertainties, see pages 70-74.

NBO pipeline

2020	$248m
2021	$281m
2022	$282m
2023	$363m
2024	$327m

In November 2023 CMD, we set out an ambitious target, to deliver $90 million above-market revenue growth by 2026, across seven growth platforms. Due to the ongoing Talc strategic review, we now exclude Talc from our overall 2023 CMD growth programme. Going forward, we will focus on the six growth platforms across Personal Care and Coatings, delivering $75 million of above-market revenue by 2026.

Our Personal Care business operates across three core market segments, in which we built a strong competitive position: Skin Care, Colour Cosmetics and Antiperspirants.

For further detail on Personal Care performance and strategy, see page 62.

$26m
above-market revenue growth

Colour Cosmetics growth platform

Colour Cosmetics revenues grew across all regions, particularly in Asia. We saw strong growth in China, driven by new and existing relationships with the local players and route-to-market optimisation. We continued to leverage our expertise in rheology and formulation solutions, combined with growing demand for hectorite as a key ingredient. In 2024, we launched two new customised products targeting emerging markets. Growth over the coming years is underpinned by innovative products including a range of patent-pending Bentone® Ultimate products, with a higher efficacy in use and a fully natural activation mechanism. We believe these innovative products will further strengthen our leading position in natural rheology and allow us to offer solutions to our customers to meet new requirements driven by market trends such as skinification and individualisation.

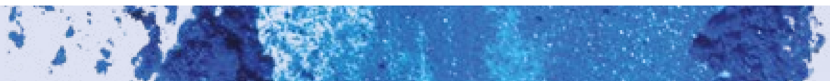
Skin Care growth platform

Growth in the Skin Care market segment has been supported by increasing demand from consumers looking for more sustainable products with natural ingredients. Our hectorite-based additives are well positioned to benefit from this trend, as they work equally effectively in both water-based and oil-based products. Our strategy in this segment focuses on natural rheology, creating products that offer attractive new functionalities.

For example, this year we launched Bentone™ Hydroclay 2101, a product customised for a leading European sun care manufacturer, and Bentone Hydroluxe™ 360, an all-in-one hectorite-based solution. This is our first product in a new Bentone Hydroluxe™ line. In the next launch, we are looking at an additional functionality of hectorite as a natural co-emulsifier. Together with existing products, this will enable us to expand our share in the natural rheology modifier market for skin care, worth over $200 million. In 2025, we also plan to launch water-resistant film formers for sun care.

Antiperspirants growth platform

Finally, the third growth platform, Antiperspirants, a market segment where we have a global leading position in AP actives. The above-market revenue growth in 2024 was driven by increased demand for our high-efficacy products, enabled by our strong relationships with global key accounts and the successful full production at the new Taloja plant in India. In July, we closed one of the three AP actives plants, consolidating the existing footprint into two plants across two key locations, which strengthens our competitive position and supply resilience.



In 2024, we launched four new high-efficacy products, including a low-carbon AP actives product. Our new lower-carbon grade of antiperspirant ingredients utilises upcycled aluminium waste to partially replace virgin aluminium feedstock, leading to lower product carbon footprint for us and our customers. In 2025, at the in-cosmetics trade show in Amsterdam, we are launching a long-awaited alternative antiperspirant active with sweat-reduction benefits.

Our strategy for Coatings focuses on three differentiated, technology-led growth platforms: Architectural Coatings, Industrial Coatings, and Adhesives, Sealants and Construction Additives.

For further detail on Coatings performance and strategy, see pages 63-64.

Architectural Coatings growth platform

In Architectural Coatings, we have a big opportunity to tap into the growing demand for high-end paints in Asia, which is an attractive $300 million ingredients market. In H1, we expanded our manufacturing footprint in Asia, which will allow us to expand our offering of more sustainable paints to local customers. In 2024, we launched four new products, including two RHEOLATE® biobased NiSATs, which provide additional sustainability benefits, without compromising on performance. We believe this, alongside our manufacturing footprint across three key regions, will support our ambition to grow at twice the market by 2026 in this attractive market segment.

Industrial Coatings growth platform

Industrial Coatings revenues increased 9% against a flat global market. Revenue was higher across all regions, driven by increasing demand for our hectorite-based solutions.

We launched two new products, including Nuosperse FX 7600W and SUPREAD™ 3410, supporting the transition from solvent-based to water-based coating systems. Over the next 12 months, we will complete our testing phase to refine our market expansion strategy for the powder coating industry, leveraging our hectorite and organic thixotrope-based portfolio, and helping us expand into this fast-growing market currently worth around $200 million. Powder coatings do not require solvents, and the latest technology developments are enabling lower curing temperatures. This makes them suitable for heat-sensitive materials such as wood coatings, creating additional growth opportunities.

Adhesives, Sealants and Construction Additives growth platform

Here we offer high-performance additives for a range of applications. This is a market that we are only starting to penetrate but where our technologies bring both sustainability and performance benefits. We are looking to double our market share from 3% to 6% by 2026. In 2024, we saw revenues growing 15% (from a small base), supported by the success of our THIXATROL® range, which grew over 40% in the year, as well as hectorite-based additives. Our thixatrols are natural, safer to handle, and can reduce in-process energy usage by up to 80%. We see strong demand for hectorite-based additives, where hectorite is seen as a more sustainable ingredient, but also one that provides additional benefits. One key area where we see rapid growth is in hectorite for tile mortars. This is a $100 million market, where we are replacing bentonite-based products and significantly improving end-product efficiency. Innovation is crucial here, and we have six new products in the pipeline launching over the next two years.

We have a strong track record of identifying and developing new product applications. In addition to seven new products across our Coatings growth platforms, we launched five products targeting other markets, including new adjacencies. For example, we expanded our plastic additives portfolio with CHARGUARD™ fire retardant synergists, designed to enhance anti-drip and char formation properties of non-halogenated fire retardants, potentially replacing certain types of PFAS used in this application.

A major component of our growth strategy is our key account management programme. We have built strong technical and commercial relationships with major customers and cooperate in the development of new formulations to enhance their products and processes. This drives volume and revenue growth and deepens our relationships with major customers. This approach, combined with our innovation focus, is helping us explore new market segments and create new growth opportunities.

Growth platform:
Architectural Coatings

RHEOLATE® BIO NiSAT: polyurethane thickeners with over 90% biobased carbon content

As the demand for sustainable, safer and high-performance paints continues to rise, architectural coating manufacturers are turning to biobased renewable ingredients. To meet this growing need, we launched two biobased NiSAT products, RHEOLATE® BIO 5010 and RHEOLATE® BIO 5075. Their biobased carbon content is derived from sugarcane molasses waste streams, classified as waste and residue under ISCC PLUS guidelines. As a result, these ingredients do not compete with the food supply.

With over 90% certified biobased carbon content, these innovative additives support eco-label compliance while delivering the high performance required for modern paint formulations. Ideal for architectural coatings, wood finishes, and interior and exterior wall paints, they have been extensively tested to ensure superior performance.

Six growth platforms aligned to industry trends

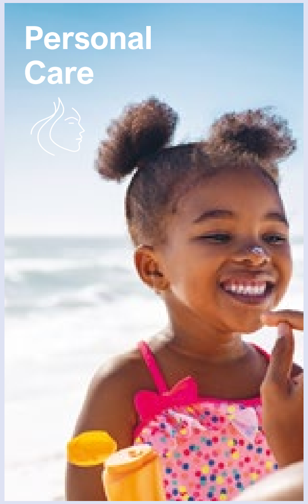
In November 2023 CMD, we set out an ambitious growth target, to deliver $90 million above-market revenue by 2026, across seven growth platforms.

Due to the ongoing Talc strategic review, we now exclude Talc from the overall 2023 CMD growth programme. Going forward, our strategy will focus on the six growth platforms across Personal Care and Coatings, delivering $75 million of above-market revenue by 2026.

$75m
above-market revenue growth over three years to 2026

$26m
above-market revenue growth in 2024

Personal Care

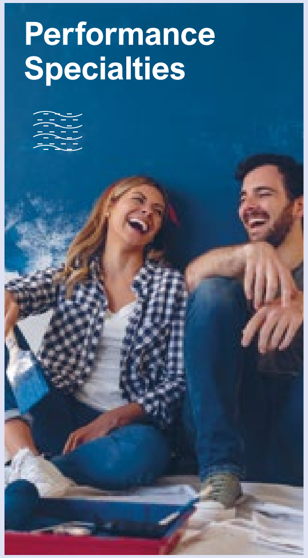


Growth platform	2024 growth[1]	Opportunity/ambitions	2026 CMD target
Colour Cosmetics	Elementis: 7% Market: 4%	• Skinification, individualisation, speed to market • Enter $40m make-up film-former market • Expand Asia direct customer relationships	• Add $10m above-market revenue
Skin Care	Elementis: 17% Market: 4%	• Natural solutions to replace synthetic (c.$0.5bn addressable market) • Enter $80m sun care film-former market, launching new sun care biodegradable film former • Expand hectorite natural active applications	• Grow at 2-3 times market
Antiperspirants	Elementis: 2% Market: -0.2%	• High-efficacy antiperspirant actives • Enter $80m deodorant active segment • Manufacturing consolidation for lowest costs	• Mid-single-digit revenue growth and margin expansion

$6m
above-market revenue

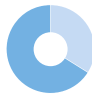
Personal Care contribution to $75m growth target

Performance Specialties



Growth platform	2024 growth[1]	Opportunity/ambitions	2026 CMD target
Architectural Coatings	Elementis: 3% Market: -0.4%	• Penetrate Asian premium architectural market (>$300m market) • Global launch of biobased and powdered NiSAT range • Capture demand for sustainable ingredients	• Grow at 2 times market
Industrial Coatings	Elementis: 9% Market: 0%	• Enter fast-growing powder coatings market ($200m market) • Leverage rheology leadership to grow share of wallet for industrial dispersants and defoamers (c.$1bn market) • Launch hectorite and organic thixotropes line for powder coatings • Portugal and China in-house application capabilities	• Add $30m incremental revenue
Adhesives, Sealants and Construction Additives	Elementis: 15% Market: 1%	• Hectorite for tile mortars ($100m opportunity) • Access clear sealant market ($150m) • Build out global distribution network	• Double market share

$20m
above-market revenue



Coatings contribution to $75m growth target

1 Market growth sources: Statista, Euromonitor, Orr & Boss, Markets and Markets, Elementis insight.

Efficiency

Priorities for 2025

- Deliver $12 million annual savings across our two efficiency programmes
- Improvement in working capital intensity
- Progress with 2030 environmental targets and decarbonisation towards our SBT
- Embed process safety management practices

Link to risk

1 2 3 4 6 8 9

For detail about our principal risks and uncertainties, see pages 70-74.

We continuously work towards improving our organisation, driving efficiency gains, and becoming a more resilient business. In light of this, at our 2023 CMD, we announced an ambitious efficiency programme targeting $30 million of cost savings over two years. In 2024, we delivered $18 million of in-year cost savings and expect at least another $12 million additional cost savings in 2025.

$18m
annual savings

$10 million of the cost savings in 2024 was achieved through Fit for the Future organisational restructuring, with the remainder delivered across our supply chain and procurement.

Fit for the Future restructuring is focused on creating a simpler, more efficient corporate structure, and the process is running ahead of plan. We already eliminated the large majority of the announced 190 roles, with the process expected to complete in Q1 2025. In 2024, we set up a new R&D and support centre in Porto and hired over 100 new roles. We also outsourced finance transactional roles to India, strengthening our processes, gaining access to digital tools and automation opportunities. The team is fully embedded and we expect additional efficiencies in 2025.

The second efficiency programme focuses on supply chain optimisation and procurement efficiencies, where we delivered $8 million of cost savings in 2024.

In June 2024, we closed one of our AP actives plants in New York, which was enabled by the successful production ramp-up at our Taloja plant in India. In our supply chain, we have built capability in continuous improvement. Examples of recent successes include the scavenger project at Vuonos, which improved overall yield of talc by circa 8%, or the optimisation of spray dryer operation at Newberry, which improved throughput by circa 11%. We made good progress on supply chain transformation, leveraging digital tools to improve supply and demand management. We are investing in AI-driven automation, which, alongside upgrades to our data processes, will lead to further efficiency savings in coming years.

Across procurement, we focused on improving our supply resilience by reducing the number of raw materials that are single sourced and adding new vendors to diversify our coverage. In 2025, we will continue to drive benefits from better use of our new digital vendor management system, e-sourcing, and further reduction in, and standardising of, our procurement processes.

Another key enabler of our efficiency is our sustainability focus. Our products help customers do more with fewer resources, for example additives that help adhesives instantly grip heavy ceramic tiles without slipping, saving end-users materials, time and money. Efficiency is also a foundational requirement for sustainability improvements in our own operations and supply chain.

This year, we made further progress in this area, for example in our Sotkamo plant, where we reduced overall Scope 1 and 2 GHG emissions by over 90%, replacing liquefied petroleum gas ("LPG") use with electricity. 77% of our purchased electricity in 2024 was certified zero carbon and we look to increase this further in coming years.

Throughout our operations, our global process excellence teams have identified over 70 projects that are beneficial from both an efficiency and environmental perspective. Their implementation will drive delivery of both our cost saving ambitions and our 2030 sustainability targets.

Efficiency: Case study

Talc scavenger project to increase yield at Vuonos

To derive high-purity, high-consistency talc, we use a flotation process which separates non-talc minerals from talc. The waste stream from the process, still contained a meaningful amount of talc. In order to improve efficiency and reduce waste, we wanted to maximise the yield of talc from the ore. To do this, we commissioned an additional flotation 'scavenger' cell to recycle the waste stream back into the process to recover additional talc.

This new process improved overall yield of talc from the ore by circa 8%, delivering over $0.5 million of savings. Additional savings were realised through reduced energy usage per talc tonne, as well as waste reduction.

The image above shows the former waste, which is now used as the 'feed' into the scavenger cell, recovering additional talc ore 'product'.

Key performance indicators

Our key performance indicators ("KPIs") enable us to monitor our strategic progress. The Board periodically reviews KPIs to ensure those are aligned with Elementis' short-term and long-term objectives.

Financial KPIs

Adjusted diluted earnings per share ("EPS") L

13.3c

2022	10.9c
2023	10.8c
2024	13.3c

Definition/calculation

Adjusted profit after tax attributable to the ordinary equity holders of the parent divided by the weighted average number of shares in issue during the year.

How we performed

Adjusted diluted EPS increased by 23%, driven by higher operating profit.

See pages 56-61 for more detail.

Adjusted operating cash conversion ("OCC")

104%

2022	55%
2023	106%
2024	104%

Definition/calculation

Net cash flow from adjusted EBITDA plus changes in working capital, provisions and share-based payments, less net capital expenditure.

How we performed

Continued strong cash generation, with good progress on our 2026 financial target.

See pages 56-61 for more detail.

Target

We target a three-year average OCC of over 90%.

Average for 2022-2024 was 77%.

Adjusted operating profit

$128.8m

2022	$100.5m
2023	$103.9m
2024	$128.8m

Definition/calculation

The profit derived from the continuing operations of the business after adjusting items.

How we performed

Adjusted operating profit increased 24%, driven by improved pricing and product mix, further benefitting from lower costs and higher volumes.

See pages 56-61 for more detail.

Adjusted profit before tax ("PBT") B

$105.0m

2022	$80.9m
2023	$84.4m
2024	$104.0m

Definition/calculation

PBT on total operations (continuing and discontinued) after adjusting items, excluding adjusting items relating to tax.

How we performed

Growth in adjusted PBT reflects higher operating profit.

See pages 56-61 for more detail.

Adjusted operating profit margin

17.4%

2022	13.6%
2023	14.6%
2024	17.4%

Definition/calculation

Calculated as adjusted operating profit divided by revenues.

How we performed

Margin improvement of 280bps reflects strong profit growth, demonstrating good progress on our 2026 target.

See pages 56-61 for more detail.

Target

2026 target of 19%+.

B Link to annual bonus

L Link to long-term incentive plan ("LTIP")

Note: Alternative performance measures are defined and reconciled on pages 192-193.

Financial KPIs

Average trade working capital ("ATWC") to sales ratio (B)

23.4%

2022		22.5%
2023		25.1%
2024		23.4%

Definition/calculation

The 12-month ATWC divided by total revenue, expressed as a percentage. Trade working capital comprises inventories, trade receivables and trade payables. It specifically excludes prepayments, capital or interest-related receivables or payables, changes due to currency movements and items classified as other receivables and other payments.

How we performed

Reduction in working capital due to improvement in inventories and trade debtors, leading to lower ATWC to sales ratio over the year.

See page 193 for more detail.

Adjusted return on operating capital employed ("ROCE") (L)

23%

2022		14%
2023		15%
2024		23%

Definition/calculation

Adjusted operating profit divided by operating capital employed, expressed as a percentage. Operating capital employed comprises fixed assets (excluding goodwill but including tax recoverable), working capital and operating provisions. Operating provisions include self-insurance and environmental provisions but exclude retirement benefit obligations.

How we performed

Improvement driven by higher profit and lower total operating capital employed, due to Talc impairment.

Adjusted ROCE including goodwill was 12.5% (2023: 9.4%).

See page 193 for more details.

Target

2026 target of over 20%. This is equivalent to over 12% including goodwill.

Non-financial KPIs

Total recordable incident rate ("TRIR") (B)

0.18

2022		0.67
2023		0.33
2024		0.18

Definition/calculation

We use the US Occupational Safety and Health Administration ("OSHA") definition for recordable injuries and illnesses. TRIR is the total number of recordable incidents multiplied by 200,000 divided by total hours worked by all employees during the year.

How we performed

Continued reduction in TRIR demonstrates our relentless focus on safety, with improvement in training and process safety management over the year.

See pages 45-46 for more detail.

Scope 1 and 2 GHG emissions (kt CO_2e) (B) (L)

77kt CO_2e

2022		65
2023		63
2024		77

Definition/calculation

Total Scope 1 and 2 (market-based) GHG emissions as defined by the GHG Protocol.

How we performed

Higher GHG emissions reflect changes in business demands, including increased volumes of higher energy intensity products.

See pages 34-43 for more detail.

Women in leadership (B)

42.1%

2022		32.8%
2023		37.3%
2024		42.1%

Definition/calculation

Defined by the FTSE Women Leaders Review as Executive Committee and their direct reports. Ratio excludes administrative and support roles.

How we performed

Our female representation in leadership roles increased to 42.1%, demonstrating our commitment to improving gender diversity and equality across the Group.

See pages 47-48 for more detail.

(B) Link to annual bonus

(L) Link to LTIP

Note: Alternative performance measures are defined and reconciled on pages 192-193.

Stakeholder engagement

The Board has considered the interests of stakeholders throughout the year.

Customers

Our customers rely on us to deliver high-quality products with superior performance, efficiency and sustainability features. We deliver a range of products to customers around the world and, by providing expertise and innovation, we keep our customers at the forefront of their industries.

What matters to them

- Customer service and performance
- Supply reliability and quality
- Responsible investment
- Affordability and value

How we engage

- Continuous customer dialogue helps inform our innovation, which aligns with market trends
- Provide technical support services to our customers: an established global key account programme enables us to focus on deepening our customer relationships
- Continuous feedback loop with key large customers drives more sustainable, innovative products that will meet their needs, strengthening partnerships and collaborations
- Participation and launching of new products at conferences and trade shows, and active participation in industry associations

Actions and outcomes

- Launched 22 products
- 30 innovation projects in development
- $60 million in new business delivered
- $15 million spend on R&D and technical support
- 8 open innovation partnerships (Universities/Research Institutes)
- $108 million total innovation sales

Read more on pages 16-17.

Suppliers

A resilient and ethical supply chain is critical to our business. We rely on our suppliers to be able to meet the needs of our customers so that we can meet our growth opportunities and portfolio potential.

What matters to them

- Responsible supply chain
- Sustainability
- Collaboration

How we engage

- Onboarding process provides two-way communication to build relationships with our suppliers
- Direct engagement with suppliers by senior management and regular contact with procurement team to address any issues or potential issues
- Corporate responsibility and ethics reporting

Actions and outcomes

- Reduced single sourcing by 20% to reduce risk and build resiliency
- Delivered $4 million in year cost savings
- Develop cross functional team with R&D to qualify backup sources for critical raw materials

Read more on pages 13, 21 and 51-54.

Employees

Our employees are crucial to the success of our business, and many of our decisions have an impact on them. Our employees want to feel valued and empowered to make a difference. A safe, ethical and sustainable workplace with opportunities for real impact remains central to our employee proposition.

What matters to them

- Health, safety and wellbeing
- Diverse and inclusive workplace
- Fair pay and reward
- Opportunities for learning and growth

How we engage

- Initiatives around health, safety and wellbeing, and our organisational culture
- Promote diversity and inclusion, with a month dedicated to the theme in October, and regional activities facilitated by the employee resource group
- Biannual engagement surveys to gather feedback and develop action plans
- Global and local townhall meetings
- Regular leadership briefings and intranet updates for the Fit for the Future programme
- Performance reviews and career development discussions
- Unlimited access to LinkedIn Learning
- Global 24-hour, confidential employee assistance programme

Actions and outcomes

- 90% of sites with zero recordable injuries for >1 year
- Engagement survey participation grew to 86%, with the grand mean increasing to 3.91 out of 5
- Onboarding, knowledge transfer and highly effective teams training
- Timely and effective communication, and consultation with trade unions, works councils and shop stewards where appropriate
- Over 1,653 hours logged on LinkedIn Learning
- Over 150 articles posted on the global intranet accessible to all employees

Read more on pages 44-50.

Communities and the environment

Engagement helps us to understand our impact on wider society and the ways in which we can work together to make a valuable difference.

What matters to them

- Local employment
- Economic contribution
- Operational impact and disruption
- Environmental considerations

How we engage

- Environmental and social reporting on our website, including corporate responsibility, modern slavery, gender pay, water stewardship and carbon emissions
- Philanthropy and employee-matched funding for charity policy
- Local volunteering activities
- Carbon Disclosure Project ("CDP"), UN Global Compact ("UN GC") communication on progress
- Local biodiversity initiatives such as recycling rainwater for banana plantations in Brazil

Actions and outcomes

- Set long-term targets to improve environmental impacts
- Investment in operations and product innovation to improve environmental impacts
- Gold rating for EcoVadis
- Annual disclosure to CDP

Read more on pages 28-43 and 49.

Investors

As owners of the Company, it is important to engage actively and listen and respond to investor feedback throughout the year.

What matters to them

- Successful delivery of our strategy and financial targets
- Transparent and regular updates
- Capital generation and shareholder returns
- Robust governance practices and responsible corporate citizenship

How we engage

- Interim and full-year results presentations, investor roadshows, attendance at conferences, site visits and ad hoc meetings with existing and potential investors
- The AGM is an important event, attended by all Directors, where all shareholders can access the meeting and ask questions
- Governance roadshow with the Chair and meetings with the SID and Committee Chairs as required

Actions and outcomes

- Maintained a comprehensive programme of communication throughout the year, with regular market updates
- c.100 investor meetings with over 70 institutions.
- Hybrid AGM, with all resolutions passed
- Chair attended 21 meetings with ten investors over the year, with the feedback collected shared with the Board
- Investor feedback is collated and shared with the Board on a regular basis

Read more on page 83.

Government, trade bodies and regulators

Engagement with governments and local regulatory authorities helps to ensure we understand changing regulatory requirements and can maintain a constructive dialogue to meet these requirements.

What matters to them

- Governance and compliance
- Trust and transparency
- Environmental impact
- Sustainable procurement

How we engage

- Direct engagement with regulatory authorities, including permit compliance, reporting breaches, annual technical submissions and regulatory guidance
- Establishing and maintaining key contact relationships with the Company's main regulators
- Active engagement with industry bodies

Actions and outcomes

- Through our membership of the International Minerals Association ("IMA") Europe (the umbrella organisation which includes EuroTalc), we support and contribute to IMA Europe's position for engaging with government bodies about upcoming regulations, including, for example, sector-specific sustainability disclosure rules
- In relation to our talc mines in Finland, we have launched a programme of engagement activities with regional and national regulatory bodies to ensure meaningful engagement

Read more on pages 51-54.

As industries seek substitutes for traditional halogenated flame retardants due to their known environmental and health hazards, organoclays are stepping into the spotlight as the sustainable synergist alternative. Derived from natural clay minerals, our new CHARGUARD™ organoclays offer a safer alternative to PTFE based synergists.

Section 172

To enable them to fulfil their duties when making decisions, it is essential that our Directors understand what matters to, and the impact on, 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 24-25.

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, as well as an overarching governance framework which includes Group policies and the Code of Conduct. Directors bring additional value by sharing knowledge or insight gained from other previous or current roles.

The Board visited several of our sites during 2024 (New Jersey and New Martinsville, US and Porto, Portugal). These visits provided opportunities for our employees to engage with the Directors during their tours of the sites, to give the Board management overview presentations and to participate in social events with the Board. In addition, the Directors engaged directly with our investors (see pages 82-83 for more detail) and participated in a wider programme of engagement with our employees.

Christine Soden, our Designated Non-Executive Director ("DNED") for Workforce Engagement, ensures that the views and concerns of the workforce are brought to the Board, understood and taken into account. Further information on our approach to workforce engagement can be found on pages 84-85.

Key decisions in the year

Strategic review of Talc business

Following the sale of the Chromium business, the Board judged that it was the right time to consider the position of Talc in the portfolio alongside other strategic options for the business. This was in the context of the structural evolution in talc markets which had occurred following the Group's acquisition of the Talc business in 2018. In early 2024, the Board asked management to undertake a deep-dive analysis of risks, issues and opportunities in relation to the Group's Talc business.

S.172(1) considerations

- The impact of a decision to evaluate a potential divestment of the Talc business on the retained Group operations in the longer term, as well as on stakeholders of the Talc business, were the business to be divested
- 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 impacts if the Talc business were to be sold
- Investor sentiment in relation to the Talc business

The Board's role

The Board considered reports from management and advisers which noted the overall market outlook for the Talc business, and took into account potential regulatory developments as well as the capital intensity of talc mining operations. The Board considered the synergies which had been delivered as a result of an earlier combination of the Talc business with the Coatings business within the Group and the extent of further synergies that might be available, as well as potential future growth opportunities.

The Board considered carefully the appropriate timing to initiate a strategic review of the Talc business, in light of the importance of the successful delivery of the Fit for the Future programme and its call on key resources within the Group. The Board carefully evaluated input from its financial advisers regarding a potential valuation of the Talc business in the event of a sale process. Taking all aspects into account, the Board approved the announcement of a strategic review of the Talc business in August 2024.

Key stakeholders identified

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

Divestment of Eaglescliffe, UK site

The Group ceased chromium manufacturing operations in the UK in 2009 and, since that date, the Eaglescliffe site has been managed with a small staff necessary to ensure that the Group complies with its ongoing obligations to the UK Environment Agency under its operating permits. In March 2024, the Group concluded a sale agreement with the Flacks Group, having received expressions of interest from several other parties. In consideration of a negative purchase price of £11.5 million, split into two tranches, the first (£6.5 million) payable on completion, and the second (£5 million) on the first anniversary of completion, the Group agreed with the buyer that all past, present and future environmental liabilities would transfer to the buyer. The sale is expected to complete during 2025 when the Environment Agency consents to the transfer of all operating permits to the buyer.

S.172(1) considerations

- The divestment of the Eaglescliffe site is consistent with the divestment of the active Chromium operating business in 2023, and achieves a 'clean break' exit for the Group from the Eaglescliffe site and any associated environmental liabilities
- The buyer indicated that all employees at the site would be retained on the same, or better, terms and conditions
- The Group understands that the buyer intends to develop the site into a green energy-generation centre with solar panels and wind turbines (subject to consents). Therefore, the buyer's intended use of the site is not expected to have any adverse impact on the local community or the environment

The Board's role

The Board considered the negative consideration payable to the buyer and weighed this against the value to the retained Group and its shareholders of securing a full exit from the Group's legacy chromium manufacturing activities, following the divestment of the US-based chromium manufacturing business in 2023. The Board evaluated the buyer's proposed future use of the site and concluded that the buyer would be a positive custodian of the site. The Board further concluded that there would be no adverse impact to employees at the site, who would transfer to the buyer on the same, or improved, terms and conditions of employment as under the Group's employment.

Key stakeholders identified

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

Middletown plant closure

In March 2024, the company announced the closure of one of our AP actives plants in Middletown, US, consolidating our manufacturing footprint. The Middletown plant closed in June 2024.

S.172(1) considerations

- The impact on our employees and community
- Ensuring a smooth transition of equipment and knowledge to an existing site

The Board's role

The Board considered the company's supply chain and noted that, through the closure of the Middletown, US, plant, the company would continue to be able to serve customers globally with the necessary supply chain resilience, through its remaining AP actives plants located in Huguenot, US and Taloja, India, at a balanced cost. The Board evaluated the expected cost savings that would flow from the consolidation of its AP actives manufacturing footprint and the company's ability to relocate and install equipment from the Middletown plant to its other AP actives plants.

Key stakeholders identified

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

Middletown plant closure enabled by successful ramp-up at Taloja

Our Taloja plant in India in was completed in 2022, and we continued to test and qualify our products with major customers throughout 2023. 2024 was Taloja's first successful year operating at full production. We demonstrated consistent high quality and quantity of products through the year.

Taloja is now considered a reliable plant by our key customers, which led to a significant increase in our high-efficacy AP actives and the new business delivery across the Antiperspirants growth platform.

The full ramp-up also enabled us to action the AP actives plant consolidation. In June 2024, we closed one of the US plants, leaving us with two AP actives plants across two key locations, in the Americas and Asia.

Successful Taloja production has strengthened our competitive position, not only via cost efficiencies, but also improving our supply resilience, an important factor for our key global customers.

Read more on page 62.

Sustainability

Towards our purpose

Our purpose – unique chemistry, sustainable solutions – is our guide as we strive to use our expertise to shape positive outcomes in the world.

2024 sustainability highlights

TRIR vs 2023	Revenue share from products that are natural or naturally-derived[1]	Absolute GHG emissions (combined Scopes 1 and 2 market-based) vs 2019
-45%	69%	-51%
Women in senior leadership positions vs 2023	**2030 environmental targets met in 2024**	**Purchased electricity from renewable or low-carbon sources[2]**
+5%	1/4	77%

1 ISO 16128 definition. 2023: 68%.

2 2023: 77%.

We place sustainability at the foundation of our strategy, ensuring we measure and improve our impacts, mitigate risks and take opportunities. Our product innovations help us to create better additives with sustainability and performance features that our customers can exploit in their own products. Examples include naturally-derived rheology additives for paints and cosmetics; use of waste aluminium in antiperspirant actives; hectorite clay-based adhesive additives that minimise lost time and material use in construction activities; low-carbon-footprint talc additives for plastic lightweighting components in automotive applications. In this way, we contribute to a lower-emission, more circular, healthier society.

We are committed to conducting our business safely, responsibly and in compliance with all applicable laws. We require our business partners to operate similarly. Our corporate values and global Code of Conduct guide our actions and decisions. We respect internationally recognised human rights – our Board of Directors approves our annual Modern Slavery transparency statement, available on our website. We support the United Nations Sustainability Development Goals ("UN SDG") and are a signatory to the United Nations Global Compact ("UNGC") – our annual communication on progress is available on their website.

In this section

Reporting approach

We have reported with reference to the Global Reporting Initiative Standards ("GRI") for the period 1 January 2024 to 31 December 2024, and to Sustainability Accounting Standards Board ("SASB") chemicals sector standards. How we identify ESG topics of material importance is described on page 195.

- GRI index: pages 201-202
- SASB index: page 203

CSRD readiness

We are assessing how our current Group structure could result in being within the scope of the EU's Corporate Sustainability Reporting Directive ("CSRD"), subject to final implementation details and relevant nation state regulations.

During 2024, we refreshed our double materiality assessment and commenced an assurance readiness assessment for key non-financial KPIs. In 2025, we will complete our scoping assessment. Accordingly, we will determine which European Sustainability Reporting Standards ("ESRS") disclosures we would be required to make and review the processes supporting those disclosures against assurance requirements.

Foreword

Sustainability represents a significant opportunity for Elementis. We have a continuing focus on taking these opportunities, and enhancing our tools and processes to help us measure our impacts, understand risks and opportunities, and communicate outcomes.

With the support of colleagues across the globe, we have expanded and strengthened our strategic programme. 2024 saw positive results across our safety KPI's, reflecting the hard work and dedication of our operations and HSE teams in delivering our TogetherSAFE programme. Elementis is increasingly diverse and reflective of wider society. Gender diversity in senior leadership positions saw a particularly large improvement this year.

Our environmental impacts were higher than last year, despite delivery of beneficial projects. This is a reflection of increased volumes of products with a higher environmental footprint relative to other parts of our portfolio. Nevertheless, reducing our environmental impacts – especially by prioritising actions related to strategically important products – will reduce the sensitivity of our environmental KPIs to demand variations.

To ensure we can prioritise and measure with a multi-year visibility, this year, we developed more detailed ten-year GHG emission reduction plans covering every manufacturing site and value chain hotspots. Each individual project identified remains subject to our usual disciplined assessment of cost/benefit, with the ten-year plans allowing us to implement good projects faster/more widely, or to delay/cancel unattractive projects.

Executing on these ten-year plans is crucial to delivering on our newly-validated SBT, more of details of which will be communicated later in the year.

The carbon and environmental footprint of our products directly contribute to the footprints of our customers' own products. To help customers deliver and communicate their own sustainability opportunities, we continue to expand our use of product life cycle analysis ("LCA"). LCA calculations connect our environmental improvement projects and product design innovations directly to our customers' sustainable value creation.

Working closely with our supply partners is crucial to identify potential opportunities. We must also ensure that delivering on our opportunities does not increase risks elsewhere in the supply chain. We have improved our capability to systematically gather and manage information on supply chain risk by expanding our relationship with EcoVadis, a leading sustainability intelligence platform for global supply chains.

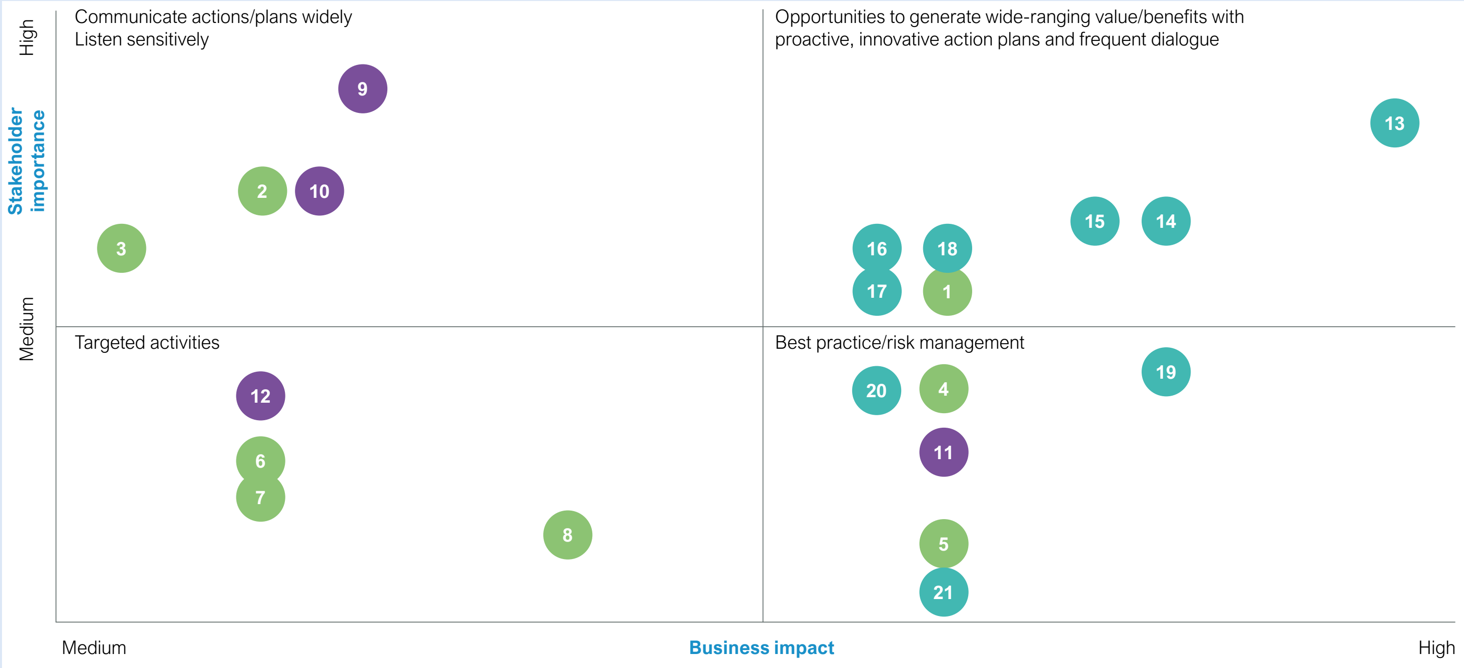
The sustainability journey for Elementis is a long-term change project with many dependencies. Changes in market demand and product mix can drive large swings in our year-on-year environmental footprint – as we have seen in 2024 – that can more than offset the environmental benefits we have delivered in other parts of the business. Nevertheless, our strategic programme ensures we have the tools to create lasting change and sustainable value for the company and our stakeholders.

Phil Blakeman
Global Director Sustainability

Materiality

We aim for our strategic priorities to maximise beneficial impacts and minimise negative impacts to society and the environment. To do this, our priorities must reflect the full reality of the world in which we operate.

Early in 2022, we conducted a materiality assessment to help us identify the sustainability issues that matter most to our stakeholders (such as customers, investors, regulators and our employees). Full details of the process we followed are in our Annual Report 2022.



CSRD readiness

In 2024, we refreshed our materiality assessment, taking guidance from the requirements of the European Sustainability Reporting Standards ("ESRS"). We identified the impact material and financially material sustainability matters that will determine our 2025 sustainability disclosures. The Executive Leadership Team ("ELT") were actively involved in the process, and the outcome was reviewed by our Audit Committee and Board. During 2025 we will complete a material topic gap analysis against the ESRS.

Our material topics and matrix

Environment

1. GHG emissions
2. Ecological impacts
3. Water management
4. Customer sustainability solutions
5. Energy management
6. Waste and hazardous material management
7. Air emissions
8. Product design and lifecycle management

UN SDG supported

People

9. Labour practices
10. Community relations
11. Employee health, safety and wellbeing
12. Employee diversity, inclusion and engagement

UN SDG supported

Responsible business

13. Business ethics
14. Management of regulatory aspects
15. Product quality and safety
16. Responsible supply chain management
17. Competitive behaviour
18. Data security
19. Efficient and resilient supply of raw material
20. Critical incident risk management
21. Physical impact of climate change

UN SDG supported

Governance

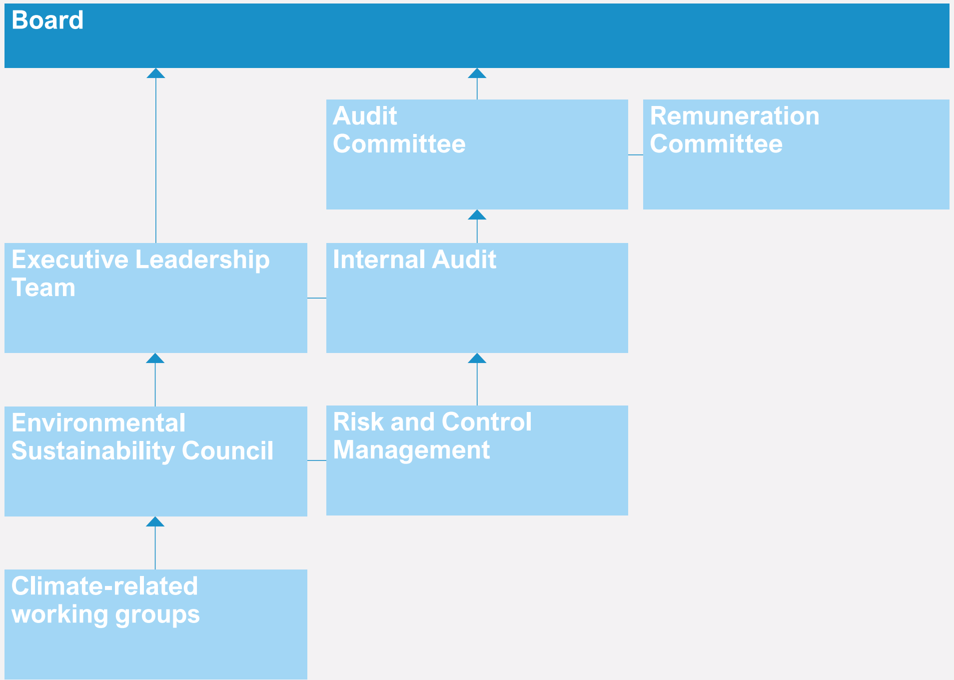
Oversight of our material topics, sustainability strategy, risks and opportunities, and progress against targets is at Board level. Our Board has a diverse set of skills and experience, helping to embed sustainability and climate-related considerations into our strategy in a balanced way. At Board level, the standing CEO's report highlights progress in sustainability (including against our climate strategy and related risks and opportunities), with further detailed management updates provided on a biannual basis. This year, these included approval of our proposed SBT, improvements to sustainability risk and opportunity assessment methods for our product portfolio and supplier base, and progress on calculating product carbon footprint and LCA. The governance of sustainability and climate risks and opportunities is integrated into our overall risk management framework, with the Audit Committee having oversight of our sustainability and climate risk processes and disclosure recommendations through internal audit reports and management-prepared materials.

Elementis plc has complied with the requirements of UK Listing Rule 6.6.6R(8) by including climate-related financial disclosures consistent with the Task Force on climate-related Financial Disclosures ("TCFD") recommendations and recommended disclosures. The climate-related financial disclosures made by Elementis plc comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Our CEO has ultimate accountability for our strategic response to sustainability, including climate-related risks and opportunities. The CEO and ELT approve the sustainability programme and provide senior-level support to the Sustainability Director and Environmental Sustainability Council ("ESC") to embed sustainability and climate action across the business via project and business teams.

Progress towards our 2030 environmental targets, is part of the performance objectives of both the CEO and Chief Financial Officer ("CFO"). The ELT members are responsible for delivering aspects of our sustainability and climate strategy and managing related risks and opportunities. The Sustainability Director is responsible for driving our overall sustainability strategy, providing the Board and ELT with formal updates biannually, and chairs the ESC. The ESC meets monthly, oversees progress and identifies further necessary actions on sustainability and climate-related topics.

Sustainability and climate governance



"Our strategy is underpinned by ambitious sustainability objectives."

John O'Higgins
Chair

Strategy

Our strategy of Innovation, Growth and Efficiency captures the opportunities that come from making sustainability improvements.

Innovation

We focus our capabilities on finding unique solutions to emerging sustainability challenges. For example, our organoclay-based gels improve the water resistance of consumer sunscreens, increasing their effectiveness and ensuring they stay longer on the skin.

Growth

Many of our products are well established in end-use applications that already improve sustainability outcomes, and we aim to increase our participation in these applications further. Examples are the development of antiperspirant actives with a lower carbon footprint and our additives for paints with low VOC.

Efficiency

Our products help customers do more with fewer resources, such as additives that help adhesives instantly grip heavy ceramic tiles without slipping, saving end-users materials, time and money. Efficiency is also a foundational requirement for sustainable improvement in our own operations and supply chain.

To respond to the sustainability drivers in the markets we serve, we focus on a three-pillar framework: environment, people and responsible business.

Environment

Reducing GHG emissions

Driver: Climate change

Our focus is on lowering GHG emissions throughout the value chain.

In March 2025, our proposed SBT was validated by the SBTi.

We work to increase our resilience to various risks climate change brings.

Example: Our site in Sotkamo, Finland, has electrified their last significant fossil-fuel process, resulting in a 99% reduction in combined Scope 1 and 2 (market-based) emissions since 2019.

We expanded our use of product LCA and product carbon footprints to better take opportunities at customers with our sustainable innovations.

Becoming more natural

Driver: Resource efficiency and lowering environmental impacts

We work to increase our use of natural, renewable and recycled raw materials.

Nature supplies many of our raw materials, so we focus on reducing our environmental impacts.

We aim for a more circular and efficient use of resources in our own operations, for customers and for end-users.

Example: Our biobased defoamers replace fossil-derived chemicals and offer better performance.

We introduced aluminium metal from factory wastes in our antiperspirant actives, replacing virgin metal.

Improving product safety

Driver: Products that have lower health risks

We work to find ways to lower the hazards associated with the use of our products, including substitution with lower-risk materials.

We can also help our customers formulate new products with less risk for end-users.

Example: We have developed SUPREAD™ 3410, a new wetting agent for water-based coatings that minimises troublesome foaming while helping formulators lower VOCs and PFAS-containing additives.

Our natural hectorite clay can be used to replace synthetic ingredients in skin care products.

People

We are reliant on our greatest asset, our people. We have a particularly strong focus on employee safety and engagement and ensuring a diverse, inclusive culture.

Example: Continued focus on our TogetherSAFE employee safety programme has brought steady improvements in our total recordable injuries rate.

We continue to improve our senior leader gender diversity.

Responsible business

We conduct ourselves with integrity, giving transparency to stakeholders, sourcing responsibly, and engaging our value chains to better address our material topics.

Example: Continuously improving our screening systems for customers and suppliers to better manage risks.

Improving our cyber security processes to better secure our data systems.

Our 2030 environmental targets

We met one of four 2030 environmental targets (GHG intensity) in 2024 (2023: two). Our environmental performance in 2024 was impacted by increased production volumes and an unfavourable product mix, with relatively higher volumes of products that utilise more resources during manufacturing (such as fuel for high temperature drying).

Science-based target (SBT)

In December 2024, our Board approved a SBT proposal covering the reduction of our Scope 1 and Scope 2 (market) GHG emissions and reductions from our most significant Scope 3 emission categories. Our proposal was validated by the Science Based Target initiative ("SBTi") in March 2025. We will communicate our SBT in more detail later in 2025.

2030 targets[1]

25%
combined Scope 1 and 2 (market-based) emissions

20%
energy from fuels

10%
water withdrawn

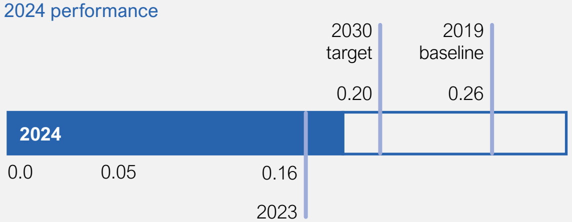
10%
waste sent to third parties

1 All targets are reductions per tonne of production with a 2019 baseline.

Progress against our 2030 environmental intensity targets

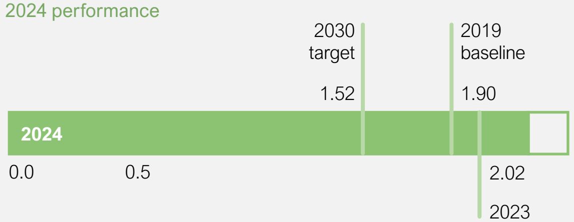
GHG intensity (tCO_2e/t)

0.18
2024 performance



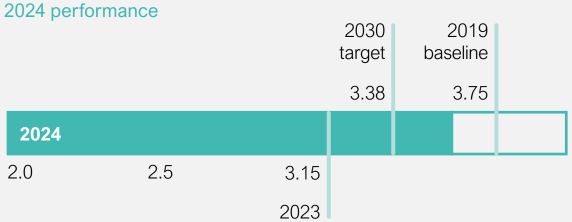
Energy from fuels intensity (GJ/t)

2.23
2024 performance



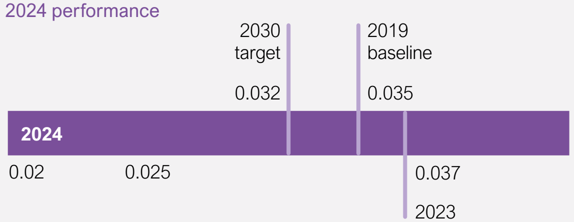
Water withdrawal intensity (m^3/t)

3.59
2024 performance



Waste generated intensity (t/t)

0.044
2024 performance



Third-party ESG ratings

We believe that transparency on risks, actions and data is crucial to demonstrating sustainability improvements and we support various external rating agencies in their assessment of our performance. Our CDP disclosure is available on our website. In 2024, we again achieved EcoVadis Gold, putting us in the top 5% of companies rated by EcoVadis. Our ratings from Sustainalytics, MSCI and FTSE4Good were unchanged from 2023.

CDP Discloser 2024
Climate C
Water C

ecovadis Gold
Scan the QR code above for more information.

Rated Morningstar Sustainalytics
Medium risk

MSCI ESG RATINGS: A
CCC | B | BB | BBB | A | AA | AAA

FTSE4Good
Constituent member

Environment

Lowering negative impacts on the environment is a critical part of a sustainable society. At Elementis, we are committed to playing our part to ensure a sustainable future for people and the planet.

We aim to minimise the impact we have on the environment in our operations and our entire value chain.

We aim to achieve this by minimising GHG emissions, reducing pollution of air, water and soil, and ensuring resources are used as efficiently as possible. We also seek to mitigate risks and take opportunities arising from climate change and concerns around pollution and resource consumption. We expect our suppliers to have the same approach, and we work with them to find ways to deliver better products for our customers.

2024 Environment highlights

Combined Scope 1 and 2 market-based emission (kt CO_2e)
77
(2019 baseline: 158)

Water withdrawn (million m^3)
1.57
(2019 baseline: 2.25)

Purchased electricity from renewable or low carbon sources (%)
77
(2019 baseline: 0)

Third-party verification

We commissioned TÜV SÜD, an experienced and independent verification body, to verify our 2023 data for Scope 1, Scope 2 location and market based, Scope 3, energy consumption, water withdrawal and waste generation. GHG emissions were verified regarding compliance with the ISO 14064-1:2018 standard using a reasonable level of verification. TÜV SÜD's full verification statement is available on our website.

Hectorite clay at our mine in California, USA.

Climate

Climate change drives our actions to reduce emissions from our operations and supply chains, and to improve the environmental footprint of our products with innovative designs. We also work to make our value chains more resilient and agile to minimise disruption from the uncertain localised effects of climate change. Our ambition is to reach Net Zero by 2050 at the latest.

Governance

The Board oversees our climate-related strategy and reviews progress against our climate targets with quarterly written updates. We do see a medium-term path for us to reduce Scope 1, 2 and 3 emissions in line with the Paris climate agreement. In December 2024, our Board approved submission of our SBT proposal to the SBTi for their validation.

The Audit Committee has oversight of our climate-related risks and opportunities process and disclosure recommendations through management-prepared materials.

Our CEO has ultimate accountability for our strategic response to climate-related risks and opportunities. For more detail about our approach to climate and sustainability governance, see page 31.

Climate transition strategy

Our priority is to minimise emissions as much as possible, before using sequestration offsets for remaining hard-to-abate emissions. Our SBT proposal covered the reduction of our Scope 1 and Scope 2 (market) GHG emissions and reductions from our most significant Scope 3 emission categories. It was validated by SBTi in March 2025. We will communicate more details about our SBT later in the year.

Scope 1 reduction

98% of our Scope 1 emissions are associated with production facilities. Each facility has developed a high-level 10-year plan identifying individual projects that could be executed to partially or fully decarbonise a specific process or equipment. These projects include energy-efficiency improvements, such as heat recirculation, electrification of fuel-burning equipment and processes, and limited use of renewable fuels (such as hydrogen and biofuel). We have already successfully electrified a large fossil-fuel-based process at our site in Sotkamo, Finland (see box, page 36).

Scope 2 reduction

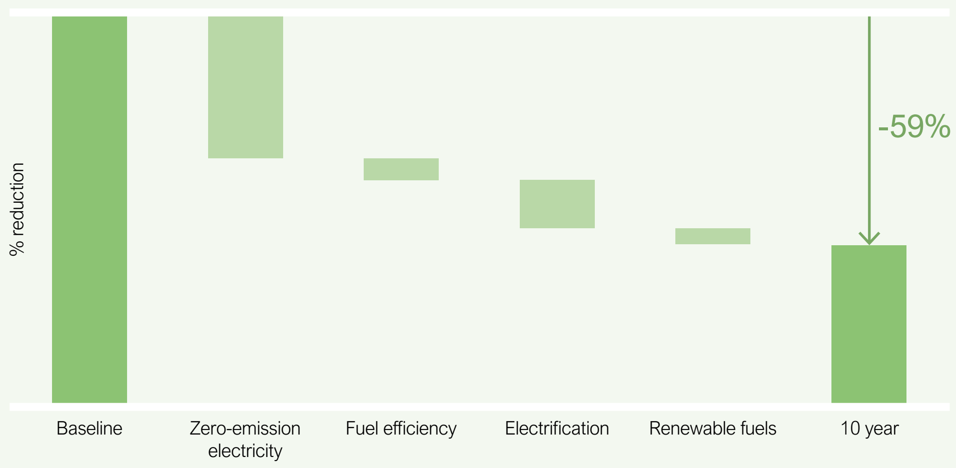
We plan to maximise certified zero-emission electricity purchases. This is especially important given that we think electrification of fossil-fuel-based processes is our largest opportunity for Scope 1 reductions. Electricity markets in China and Taiwan are currently the most challenging for us to access high-quality zero-emission electricity. We are investigating power purchase agreement options for our India facility.

Scope 3 reduction

Our plans to reduce Scope 3 emissions include increasing the use of scrap and recycled materials (especially aluminium metal we use to make our antiperspirants), increasing our use of bioderived chemicals instead of petrochemicals, further optimising our transport networks, and minimising/repurposing our waste. We also plan to increase our engagement with key suppliers to collaborate on ways to reduce emissions from specific supply chains. This includes utilising supplier-specific product carbon footprint data for the goods and services we purchase. We are also dependent on the general decarbonisation of certain industry sectors.

An illustrative representation of our potential Scope 1 and 2 pathway based on our 10-year site decarbonisation plans is shown in the figure below:

% reduction in Scope 1 + Scope 2 (market based) emissions



Our hectorite mine is located in the Mojave desert.

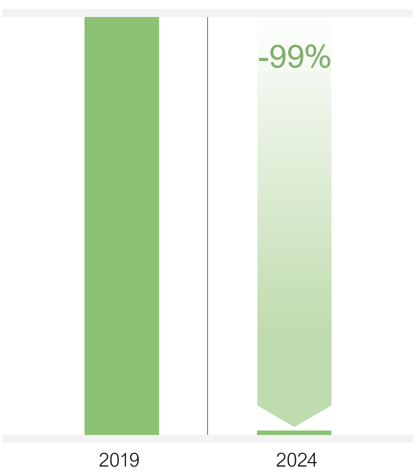
Site decarbonisation

At Sotkamo, Finland, we upgraded our last major fossil fuel process so that it can operate either on LPG or electricity – the site has purchased low-carbon (nuclear) electricity since 2021. In 2024, we have been able to operate this process predominantly on electricity, while in 2023 LPG was predominantly used. The site achieved a 99% reduction in Scope 1 + 2 (market-based) emissions in 2024, versus our 2019 baseline.

28,991

fewer tonnes of CO_2e emissions (Scope 1+2 market-based) vs 2019

Sotkamo site
Scope 1 + Scope 2 decarbonisation



Our emission reduction plans are also dependent on production volumes and mix. Volume sensitivity can be minimised by focusing on solutions which create large reductions in emissions. Mix effects can be minimised by focusing efforts on the products and value chains in our business strategy that have the highest volumes and growth.

Beyond our SBT and heading towards Net Zero emissions, we recognise that to decarbonise more of our own high-temperature processes – and those at our suppliers – our transition is increasingly dependent on commercialisation of new technologies, such as heat batteries, renewable fuels and carbon sequestration. These must also be coupled with robust emission attribute certificate schemes. We would need such technologies and schemes to be in place in order to meet the emissions reductions required for a science-based Net Zero target under the SBTi framework.

Because these technologies and certificates are not yet mature, we take a pragmatic position, where our SBT drives our medium-term actions to lower emissions in line with the Paris agreement, while allowing time for new technologies outside our control to develop further. We follow technology evolution via various forums and industry networks. We expect our Net Zero ambition to cover Scope 1 and 2, and we leave open the possibility of including Scope 3 as our approach and global markets mature.

Climate scenarios

To help us with our climate planning, we conducted an annual climate scenario analysis. We use climate scenarios defined by the Network for Greening the Financial Systems (“NGFS”). NGFS is internationally recognised for its work to advance climate science and contributes to the Intergovernmental Panel on Climate Change’s (“IPCC”) work. NGFS has defined seven future scenarios that explore possible economic and financial impacts of climate change.

We selected three of these scenarios for analysis – Net Zero 2050 (“NZ”), Delayed Transition (“DT”) and Current Policies (“CP”). NZ and CP represent very clear outer boundaries of climate futures, allowing us to clearly differentiate how we consider risks. We expect DT to be a more likely description of the future than NZ or CP. These scenarios are summarised in the table below. We used the November 2024 NGFS update in our scenario analysis.

We annually review our material climate risks with internal functional leaders, informed by the different climate scenarios. This allows us to identify new or obsolete risks. It also allows us to create a comprehensive picture of potential climate-related risks and opportunities in each scenario, and the dynamics over three time horizons: short term (2025-2027, our three-year business plan period); medium term (2028-2035, covering our SBT time-frame); long term (beyond 2035, reaching our 2050 Net Zero ambition). With the functional leaders, we also assess the impact of these nine risks over these time horizons in each of the three climate scenarios using our enterprise risk scoring framework. In previous years we also estimated likelihood, but believe this judgement is of little added value when using defined scenarios.

NGFS scenario descriptions

Characteristic	Net Zero 2050	Delayed Transition	Current Policies
Summary	Limits global warming to 1.5°C through stringent climate policies and innovation, reaching Net Zero CO_2 emissions around 2050.	Global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited.	Only currently implemented policies are preserved, leading to higher physical risks.
Policy ambition	1.4°C	1.6°C	3°C+
Policy reaction	Immediate and smooth	Delayed	None
Technology change	Fast	Slow then fast	Slow
Carbon sequestration	Medium then high use	Low then medium use	Low use
Regional policy variation	Medium	High	Low

Material climate-related risks (➜) and opportunity areas (o) for our business

- Carbon pricing
- Customer demands o
- Consumer trends o
- Investor demands o
- Raw material supply/prices
- Access to renewable electricity
- Energy prices o
- Water scarcity
- Extreme weather events

We initially assess climate risks through a global perspective before bringing in sector-specific or geographically local considerations as necessary. Why they are important to us, our risk assessment score and our strategy to mitigate them are described in this section. These impacts should not be considered as forecasts – we use these calculations to understand a range of potential futures and use them to inform our strategy and tolerance to different climate risks.

Overall, our short- and medium-term planning includes actions to ensure we take climate-related opportunities and manage risks, including in:

- Marketing, to allow early identification of customer and consumer trends and opportunities
- Our innovation pipeline and supply chain management to deliver new products with both improved performance and sustainability impacts
- Operational activities, such as energy-efficiency and decarbonisation projects

Based on this assessment, we believe our strategy is fundamentally resilient to market dynamics in different climate scenarios (including a 1.5°C Net Zero scenario), and other risks over the short, medium, and long term, and provides a solid foundation to capitalise on climate-related opportunities.

Risk management

Our climate risk management approach is incorporated into our enterprise risk management framework (detailed on pages 65), and all nine climate-related risks identified through the climate scenario analysis (described above) are included in our Group risk register. Some of these climate risks (for example, extreme weather events) also contribute to other principal risks.

The Audit Committee and Board have oversight of our climate risk and internal controls through management-prepared materials.

To ensure we do not over- or under-emphasise climate-related risks in relation to other enterprise risks, we use the same risk scoring framework as for our enterprise risks. We annually reassess our climate-related risk scores under each scenario and timeframe with our functional leaders. Risk mitigations are monitored by the ELT and delivered by ESC-coordinated working teams or directly by functional teams.

Metrics and targets

We have a range of established metrics and environmental targets that we use to address our climate-related risks and opportunities. The table on page 40 shows which of these metrics and targets are relevant for each of our climate-related risks.

Progress against our climate and environmental targets makes up part of the performance-related remuneration of our CEO and CFO.

Risk type: **Transition**

Carbon pricing

Potential impacts

The carbon pricing risk is highest in the NZ and DT scenarios, before dropping in the long term. This reflects our underlying assumption that we will pursue decarbonisation in line with our SBT.

For each scenario, using the average carbon pricing from the three models in NGFS and multiplying it with our assumed emissions gives us a theoretical cost of carbon.

Assuming we decarbonise in line with our SBT, this gives a highest theoretical annual cost of $19 million around 2030 under the NZ scenario, and decreasing in later years

If we do not decarbonise at all and a global carbon price is introduced, under the NZ scenario the annual cost could potentially reach $31 million by 2030 and $49 million by 2040, demonstrating the importance of decarbonisation to mitigate this risk.

Strategic mitigations

- A validated SBT supports our continued Scope 1 and 2 emission reductions
- Continue energy-efficiency and decarbonisation projects
- Increase low-carbon electricity purchases
- CAPEX investments include assessment of sustainability impacts
- Product pricing adjustments

Scenario	Impact score[1] in horizon: Short	Medium	Long
CP	Low	Low	Low
NZ	High	High	Low
DT	Low	High	Low

Raw material supply/prices

Potential impacts

Key raw materials have lower availability or higher prices due to climate-related disruptions in the supply chain (for example, production interruption or logistics challenges). This could damage our ability to fulfil orders, potentially lowering revenues or increasing our cost base.

Strategic mitigations

- Qualification of multiple suppliers
- Inventory management
- Encourage climate resilience actions at key suppliers

Scenario	Impact score[1] in horizon: Short	Medium	Long
CP	Low	Low	High
NZ	Low	Medium	Low
DT	Low	Medium	Medium

● High impact ● Medium impact ● Low impact

1 Impact scores are estimated using the same criteria as defined in our corporate risk process.

Risk type: **Transition**

Customer demands

Potential impacts

As part of their own climate response and to lower their own Scope 3 emissions, our customers preferentially source products with lower climate impacts than we offer, resulting in lower revenues.

We are asked about our climate strategy and product carbon footprint by customers spanning all sectors and geographies that we serve. Therefore, we see opportunities for lower-impact products from both our current portfolio and innovation pipeline, regardless of the scenario.

Conversely, not meeting customer expectations, even in the short-term for all scenarios, brings a high risk of limiting our business.

Strategic mitigations

- Climate and sustainability benefits described in our product marketing
- New product innovations
- Our validated SBT and helps us reduce GHG emissions across all emission Scopes
- Increase coverage of product LCA

	Impact score[1] in horizon		
Scenario	**Short**	**Medium**	**Long**
CP	High	High	High
NZ	High	High	High
DT	High	High	High

Access to renewable electricity

Potential impacts

Access to renewable/low-carbon electricity is a crucial lever for us to make progress on our emission reduction plans in the near term.

If demand outstrips supply, we may find it too costly to use renewable electricity, impacting our competitiveness.

Strategic mitigations

- Investigate renewable/low-carbon electricity supplies with multi-year contracts
- Assess opportunities to build additional capacity exclusively for our use
- Purchase a mix of renewable and nuclear emission certificates to secure low-carbon electricity at a balanced price

	Impact score[1] in horizon		
Scenario	**Short**	**Medium**	**Long**
CP	Low	Low	Low
NZ	Low	Medium	Low
DT	Low	Medium	Medium

Consumer trends

Potential impacts

Consumers change buying habits to lower-consumption or to lower-climate-impact products than we offer, resulting in lower revenues.

Technology or regulatory developments may dramatically alter the consumer market for certain end-use applications of our products.

We have potential medium- and long-term exposure to reduced fossil fuel demand in the NZ and DT scenarios. For example, demand for our organoclay additives for fossil fuel drilling applications could slow if extraction drops over time, and demand for our talc additives used in combustion engine pollution control ceramics could drop as new vehicle fleets become increasingly electrified. In 2024, revenue from our products directly related to fossil fuel demand comprised 7% of our revenues (2023: 7%). The NZ scenario has the largest potential impact on these revenues, with a 60% drop in primary energy demand from fossil fuels by 2040.

Strategic mitigations

- Innovate to ensure we are well positioned to address new market trends
- Increase our high naturally-derived content in products
- Ensure sustainable practices through the supply chain
- Maintain our portfolio diversity
- Monitor revenues that are directly dependent on fossil fuel consumption
- In the short term, our growth platforms target $75 million above-market revenue growth and do not include organoclay additives for drilling applications. Thus, we consider that the medium- and long-term market opportunities we could access with our portfolio would more than compensate for the market risks we identified during a low-carbon transition

	Impact score[1] in horizon		
Scenario	**Short**	**Medium**	**Long**
CP	Medium	High	High
NZ	Medium	High	High
DT	Medium	Medium	High

● High impact ● Medium impact ● Low impact

1 Impact scores are estimated using the same criteria as defined in our corporate risk process.

Risk type: **Transition**

Investor demands

Potential impacts

As part of their own climate response and portfolio management, our investors place capital in companies with better sustainability and climate credentials, increasing our cost of capital or potentially limiting our capability to invest in the business. Conversely, if we are better than other companies for climate and sustainability, we may attract more investment and a lower cost of capital.

Strategic mitigations

- Clearly describe how our business strategy supports climate mitigation and brings commercial opportunities
- Clear disclosure of our climate strategy, metrics and progress
- Progress on our SBT and strategies to achieve our Net Zero ambition
- Engage with third-party rating agencies to ensure we are fairly assessed on ESG

	Impact score[1] in horizon		
Scenario	Short	Medium	Long
CP	● Low	● Low	● Low
NZ	● Low	● Medium	● High
DT	● Low	● Low	● Medium

Energy prices

Potential impacts

A high energy price causes significant increase in operating costs, making us uncompetitive.

Energy prices increase in all scenarios, with gas becoming relatively more expensive compared with electricity in the long term (especially in DT and NZ scenarios).

NGFS NZ scenario has the highest gas and electricity prices. In this scenario, if by 2035 we electrify 50% of our natural gas consumption and it is twice as energy efficient, operating energy costs are 4% higher compared to remaining with the same energy mix as in 2024. If electrification is three times as efficient, energy costs are 2% cheaper by 2035.

Strategic mitigations

- Energy purchase strategy that balances spot, hedged and contracted purchases
- Management of energy supplier contracts
- Increased electrification to minimise exposure to gas and liquid fuels
- Energy-efficiency projects

	Impact score[1] in horizon		
Scenario	Short	Medium	Long
CP	● Low	● Low	● Low
NZ	● Low	● Medium	● Medium
DT	● Low	● Medium	● Medium

● High impact ● Medium impact ● Low impact

1 Impact scores are estimated using the same criteria as defined in our corporate risk process.

Risk type: **Physical**

Water scarcity

Potential impacts

Our sites are disrupted by lack of access to clean fresh water for manufacturing product.

We assess each of our sites for physical risks, in discussion with local site leaders. Our sites in high water stress locations are already designed with this risk in mind. Due to this built-in resilience, there is low additional impact (medium under the CP and DT scenarios in the long term).

Strategic mitigations

- Projects to minimise water withdrawal and improve water and effluent management
- Some sites have access to their own borehole for water supplies

	Impact score[1] in horizon		
Scenario	Short	Medium	Long
CP	● Low	● Low	● Medium
NZ	● Low	● Low	● Low
DT	● Low	● Low	● Medium

Extreme weather events

Potential impacts

Our sites are disrupted due to weather-related factors, leading to delayed order fulfilment and potentially lower revenues, while increasing our cost base for repairs/prevention.

We assess each of our sites for extreme weather risks in discussion with local site leaders. Risks already exist due to specific locations and sites are already designed with these risks in mind. Due to this built-in resilience, there is low additional impact (medium under the CP and DT scenarios in the long term).

Strategic mitigations

- Continuous assessment of maintenance and investment in extreme weather adaptations at sites
- Supply chain and inventory management to cover shorter-duration disruptions

	Impact score[1] in horizon		
Scenario	Short	Medium	Long
CP	● Low	● Low	● Medium
NZ	● Low	● Low	● Low
DT	● Low	● Low	● Medium

Climate-related targets and metrics

	2030 intensity target				Business metric		
Climate-related risk	Scope 1 and 2 GHG emissions	Energy from fuels	Water withdrawn	Waste sent to third parties	Renewable & low carbon electricity	Natural content of products	New products launched
Carbon pricing	●	●			●		
Customer demands	●	●	●	●	●	●	●
Consumer trends	●		●	●	●	●	●
Investor demands	●		●		●		●
Raw material supply/prices				●		●	
Access to renewable electricity	●	●			●		
Energy prices		●			●		
Water scarcity			●				●
Extreme weather events	●		●				
Related emission scope	1, 2	1	3	3	2	3	3
Additional information	Page 196	Page 197	Page 198	Page 198	Page 197	Page 15	Page 15

GHG emissions

Our priority is to reduce absolute levels of emissions – which is better for the planet and all our stakeholders – and this is a focus of our climate strategy to be Net Zero by 2050. Our newly validated SBT helps keep our focus on emission reductions over the medium term. Our GHG emissions footprint is detailed on pages 41 and 196-197.

Overall, our combined Scope 1 and Scope 2 (market-based) emissions increased by 18% vs 2023. This year-on-year change was driven by a) 5% higher overall production volume; b) a product mix that contained relative greater high-emission-intensity products; and c) more antiperspirant production volume transferring from the USA to India. These macro dynamics more than offset gains made by from energy-efficiency and decarbonisation.

We saw a 17% increase in Scope 1 emissions vs 2023, driven by increased use of natural gas used for drying many of our products. This more than offset emission improvements we made, such as from replacing LPG with electricity in Sotkamo, Finland, and electrification of some propane-fuelled fork-lift trucks.

There was no change in which sites purchased zero-emission electricity in 2024. Renewable and low-carbon (nuclear) electricity made up 77% of our total purchased electricity during 2024 (2023: 77%). We continue to assess opportunities to increase our purchase of low-carbon electricity.

Versus 2023, our Scope 2 (market-based) emissions increased by 20% (location-based increased by 10%), driven by a higher production activity overall, including at our Taloja, India, site, which uses relatively high-emission grid electricity.

Our target is to reduce our combined Scope 1 and Scope 2 (market-based) emissions per tonne of production by 25% by 2030, from a 2019 baseline (2030 target: 0.20). Our intensity increased to 0.18 tCO_2e/tonne production (2023: 0.16). Nevertheless, we met our 2030 GHG intensity target for the fourth year in succession.

Our total 2024 Scope 3 emissions were calculated to be 1% lower compared with 2023, driven by lower emissions from Category 1 (purchased goods and services), and especially of our single largest contributor, aluminium ingots with 76,075 tonnes CO_2e (2023: 94,387) – our work to introduce waste aluminium can help lower these emissions. Category 4 (upstream transport and distribution) increased due to higher activity and more granular data treatment for multi-modal journeys.

In preparation for our SBT submission, we estimated Scope 3 Category 10 (use of sold products) – this contributed 37,436 tonnes CO_2e to our footprint for 2024 (2023: 36,699). In prior years, we had taken the World Business Council for Sustainable Development ("WBCSD") guidance for chemicals companies that we could exclude it from our footprint.

Methodologies for the other Scope 3 categories were unchanged from 2023 – our methodology document is available on the Sustainability section of our website, and a summary can be found on page 195.

Energy

We recognise that responsible usage of energy (whatever the source) reduces demands on resources and infrastructure and helps lower our costs and emissions. Our 2030 target aims to reduce our energy use from fuels per tonne of production by 20%, from a 2019 baseline (target: 1.52). In 2024, 92% of our energy from fuels came from natural gas (2023: 84%).

In 2024, sites continued to improve energy efficiency, for example:

- Our site in Anji, China, enhanced their filtration system to result in product with a lower moisture content and thus lowering energy needed for drying
- We refurbished a steam boiler from our closed Middletown, US, site for use in nearby Huguenot, US. The refurbished boiler is smaller capacity than the one in Huguenot, and can be used when Huguenot production demand for steam is lower, saving energy
- Each of our US sites worked with EnergyStar to conduct an energy 'treasure hunt' and identify new opportunities for improvement

In total in 2024, we spent $309,000 of CAPEX on energy-efficiency projects (2023: $386,000).

Our total energy usage was 14% higher in 2024 compared with 2023, primarily due to an increase in production volumes and a product mix that required higher manufacturing energy. These effects were larger than the impact of our energy-efficiency projects. Our energy from fuels intensity increased by 11% for the same reasons.

Examples of how we plan to improve energy efficiency further in 2025 include an upgrade to a heat exchanger on a large dryer flue in Livingston, UK.

Additional detail on quantified energy data can be found on pages 41 and 197.

GHG emissions and energy

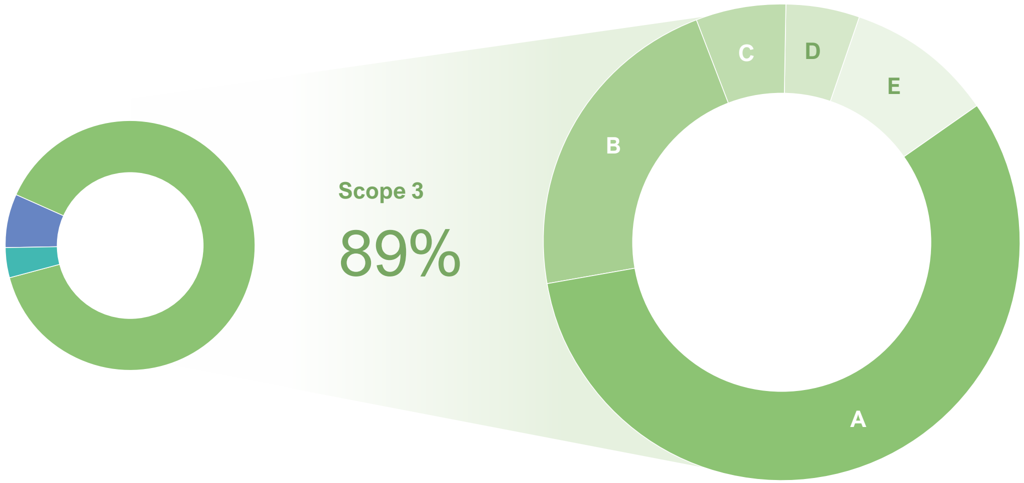
2024 GHG emissions by Scope[1]

Scope 1

7%

Scope 2 (market-based)

4%



Scope 3 categories

A. Purchased goods and services	57%
B. Upstream transport and distribution	22%
C. Processing of sold products	6%
D. End of life treatments of sold products	5%
E. Remaining Scope 3 categories	10%
Total Scope 3	**599,233 tonnes CO_2e**

Scope 1 and 2 (GHG location-based)
000 tonnes CO_2e

	Scope 1	Scope 2	Total
2019	58.5	64.5	122.9
2020	49.1	60.5	109.6
2021	49.1	53.4	102.5
2022	47.7	43.0	90.6
2023	41.9	44.6	86.5
2024	48.9	48.9	97.8

Scope 1 and 2 (GHG market-based)
000 tonnes CO_2e

	Scope 1	Scope 2	Total
2019	58.5	100.0	158.4
2020	49.1	94.3	143.4
2021	49.1	26.2	75.2
2022	47.7	19.4	67.1
2023	41.9	23.4	65.3
2024	48.9	28.0	76.9

Energy use
GWh

	Energy from fuels	Purchased energy	Total
2019	318.3	280.1	598.4
2020	264.6	252.7	517.3
2021	266.2	252.2	518.4
2022	259.5	221.2	480.7
2023	233.3	197.1	430.5
2024	270.7	221.8	492.6

1 For more detailed information, please see pages 196 and 197.

Water

We see water as a precious natural resource, and we continue to work to mitigate our water use, risks and impacts. We use water as a solvent in our processes, as a heat carrier (steam) and as a coolant. Some of the products we sell are dissolved or suspended in water. We have introduced dry additives, for example powder NiSATs, as an alternative product design with less water consumption and less water transportation.

Our target is to reduce water withdrawal per tonne of production by 10% by 2030, from a 2019 baseline (2030 target: 3.38). Our Water Stewardship Policy is available on our website. We also consider climate-related water risks at our sites. We publicly report our water performance through CDP, achieving a C rating in 2024 (2023: B).

Overall, our water withdrawal per tonne of production increased by 14% compared with 2023, primarily due to increased volumes of product that need higher water use in the manufacturing process, relative to more water-efficient products in our portfolio.

We have worked to increase efficiency of water use across our manufacturing sites. For example, our site in Amsterdam, Netherlands, limited excess water addition in a specific manufacturing process, lowering the amount of water used and also saving energy in the subsequent drying step.

We use the World Resources Institute ("WRI") Aqueduct tool to help us understand water risks. Four sites (our manufacturing site and mine in Newberry Springs, US, and manufacturing sites in Songjiang and Anji, China) are classed in this tool as having a high baseline water stress. Our water withdrawal intensity in those areas was 4.9 m^3 per tonne produced in 2024 (2023: 6.1 m^3 per tonne produced), primarily due to improved water efficiencies at our sites in China.

Our water discharge is significantly higher than withdrawals, primarily due to groundwater and rainwater management at our mines in Finland. For the rest of our sites, discharge is generally lower than withdrawal due to process water being lost to evaporation as we dry our products, and sometimes shipped as part of a product.

Additional detail on quantified water data can be found on page 198.

Pollution

We seek to minimise the impact of pollution from our operations. To minimise pollution, we focus on operating our manufacturing processes at high efficiency and recycling process water where possible. Our remaining emissions to water and air are strictly controlled in line with local regulations and our operating permits. Internal measurement and external monitoring are deployed to ensure compliance.

At most of our manufacturing plants, contaminant loads in our wastewater are low enough to only require zero or minimal on-site treatment before being discharged to third parties. At our mines in Finland, we discharge water directly back into the environment, so we conduct more substantial wastewater treatment to reduce heavy metals that are leached from the mined rock. Emissions to water were 0.8 tonnes in 2024 (2023: undisclosed), with the main contributor being organic carbon (0.5 tonnes).

We control the emission to air of dust and gaseous pollutants in compliance with our local operating permits, using a variety of scrubber and abatement technologies. Total air emissions in 2024 were 135 tonnes (2023: 108 tonnes), of which the largest contributor is non-methane VOCs (70.4 tonnes).

The breakdown of water and air pollutants is detailed on page 198.

Closed sites

We manage environmental risks at our site in Eaglescliffe, UK, which was closed in 2009. In 2024 we agreed a sale of the site – see page 27 for more information.

In 2024, we closed our Middletown site in the US. After production ceased at the end of June, we worked to decommission the site, repurpose assets when possible, and ensure the site is safe – see page 27 for more information.

Waste

We recognise how valuable resources are and we aim to use them as efficiently as possible to support a more circular economy. We run our processes to maximise yields from each batch while maintaining quality, and to find ways to sell any byproducts generated rather than disposing of them as waste. Our target is to reduce the waste (including hazardous waste) we send for third-party treatment per tonne of production by 10% by 2030, from a 2019 baseline (2030 target: 0.032). We have included the category 'waste generated in operations' in the Scope 3 part of our science-based target.

Our waste per tonne of production increased by 18% in 2024. In 2024, 58% of our total waste sent offsite for third-party treatments was landfilled (2023: 50%), the majority of this being waste from clay processing. 7% of waste was incinerated and 4% was recycled, and 30% reused. 8% of our waste was classified as hazardous (2023: 8%).

Some activities we have undertaken to reduce waste include working with the Scottish Environment Protection Agency to reclassify waste clay residues from Livingston, UK as a product suitable for agricultural soil enhancement.

Additional detail on quantified waste data can be found on page 198.

Product LCA

Measuring the carbon and environmental footprint of our products is important to engage customers and communicate impacts of our new product innovations. We have continued to expand the portfolio coverage of our product life cycle analyses. We build our LCAs according to ISO14040/14044 with output results using the EF 3.1 Life Cycle Impact Assessment ("LCIA") method. Our LCAs now cover strategically important additives made in our Livingston, UK, facility that contain our unique hectorite clay, and to a range of our antiperspirant ingredients.

In addition to quantifying the carbon and environmental footprint of a product, these LCAs help us communicate improved impacts of our product innovations to customers. For example, the antiperspirant LCA enables us to quantify the environmental benefits of utilising waste aluminium as an input material, supporting our collaborative work with customers to introduce the product.

Our antiperspirants made with waste aluminium have a lower cradle-to-gate carbon footprint.

Responsible mining

We operate mines in Finland and California, US, that give us direct access to key mineral resources incorporated into our products. We work to protect the environment and biodiversity, reducing or avoiding our impact on sensitive species, habitats and ecosystems. Our biodiversity statement is available on our website. We engage openly and constructively with local communities, seek continuous improvements in our practices, and work to minimise negative impacts of our operations.

Overburden, tailings and ore beneficiation residues remain in tailing storage facilities on our mine sites. Some of these materials are sold as products, and there is further potential for valorisation in the future.

Finland

We operate four active open cast mines for high-purity talc minerals. Our talc mines are members of the Finnish Network for Sustainable Mining, which aims to advance responsible mining practices, and we are committed to the Finnish Towards Sustainable Mining Standard.

We continuously monitor environmental impacts with our own laboratories or qualified third parties, including the quality of groundwater and surface water. We reuse the water from our tailings storage facility in our ore processing, minimising freshwater withdrawal and resulting in a water recycling rate of over 95%. As we mine, we pump out accumulating groundwater and rainwater, treating it before discharge. As we process the talc ore, we produce nickel concentrate and magnesite sand as by-products, which are utilised in on-site infrastructure or sold externally. We also use rocks in road construction on site.

The land area of these sites is 1,792 hectares (no change from 2023). Our land management and remediation plans include consideration of landscape value when designing landfill areas.

There are no endangered species identified in our mining areas in Finland. The impact of our mining activities on biodiversity is monitored in compliance with local operating permits and regulations.

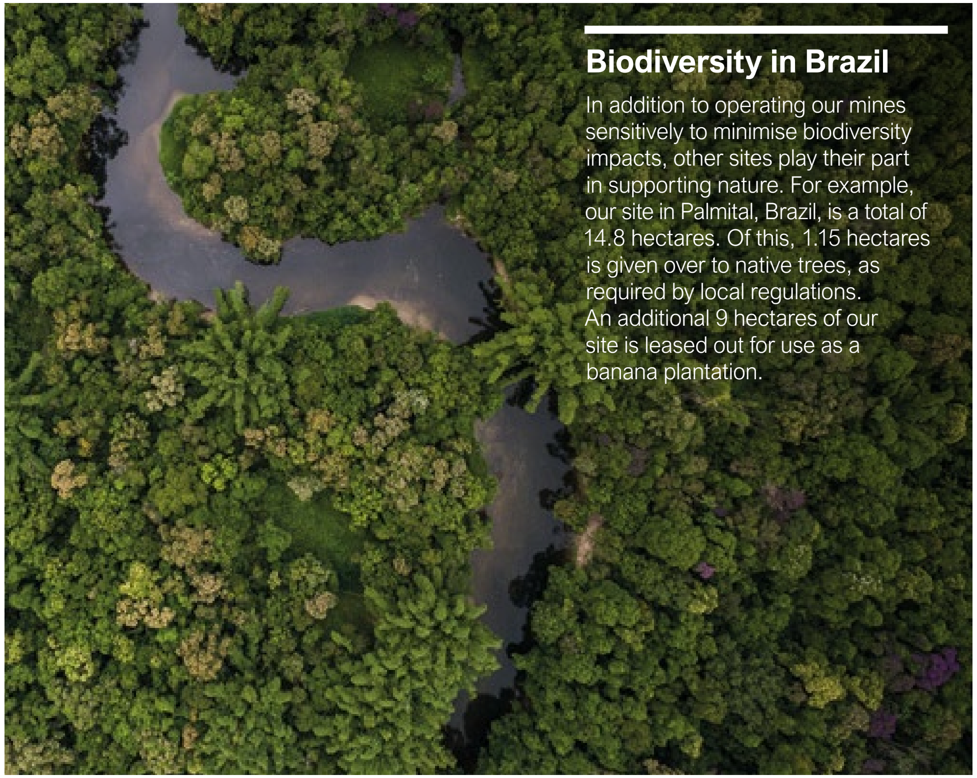
Our permits are susceptible to challenges from environmental lobbyists and, where this occurs, we work constructively with the permitting authorities and follow legal due process to defend our rights.

California, US

We operate one open cast mine in California for hectorite clay mineral. The land area of this site is 223 hectares (no physical change from 2023, but restated based on more accurate information). By design and geological location, no stormwater leaves the site. Occasionally, rainwater in active mining areas is pumped to other parts of the property to evaporate while allowing mining to continue. Water from an on-site owned well is used for dust control, to remain in compliance with the reclamation plan and regional California Air Quality Management District requirements.

All mined material is segregated such that further uses can be found for it in future (e.g. in agriculture, highway construction or landfill liners). We sell a small amount of rock as storm erosion protection and clay for agriculture amendments and residential pond liners.

Our mine is within the habitat range of the Mojave Desert tortoise, which is on the International Union for Conservation of Nature ("IUCN") red list as critically endangered. We have an approved barrier fence surrounding the site to prevent tortoises entering the site. Should a tortoise be found inside the fence, we work with a trained biologist to return the animal safely to its natural habitat.



Biodiversity in Brazil

In addition to operating our mines sensitively to minimise biodiversity impacts, other sites play their part in supporting nature. For example, our site in Palmital, Brazil, is a total of 14.8 hectares. Of this, 1.15 hectares is given over to native trees, as required by local regulations. An additional 9 hectares of our site is leased out for use as a banana plantation.

Our Talc mine and processing plant in Sotkamo, Finland.

Our hectorite mine in California, USA.

People

At Elementis, our people are the key ingredients of our success.

As vital members of local teams and a dynamic, global and inclusive company, employees play a pivotal role in bringing our purpose to life – delivering unique chemistry and sustainable solutions.

Our values define our culture and guide our journey. Everything starts with Safety; it is a way of life, showcasing our unwavering commitment to our workforce's wellbeing. Our ambition is demonstrated in our passion for excellence and our drive to create solutions that deliver value for our customers. Respect is woven into all interactions, whether with colleagues, customers, communities or the environment. Teamwork is the foundation of our success, creating an environment where collective efforts result in exceptional achievements.

2024 People Highlights

Total recordable injury rate vs 2023
-45%
(2023: 0.33 / 2024: 0.18)

Women in senior leadership positions
42%

FTSE Women Leaders Review ranking
28th
(2023: 49th)

Gallup engagement mean score
3.91
(out of 5)

Employee survey participation rate
86%

Hours spent in LinkedIn Learning
1,653

Employees inspect equipment at our Songjiang, China facility.

Health and safety

Everything starts with Safety – it is the foundation of how we work and a value we live by every day. Our focus is on keeping our employees safe, protecting people, and operating responsibly. Accountability for health and safety is held by our Chief Executive Officer ("CEO"), supported by the Senior Vice President Global Supply Chain and Manufacturing, and the Global Director for Health, Safety and Environment ("HSE"). Our Board receives a detailed update on our health and safety performance at each meeting and the ELT receives monthly updates as part of the Group's overall performance assessment.

Our health and safety strategic plan reflects how we turn strategy into action. Our objective is to deliver excellence in HSE performance and drive continuous improvement through ongoing investment in our people, management systems and facilities. A copy of our HSE Policy is available on our website.

We operate a comprehensive management system that supports our values and the delivery of our health and safety programme, TogetherSAFE. We continuously enhance and refine key parts to ensure its ongoing effectiveness. This year, we expanded our development of a global HSE framework and publication of HSE standards in line with the International Organization for Standardization ("ISO") standards. We continued our safety leadership certification programme for new site management, certifying five new leaders on performance, compliance and risk management. Additionally, we awarded our fourth annual CEO TogetherSAFE Award to our Songjiang site for their 'We are all Safety Champions' programme, which exemplifies the TogetherSAFE principles and ensures everyone at every level is helping to improve safety by making it a regular part of daily discussions, plans and tasks.

In April, we held our fourth annual Global Health, Safety and Environmental Week, bringing all our sites together to celebrate and nurture our safety culture. This year, the week was expanded to highlight all three pillars of HSE: Health, Safety and Environment. Speakers covered topics on safety leadership, mindfulness and the impacts of climate change on health and safety. To further enhance employee engagement, train-the-trainer sessions were held, and interactive games were specially designed for the event.

Organisational roles, responsibilities and mechanisms for communicating information and managing data to support the measurement and tracking of HSE incidents are operated under our global HSE Leadership Council. The Council meets monthly and comprises functional and business segment representatives who spearhead the HSE management system across the organisation. All sites' local management systems are based on Plan, Do, Check, Act principles to ensure sufficient control and drive continuous performance improvement. Each manufacturing site operates a Safety Committee covering matters that impact employee health and safety, performance, incidents and concerns. All suggestions are tracked as corrective and preventative actions.

To ensure compliance with our safe work procedures and legislative requirements, employees receive training tailored to their specific job requirements and required level of competence. Training is delivered both in-person and virtually, with each site maintaining a training plan. Safety-critical training and competencies are clearly identified and kept up to date.

Our corporate HSE team conducts regular audits to assess adherence to national and local regulations, completing four audits (five in 2023) of our manufacturing sites.

Health and safety performance

Our total recordable injury and illness rate was 0.18, compared with 0.33 in 2023. There were two employee recordable injuries (2023: four) and two lost time accidents ("LTAs") (2023: four). Data from the last three years indicates that most employee recordable injuries resulted from 'caught-between' or contact accidents (40%), slips, trips and falls on the same level (20%), and sprains/strains (20%). Key improvement opportunities identified from these incidents are risk assessment of tasks before work commences, overseeing work during operations, safe lifting practices, early reporting of symptoms, and adherence to procedures and rules. No fatalities were reported in 2024 (2023: zero).

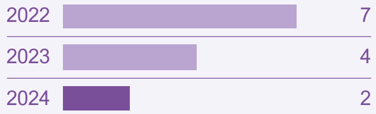
Process safety

Process safety management ensures that systems and procedures are implemented to prevent and control hazards associated with toxic releases, fires, explosions, uncontrolled reactions and energy releases that could lead to catastrophic incidents.

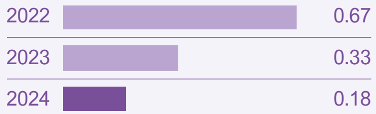
In 2023, we formalised a process safety management standard to guide our plants in managing risk according to regulatory requirements and best practices. As part of this, we increased training in process safety events ("PSE"), hazard analysis and defined competency requirements. Additionally, a process safety improvement plan for high-risk processes was executed. Phase 2 of the plan included the remainder of sites identified as high hazard, prioritised based on overall risk (severity and frequency). Key actions included completion of associated process hazard analysis ("PHA"), management of risks raised in PHAs and identification of deficiencies in the maintenance of safety-critical equipment. Phase 2 will continue into 2025, with the goal of achieving 100% PHA completion for medium and low prioritised sites by 2025.

2024 health and safety highlights

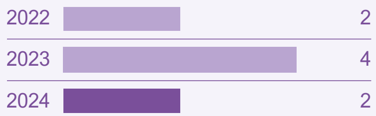
Total recordable injuries



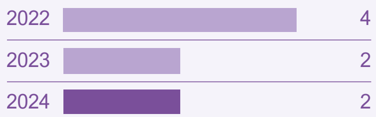
Total recordable injuries rate



Total lost time injuries



Contractor recordable injuries



Total PSE Tier 1 and 2

2022 data excludes divested sites.

In 2024, several of our sites celebrated extended periods of safe operation.

90%
of sites with zero injuries for >1 year

70%
of sites with zero injuries for >3 years

The following sites celebrated significant milestones without an employee recordable injury, showing strong employee engagement in driving continuous improvements in safety culture and taking responsibility for their own and others' safety:

- Katwijk 13 years
- Milwaukee 12 years
- Livingston 7 years
- Newberry mine 9 years

TogetherSAFE.

A PSE is an unplanned incident or accident that occurs during the operation of a chemical or industrial plant where a hazardous material is used or processed. Two Tier 1 and Tier 2 PSEs occurred in 2024 (2023: two). Comprehensive root cause analyses were conducted for both incidents. The Tier 1 incident resulted in a fire at one of our manufacturing facilities. There were no injuries; however, there was damage to equipment and facilities, leading to a loss of production. Corrective and preventative actions were identified and are currently being implemented. The Tier 2 incident resulted in a contained release of a chemical above threshold quantities, with corrective actions including overfill protection, advanced instrumentation and automation, and operator training.

In 2024, we recorded zero Tier 2 environmental incidents (2023: seven). Significant changes requirements were implemented in 2024 as part of a seven-step environmental improvement plan, including enhanced design standards, critical equipment maintenance, chemical transfer checklists, process oversight and high-level alarms.

Contractor safety

All new contractors receive HSE orientation prior to commencement of work to understand their on-site responsibilities and to ensure compliance with our safe work procedures. Each site conducts specific contractor orientation that covers life-saving rules, safe work permits, emergency procedures and incident reporting.

Contractors deemed as high risk are vetted by reviewing the suitability of their programmes and training, and their organisation for regulatory violations. Contractor recordable injuries remained the same at two in 2024 (2023: two). Follow-up actions from these incidents included: Elementis participation in weekly and monthly safety meetings, improved job planning and reviews of hours worked, increased oversight of subcontractors, retraining on safe work permits and contractor orientation, and regular meetings with third-party senior management to track progress.

Focus for 2025

In 2025, we will continue the implementation of global HSE standards and frameworks across our operations and develop meaningful KPIs to support the rollout. We will heighten engagement by leveraging the success of initiatives such as the TogetherSAFE CEO Award, the Global HSE Week, and continue our focus on environmental compliance. Additionally, we will continue to sustain process safety management ("PSM") performance and track compliance through the establishment of a PSM network and global PSM dashboard. To reduce associated injury risks, we will continue efforts to improve risk assessments for fire and explosion hazards, focus on chemical transfer and handling tasks, and conduct regular maintenance of critical equipment at all manufacturing sites. We will support the training and development of new HSE leaders and continue to promote stop-work authority and near-miss reporting.

> TogetherSAFE means considering how every decision and action affects others, first and always. It is an extension of our value of Safety, guiding our behaviours at home and at work; it follows our products into the marketplace and helps protect our facilities, environment and communities."
>
> **Jacqueline Robertson**
> Director, Global HSE

Employee wellbeing and mindfulness

At Elementis, employee wellbeing is essential not only for mental and emotional health but also for supporting a strong safety culture by encouraging employees to stay present and focused on their tasks and surroundings. We recognise that a healthy and engaged workforce is vital to sustainable success, particularly during times of organisational change. In 2024, we conducted a mindfulness and wellbeing campaign to highlight the importance of staying focused and mindful. Monthly topics, materials and webinars were made available on the intranet to all employees.

The campaign aimed to:

- Promote stress reduction and mindfulness to enhance mental and emotional wellbeing
- Address the risks posed by distractions, emphasising the importance of attentiveness to tasks and surroundings
- Reinforce the need to balance adaptability with safety standards to maintain both physical and mental wellbeing
- Encourage teamwork and collective responsibility to create a safe and supportive environment during periods of change

Our people

In 2024, we continued to strengthen our workplace by fostering collaboration, providing meaningful growth opportunities and recognising every contribution. Our employee value proposition – Connect. Grow. Make an Impact – reflects what matters most to our people and guides how we create a positive employee experience.

Our policies and practices

Our HR policies demonstrate how we put our values in practice. They reinforce our commitment to providing equal employment opportunities, striving to ensure that the work environment is free of harassment and bullying and that everyone is treated with dignity and respect. Our policies are available to all employees via the company intranet and local HR.

Although the Company has fewer than 250 employees in the UK and is therefore not required to report under the UK gender pay gap regulations, the Group conducts a global gender pay review every two years. The most recent review was presented to the Remuneration Committee in December 2024 and continued to show that, on average, female employees are paid slightly more than male employees. A further review will take place in 2026. At the same time, we also undertake a global review using our job architecture framework to ensure gender pay equity across Elementis.

We are committed to providing fair, market-competitive pay and benefits to attract, engage and motivate employees at all levels. We aim to pay fully competent individuals who consistently meet performance expectations at competitive market levels. We review benchmark salary increase data on an annual basis and complete a full survey every three years to ensure we maintain this position.

We are accredited by the UK Living Wage Foundation in recognition of our pay commitment to direct and third-party employees at all UK locations.

We provide a variety of leave programmes to support employees through life events, including family leave to care for sick family members, paternity and maternity leave, and bereavement leave. Leave entitlements vary greatly across countries, but the offerings are all in line with or above market norms.

In addition, each country offers multiple forms of personal and family support which aim to enhance work-life balance and increase overall wellbeing. These include child education and childcare support, meal allowances or vouchers, on-site canteens, transport assistance, and gifts for holidays and life events.

Of our employee population, 7.5% are union members and 20.4% are subject to collective bargaining agreements (data excludes Ludwigshafen, Germany, where we have no right to this information).

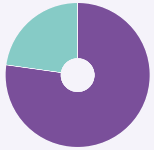
Voluntary attrition increased to 9.3% (2023: 7.0% excluding Chromium).

Metric	2024
Union membership	**7.5%**
Collective bargaining agreement	**20.4%**
Voluntary attrition	**9.3%**

Employee headcount by gender and region

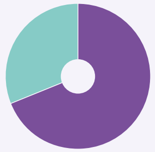
Effective as of 31/12/2024

Americas



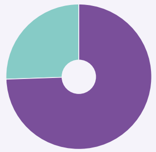
Male employees	252
Female employees	74
Total	**326**

Europe[1]



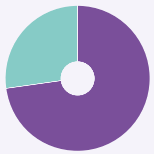
Male employees	346
Female employees	156
Total	**503**

Asia[1]



Male employees	309
Female employees	105
Total	**415**

Global



Male employees	907
Female employees	335
Total	**1,244**

1 One employee chose not to disclose.

Benefits and rewards

Our total rewards package extends beyond competitive compensation and benefits. It encompasses a safe and healthy work environment, a commitment to work-life balance, meaningful recognition, and continuous learning and development. Guided by our global principles, benefit programmes vary by country as government mandates, cultural factors and market norms shape local programme design and employee expectations. These local offerings are well aligned to and within the scope of our global principles.

All countries provide some form of retirement scheme, ranging from the employee-invested 401(k) plan in the US to wholly state-provided and cash lump sums upon retirement. In countries where state programmes are at a basic level, the Company offers private plans in addition to mandatory contributions.

Employees in all countries have access to a government health plan, to which the Company contributes, and/or a company-sponsored plan. Employees in India, the US and Brazil are provided with company-sponsored healthcare plans as there is no national healthcare system or the coverage is limited. In the UK and Germany, the Company offers supplemental health insurance in addition to mandatory contributions to national programmes. The offering of a supplemental plan in the UK is above market norms, as private medical schemes are becoming more popular but are still not universally offered by employers. Our new site in Portugal is set up on the same basis, aligned to our global principles.

% female	**2024**	2023	2022	2021	2020
Senior leaders[1]	**42**	37	35	31	30
Total employees	**27**	27	24	24	24

1 ELT and direct reports, excluding administrative personnel. Numbers do not include Ludwigshafen.

% ethnically diverse (US only)	**2024**	2023	2022	2021	2020
Total	**29**	26	26	22	21

A diverse and inclusive environment

Elementis strives to create a culture where all employees feel safe, respected, valued and empowered to contribute their ideas and perspectives. We recognise that the diversity of our people and the inclusive nature of our culture are intrinsic to better business decisions and fundamental to the success of our strategy.

Throughout the year, the Board received updates on Diversity, Equity and Inclusion ("DE&I") matters and has performed in line with the Board Diversity Policy and objectives. As of 5 March 2025, our Board composition stood at 40% female, with two Directors from ethnic minority backgrounds and one of the four senior Board positions occupied by a female. In January and February 2024, our Board gender composition was 37.5% female, as our Board succession process for Steve Good was concluding. In March 2024, we were pleased to appoint Maria Ciliberti and Heejae Chae to the Board, and in April 2024, Steve Good stepped down from the Board as a result of planned Board succession and having served nine years on the Board. The result of these changes was that as of March 2024, our Board gender composition was 40%, and as of April 2024, this increased to 44% and remained at 44% for the rest of 2024. By the end of October 2024, we reached our goal of >40% female members of the combined Executive Team and Director Reports*. This surpassed the requirements of the Women FTSE Leaders and the Parker review.

* Using FTSE Women Leaders definition.

In 2024, we ascended from 49th to 28th place in the FTSE Women Leaders Review. Additionally, we are ranked 2nd within the Chemical sector.

Our DE&I Leadership Council, created in 2020, is co-chaired by the CEO and Chief Human Resources Officer and is represented by senior leaders who have a passion for DE&I. During 2024, the Council reorganised its membership with newly appointed Regional and Programme (e.g. Women in Leadership) Champions. This has shifted the focus to regionally relevant strategies coupled with global initiatives. This drives greater relevance locally and accountability within the local organisation. The Council continues to deliver against its roadmap, with initiatives centred around knowledge and culture, processes and policies, and communications and reporting.

Our Culture of Inclusion Index, introduced in 2023, has steadily increased across recent surveys and currently stands at a 3.96 mean score out of 5.0 (2023: 3.86), reflecting the positive impact of our DE&I efforts on our workplace culture.

Our ongoing gender diversity strategy continues to result in a greater proportion of females in senior positions, up to 42% in 2024 (from 37% in 2023). We align with the FTSE Women Leaders definition of senior positions: that is, our ELT and direct reports excluding administrative roles. Across the whole employee population, gender diversity remained steady at 27% (2023: 27%).

Ethnic diversity in the US has increased since last year to 29% (2023 and 2022: 26%) and increased by 8 percentage points since 2020. We continue to ensure diverse candidate pools

Our engagement surveys are conducted biannually

86%

participation rates in September

3.91

overall grand mean score

65%

our employees agree/strongly agree that their team "has made progress on the goals set during the action planning sessions after the last employee engagement survey"

and interviewing panels and have made progress in our journey to voluntarily collect ethnic diversity data. We expect our diverse talent to be reflected within our Board and leadership teams. Elementis is an equal opportunities employer and welcomes applications for employment from all backgrounds. We provide facilities, equipment and training to support all employees. Should an employee become disabled during their employment, efforts would be made to retain them in their current role or to explore redeployment opportunities in the Group. In 2024, we continued to ensure our Facility Access Programme removed physical barriers in our sites.

Employee-led initiatives foster DE&I

In 2024, our Women in Leadership group conducted global and local initiatives to support and empower women across the organisation. Highlights included a Global Women's Day campaign with worldwide participation, demonstrating the Group's commitment to fostering an inclusive and supportive culture, and a Wellbeing Month featuring a motivational speaker, local community events and digital resources. The Group also strengthened its local presence through increased engagement, broadening its impact across locations. These initiatives reinforced the Group's role as a platform for support, dialogue and meaningful connection.

Listening to our colleagues: engagement survey

Elementis is committed to improving employee engagement throughout the business. Our engagement survey enables our people to provide feedback on what they need to thrive and succeed at work. We use this feedback, along with external trend analysis, to make data-driven decisions that improve employee engagement and overall company performance.

Since 2023, we have been using Gallup, the leading provider of insights into employee engagement. Our engagement surveys are conducted biannually, with surveys held on a fixed schedule in March and September, regardless of business circumstances. In 2024, we achieved participation rates of 83% in March and 86% in September, demonstrating a strong culture of feedback. Overall, our grand mean score in the 12 key areas (also known as 'Gallup Q12') increased by 0.05 compared with 2023, reaching 3.91 out of 5. While our ambition remains to reach the 75th percentile of companies by 2025, we recognise this goal requires sustained commitment and focus. We are currently at the 42nd percentile and we remain dedicated to making meaningful progress, confident that continuous collective efforts and collaboration will drive sustainable improvements.

The survey results serve as a foundation for managers to initiate meaningful discussions with their teams. These discussions involve recognising and celebrating successful practices, as well as adapting strategies to enhance engagement where necessary. In the September 2024 survey, 65% of participants agreed/strongly agreed with "My team has made progress on the goals set during our action planning sessions after the last Employee Engagement Survey."

We disseminate survey highlights globally, fostering a culture of transparency and shared understanding across the organisation. To further support this culture, we regularly embed engagement themes into key communications, and we launched a Best Practice Series, enabling managers to share successful strategies and learn from one another.

Supporting the wellbeing of our people

We continue to highlight the importance of wellbeing and mental health, recognising their vital role in fostering a supportive and productive workplace and enhancing the overall quality of life of our people. In 2024, we extended our employee assistance programme to all the countries where we have operations, offering counselling, legal and financial consultation, and crisis intervention services to all our employees and their families at no cost.

We are committed to accommodating flexible work arrangements, including working from home, flexible work schedules and part-time work, as long as the role allows. We promote meaningful and open conversations about what works best to balance individual needs and deliver against goals and business requirements. In addition, we actively promote resilience and mental health through initiatives such as intranet articles and a monthly mindfulness series, supporting daily wellbeing and fostering conversations around work-life balance.

Continuous learning and development

We encourage our people to develop their expertise and expand their skills so that we can all confidently create value in everything we do. We embed learning and development in our core processes via Performance Management and Talent & Succession. These processes ensure a fair and consistent approach to assess individual learning and development needs, setting clear goals and creating opportunities for professional growth.

Through live (virtual and in-person) workshops and via our online platform, we provide training supporting our key priorities. All employees have unlimited access to LinkedIn Learning, enabling them to choose e-learning courses that suit their personal learning needs. In 2024, employees logged over 1,653 hours on LinkedIn Learning, with 67% of employees actively using the platform.

We recognise the importance of developing internal talent, as well as attracting talent from outside the organisation, to provide our employees with the skills they need to succeed in the future.

Supporting our communities

Supporting our communities is an integral part of living our values and fostering positive change where we live and work. We offer our employees paid time off to volunteer and encourage team-based volunteering activities. A few examples of activities carried out in 2024 include:

- As part of Global HSE Week, our Hsinchu site organised a series of safety activities to strengthen employees' safety awareness and behaviour. Linked to these, employees organised a beach clean-up, collecting plastic bottles for recycling to support environmental preservation
- Employees from our Anji site marked International Children's Day by volunteering at Anji County Star Education School, engaging children with disabilities in interactive games that fostered confidence and teamwork. Employees from multiple departments participated, offering encouragement and support through activities that brought joy and strengthened a sense of inclusion
- On 20 December, employees from our Milwaukee team volunteered with Habitat for Humanity, successfully completing flooring installation in two houses under construction. The initiative not only contributed to the community but also fostered team spirit among participants
- In August, administrative staff from our Taiwan site volunteered at a commencement ceremony for a care home for disabled children in the Miaoli County, providing essential support such as wheelchair assistance, feeding and personal care

Managing and supporting performance

Our performance management process at Elementis aligns individual and business goals to drive organisational success. We stimulate a culture of performance and employee development, connecting different HR processes to ensure a fair and consistent approach.

The performance management process begins with goal setting, where employees are asked to set goals that contribute to the key priorities of Elementis. We use the mid-year review to assess progress, review actions and adjust goals as needed. During the year-end review, employees and managers evaluate their performance and managers assign a performance rating. The ratings are calibrated across teams to ensure fairness. The final performance rating is connected to a salary increase and bonus. All employees who join before October participate in the performance management process for that year.

Fit for the Future

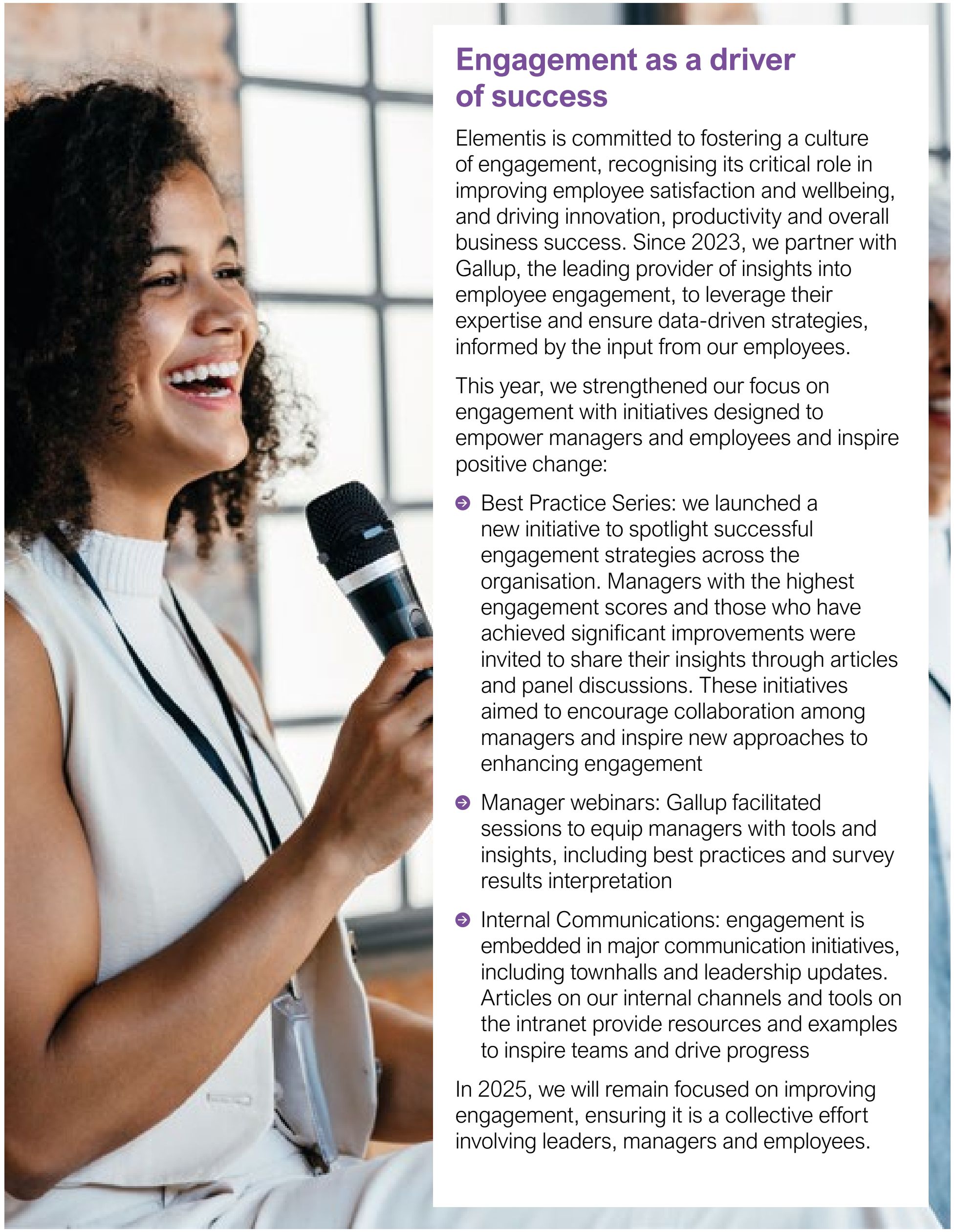
In 2023, Elementis announced a series of proposed changes to the organisation and our ways of working to make Elementis Fit for the Future. These changes started in Q3 2023, with the majority completed in 2024. The Fit for the Future programme will conclude in 2025. Changes included a simpler and more efficient organisational structure based around our three regions; the opening of an R&D unit and global centre of excellence in Porto, Portugal; and the outsourcing of several financial processes. As a result of the proposed changes, around 200 roles were impacted globally and the Cologne site, in Germany, closed.

The programme has delivered the expected financial benefits, while improving overall employee engagement and with no significant impact on voluntary attrition. We now have a new community of over 100 employees based in Porto.

Both those leaving and joining played a huge part in this success, demonstrating how living our values every day continues to deliver our business goals.

Supporting leaders through change

To support new employees and new teams created through these changes, we have invested in onboarding, knowledge transfer and highly effective teams ("HET") training for newly formed teams. The HET programme involved sessions with global leadership teams from HR, Finance, IT, Manufacturing and Supply Chain, with regional programmes for Commercial and Operations in Asia. This utilised Clifton Strengths, with the ELT also undertaking a team assessment. We will continue to review support for our people managers, leaders and teams throughout 2025 leveraging the HET training and Clifton Strengths.



Engagement as a driver of success

Elementis is committed to fostering a culture of engagement, recognising its critical role in improving employee satisfaction and wellbeing, and driving innovation, productivity and overall business success. Since 2023, we partner with Gallup, the leading provider of insights into employee engagement, to leverage their expertise and ensure data-driven strategies, informed by the input from our employees.

This year, we strengthened our focus on engagement with initiatives designed to empower managers and employees and inspire positive change:

- Best Practice Series: we launched a new initiative to spotlight successful engagement strategies across the organisation. Managers with the highest engagement scores and those who have achieved significant improvements were invited to share their insights through articles and panel discussions. These initiatives aimed to encourage collaboration among managers and inspire new approaches to enhancing engagement
- Manager webinars: Gallup facilitated sessions to equip managers with tools and insights, including best practices and survey results interpretation
- Internal Communications: engagement is embedded in major communication initiatives, including townhalls and leadership updates. Articles on our internal channels and tools on the intranet provide resources and examples to inspire teams and drive progress

In 2025, we will remain focused on improving engagement, ensuring it is a collective effort involving leaders, managers and employees.

Responsible business

We are committed to ensuring that 'Integrity is our Specialty' by conducting business fairly and ethically. Our Code of Conduct and Ethics ("Code") forms the cornerstone of our ethics and compliance programme.

Our Code helps us communicate our commitment to responsible business and promotes a culture of complying with the law and doing business ethically. It is available on our intranet and website in seven languages. It provides the framework for:

- Fostering a visible and accessible culture of ethics and compliance for all employees and third parties doing business with Elementis
- Providing training, information and guidance on key compliance areas
- Guaranteeing that all concerns are addressed appropriately
- Ensuring ethical and compliance matters are considered and weighted appropriately in all of Elementis' business decisions

Human rights

Our approach to upholding human rights is guided by international conventions and standards, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We prohibit the use of child and forced labour throughout our supply chain. We are committed to the principles of freedom of association, equality of treatment and non-discrimination.

2024 Responsible business highlights

Speak Up reports made in the year

23

(2023: 17)

Revenue from natural and naturally-derived products (ISO16128)

69%

(2023: 68%)

Our natural additives bring performance and sustainability benefits to skincare products.

Ethics and Compliance

The Ethics and Compliance Council ("ECC") continued to hold quarterly meetings throughout 2024. The ECC comprises the Group General Counsel & Chief Compliance Officer (Chair), the Head of Compliance, the executive leaders from each business segment and function, and Internal Audit. The ECC reports to the CEO after each meeting and to the Board twice a year. Its purpose is to uphold and oversee an ethics and compliance culture at Elementis and to ensure the Code, and related Elementis policies and standards, are effectively communicated and implemented. During 2024, matters considered by the ECC included:

- Approval of plans for the second annual Ethics & Compliance Week
- Management of trade sanctions risk
- Approval of the new Land Rights Policy
- Review of in-person onboarding training for new colleagues in Porto, Portugal
- Approval of new conflicts of interest reporting methodology
- Updates to the Code of Conduct

Risk assessment

We continue to actively monitor our compliance risks. This includes reviewing internal data from the compliance programme as well as external information on new laws, enforcement proceedings, corruption risks and benchmark data.

Key topics in 2024

Strengthening third-party risk management

Third-party risk management remained a cornerstone of our compliance strategy. In 2024, we onboarded 398 third parties (with annual spend in excess of $25,000) across Asia (54%), Europe (22%) and the Americas (21%), implementing rigorous due diligence processes to ensure ethical and compliant partnerships.

Of the third parties screened, high-risk entities represented less than 2%, medium-risk 26%, and low-risk 72%.

The primary risks identified were regulatory compliance, geopolitical instability, financial risks and jurisdiction-specific concerns. To mitigate these risks, we implemented several key strategies:

- World-Check® One screening and adverse media monitoring
- Sanctions assurance letters and enhanced contractual safeguards
- Tailored compliance guidance for managing supplier and distributor risks

These results highlight the robust capabilities of our screening systems in mitigating potential risks and upholding trust within our supply chain. This progress reinforces our commitment to maintaining accountability and transparency in all regions.

Introducing the annual declaration of conflicts of interest

In Q4 2024, we launched the annual declaration of conflicts of interest process as a significant step towards fostering transparency and ethical decision-making. This initiative requires employees and stakeholders to disclose potential conflicts, ensuring alignment with our organisational standards. By embedding accountability at every level, this declaration builds trust and reinforces our collective commitment to upholding the highest standards of integrity.

Advancing policy commitments

Key policy updates in 2024 included the launch of our Human Rights Statement, underscoring our dedication to promoting ethical practices and protecting human rights globally. These efforts reflect our leadership in advancing sustainability and responsibility in business practices.

We continue to communicate and integrate longstanding policies like the Anti-Corruption Policy and Business Partner Code of Conduct through internal channels, training programmes and onboarding processes. These policies are also actively promoted by our virtual onboarding team, which includes members from Compliance, Sustainability, and regional Procurement Heads, ensuring alignment with third-party management practices and organisational values.

Preparing for enhanced Code of Conduct

Significant updates to our Code of Conduct were finalised in 2024. These revisions emphasise collective bargaining rights and expanded human rights commitments. These updates set new benchmarks for employee engagement and compliance with the topic.

Continued focus on trade sanctions

Trade sanctions continued to be a critical area of focus, requiring careful management to ensure adherence to global regulations. Our ethical stance led us to continue cessation of direct trade with Russia and Belarus in response to the ongoing conflict in Ukraine.

We identified the UAE as a potential hub for goods being routed to Russia under third-party arrangements. To address this, we implemented rigorous monitoring of customer requests from this region, ensuring adherence to international sanctions frameworks. We continued with our regular training sessions for employees on the latest trade sanctions regulations, enhancing their awareness and understanding of the evolving landscape. We also strengthened our due diligence processes for high-risk transactions and regions.

Ethics & Compliance Week 2024

Our second annual Ethics & Compliance Week, held in May 2024, focused on the theme 'Ethics Matters'. The event brought together employees globally to explore key ethics and compliance topics and celebrate the integral role each individual plays in upholding our values.

Throughout the week, a series of virtual global events provided valuable insights into key topics and reinforcing our commitment to ethical practices:

- Cartels & Competition in Asia Pacific: Highlighted regulatory risks and compliance strategies
- Interactive Case Study on Anti-Bribery and Corruption: Provided practical scenarios for understanding complex compliance issues
- Speak Up and Psychological Safety: Emphasised creating a safe environment for raising concerns
- Keynote – Inspire Greatness: Explored how ethical leadership fosters engagement and excellence
- Ethics & Sustainability: Examined the connection between sustainability and our ethical commitments

Local champions played a pivotal role in bringing the Ethics & Compliance Week 2024 to life. Activities included celebratory events, interactive training sessions, quizzes and team-building exercises, which were tailored to engage participants and reinforce key compliance messages. These efforts ensured high levels of participation and positive feedback from employees, fostering a sense of community and shared commitment to ethical practices.

Our Speak Up culture

Speak Up was a core theme during Ethics & Compliance Week 2024, where it became the centrepiece of our efforts to foster a culture of openness and trust. This initiative was bolstered by multiple dedicated training sessions, with one standout session becoming one of the most attended events of the week. The high level of participation underscored the critical role of creating an inclusive and supportive environment for raising concerns.

We value open and honest communication, and encourage employees and third parties to speak up about any concern as it arises, to their manager, HR, other Elementis function (such as HSE or Finance), or Legal & Compliance. Where an individual does not feel able to raise the matter with anyone at Elementis, it can be raised confidentially and anonymously (where local law permits) to a reporting service hosted independently of Elementis, IntegrityCounts, which is available 24 hours a day, 7 days a week, in multiple languages. These Speak Up channels are publicised in various ways, including in our Code, on our intranet, on the training portal and on posters at sites.

All reports are reviewed and appropriate action taken, which may include investigation at the direction of the Group General Counsel & Chief Compliance Officer. We ensure that all necessary steps are taken based on the outcome of the investigation, following our internal investigations procedures, including provision of regular updates to the reporter.

We have a clear stance on non-retaliation and are committed to protecting from retaliation any employee who reports a violation in good faith, even if the report is not substantiated in an investigation.

In 2024, a total of 23 Speak Up cases were reported, with 87% initiated by employees. This increase reflects the work we have done on improving our Speak Up culture, bringing our Speak Up rate to the benchmark level for a company of our size. No issues which were material in the context of the Group were reported to the helpline or via other means during the year. Additionally, there were no confirmed incidents of corruption or bribery, underscoring the effectiveness of our compliance programme in mitigating such risks.

Our training programme

In 2024, we delivered over 2,111 hours of compliance training through LRN, our online learning platform, reaching 1,023 unique learners with 2,227 course completions. Complementing this, we conducted several in-person training sessions, focusing on practical, real-world scenarios. These sessions equipped employees with the necessary knowledge and tools to identify and mitigate risks effectively.

The training programmes covered diverse curriculum risk areas, including anti-bribery and corruption, anti-money laundering, market conduct and organisational ethics. Most employees in at-risk functions completed these programmes, which featured highly tailored content designed to address the specific risks faced by these roles.

Learner participation spanned global regions, demonstrating the broad reach of our compliance training. This combination of virtual and in-person training further strengthened our compliance culture and actively engaged employees across all levels.

In 2025, we will further expand our training initiatives by conducting sessions specifically tailored for plant workers to address operational risks. These sessions aim to ensure full alignment with Elementis' compliance standards and enhance safety practices across our sites.

Data privacy

We remain committed to ensuring the security and confidentiality of our data. In line with our commitment to strengthening governance and compliance in the areas of cyber and data protection, we established a new Cyber, Data Protection and Information Governance Steering Committee to oversee and enhance our approach to cybersecurity, data protection and information governance as a more integrated, cross-functional oversight model.

In 2024, we launched a new Global IT Policy and information security training. We remain committed to the security of our network and systems and continue to run regular simulated phishing campaigns to raise employee awareness of cyber security threats. In 2024, we partnered with a new provider of targeted phishing simulations and security awareness training and expect to further increase the frequency of our internal phishing campaigns throughout 2025.

We continue to encourage the timely, open and transparent reporting of actual and potential incidents concerning personal data and information security, and have dealt with the following reports during 2024:

Cause of report

Loss or theft of data/device 4 Reports	Cyber 12 Reports
Disclosed in error 3 Reports	Third party 4 Reports (Cyber: 2, Technical/procedural failure: 2)
Technical/procedural failure 9 Reports	Other 1 Report

Responsible sourcing

We operate a complex, international supply chain of 500+ suppliers for our direct materials, and thousands more for indirect procurement. Our Business Partner Code of Conduct and due diligence screening system illustrate how we are committed to improving supply chain transparency, improving how we assess and manage sustainability risks in the supply chain, and partnering with suppliers who share our commitments.

We conducted site visits to numerous key suppliers in 2024 to better understand their operating environment and potential risk areas. We continue to perform thorough paper and online checks on our high-risk area and related vendors, with a particular focus on organic tin and silicon metal suppliers. We have assessed 12 critical vendors, including verifying the origin of their raw materials to ensure they did not come from high-risk areas. During these assessments, we found no indications of child or forced labour. Additionally, we reviewed written information and documentation on each supplier's policies regarding human rights and the non-use of child labour to ensure they align with our standards.

To help us systematically integrate supplier sustainability risk analysis into our business systems, in 2024 we expanded our relationship with EcoVadis to obtain sustainability profiles based on country and industry-specific risks across four themes: Environmental, Labor and Human Rights, Ethics, and Sustainable Procurement. As we integrate this information into our business systems, we can better perform analyses for impacts, risks and opportunities in our supply chains. We also invited our suppliers to undertake a sustainability assessment, corroborated with documentation, on the platform, which involves a questionnaire customised by industry, size and country of operations. At the end of 2024, 50 partners had a valid scorecard.

We support the use of certified sustainable palm oil and derivatives. Our Livingston, UK, site purchases palm oil derivatives for use in certain products. The site is third-party-certified to the Roundtable on Sustainable Palm Oil Mass Balance Supply Chain Model.

Enabling halogen-free fire retardant additives in plastics

We introduced CHARGUARD™, a range of organoclay-based fire retardant synergists for use by plastic compounding companies supplying both consumer and industrial applications.

Thermoplastic materials can contain halogenated fire retardant additives and per- and polyfluoroalkyl substances (“PFAS”) synergists. With rising concerns about the environmental and health impacts of these chemicals, the demand for safer alternatives has grown.

With favourable rheological properties and a delaminated platelet structure, our CHARGUARD™ fire retardant synergists are designed to enhance anti-drip and char formation properties of non-halogenated fire retardants.

Product stewardship

We are committed to a safer future, minimising product and chemical-related hazards to people or the environment by design where possible, and throughout product manufacture, use, disposal and recycling. We are active members of EUROTALC, which is the Association for European Talc Producers and the European Bentonite Association. These are both sections of the IMA Europe.

Our global Product Stewardship organisation monitors local and regional regulations for impacts to our products and supply chain and ensures our products are compliant with current regulations. There are Product Stewardship team members in Asia, Europe and North America. A member of the ELT oversees the Group and provides the consistency and strategy needed to ensure harmonised approaches to global customers while ensuring local regulatory compliance. The Product Stewardship organisation reports to the R&D organisation.

Our Product Stewardship team is actively involved with our Sales and Marketing, R&D, and Supply Chain organisation. When a new product is conceptualised, Product Stewardship is engaged from the beginning to ensure the materials, processes and sales are compliant with appropriate regulations. If they are not, we manage the registration process so that the product can be safely sold and used as intended. These registrations are regularly reviewed against sales.

We track Substances of Very High Concern (“SVHC”), taking proactive action to eliminate these substances whenever it is technically feasible and when required by customers. SVHC and other chemicals of concern are brought to the attention of the Supply Chain and Product Development teams so they can either avoid them or minimise their impacts.

We use a software system to ensure that our safety data sheets (“SDS”) and product labelling comply with current regulations in the region where the product is sold. Commercial SDS for our products are available on our website in English and in local languages and can be downloaded in the country format as needed.

Elementis seeks to avoid animal testing whenever possible. If we are required by regulation to do so (for example, under European Union (“EU”) Registration, Evaluation, Authorisation and Restriction of Chemicals (“REACH”) requirements), we engage third parties to conduct the tests in the least impactful way possible. Our Animal Testing Policy is available on our website.

Tax transparency

On an annual basis, we develop and publish our tax strategy. This statement is approved by the Board and is available on the Company’s website. We aim for proactive and transparent relationships with relevant tax authorities to facilitate meeting our statutory and legislative obligations.

Increasing biobased content of paints

We have launched a range of biobased non-ionic associative thickeners as an alternative to petrochemical-derived versions.

These rheology additives have a high naturally-derived content, with over 90% biobased carbon. They are VOC-free, and free from potentially aquatoxic alkylphenol ethoxylates (“APEO”). They give a good balance of leveling and sag resistance in interior and exterior decorative water-based paints.

Non-financial information statement

Sections 414CA and 414CB of the Companies Act 2006 require the Company to provide information to help stakeholders understand our position on non-financial matters. The table below sets out where you can find this information.

Reporting requirement	Policies and standards that govern our approach[1]	Where to read more in this Report about our impact, including the principal risks relating to these matters	Page
Anti-corruption and anti-bribery	— Code of Conduct — Business Partner Code of Conduct — Anti-corruption Policy — Anti-trust Policy (global competition)	— Responsible business — www.elementis.com	51-54
Employees	— Code of Conduct — Business Partner Code of Conduct — Health, Safety and Environmental Policy — Life saving rules — Data protection and privacy policies — Equality and diversity policies — Whistleblowing policies	— People — Data privacy — Responsible business — Workforce engagement — Diversity Policy and objectives — Whistleblowing — Directors' Remuneration report — www.elementis.com	44-50 53 51-54 84-85 90 96 101-129
Environmental matters	— Code of Conduct — Business Partner Code of Conduct — Health, Safety and Environmental Policy — Net Zero transition plan — Water Stewardship Statement and Policy — Biodiversity Statement	— Sustainability — Materiality and strategy — Strategy — Climate — Environment — People — Responsible business — www.elementis.com	28-54 30 32-33 35-40 34-43 44-50 51-54

1 The Company's policies, statement and codes are available on the Company's website, www.elementis.com

Further information

Reference to our policies, due diligence processes and information on how we are performing in these areas is contained throughout the Strategic report. Information on key performance indicators used to assess progress against targets used to manage climate-related risks and opportunities can be found on page 23. Certain Group policies and internal standards and guidelines are not published externally.

Reporting requirement	Policies and standards that govern our approach[1]	Where to read more in this Report about our impact, including the principal risks relating to these matters	Page
Respect for human rights	— Code of Conduct — Business Partner Code of Conduct — Equality and diversity policies — Human Rights Policy Statement — Data protection and privacy policies — Purchasing Code of Practice — Modern Slavery Statement	— People — Data privacy — Diversity Policy and objectives	44-50 53 90
Social matters	— Code of Conduct — Volunteering Policy — While we do not have a specific policy on social/community matters, we engage directly with our communities wherever we operate	— Stakeholder engagement — Environment — People	24-25 34-43 44-50
Stakeholders	— Section 172	— Section 172	5, 26
Description of the business model		— Business model	6
Description of principal risks and impact on business activity		— Climate — Risk management — Principal risks and uncertainties — Audit Committee report	35-40 65-69 70-74 92-96
Innovation		— Strategic progress — Innovation — www.elementis.com	15 16-17
Non-financial KPIs		— Non-financial KPIs — Sustainability — Materiality — Strategy — Climate — Environment	23 28-54 30 32-33 35-40 34-43

Finance report

Ralph Hewins
Chief Financial Officer

Revenue

$m	2024	2023
Coatings	***386.4***	*367.6*
Talc	***134.5***	*136.5*
Performance Specialties	**520.9**	504.1
Personal Care	**217.4**	209.3
Revenue	**738.3**	713.4

Operating profit

	2024			2023		
$m	Operating (loss)/profit	Adjusting items	Adjusted operating profit/(loss)[1]	Operating profit/(loss)	Adjusting items	Adjusted operating profit/(loss)[1]
Coatings	***73.5***	***4.9***	***78.4***	*55.2*	*0.9*	*56.1*
Talc	***(124.3)***	***132.3***	***8.0***	*8.6*	*5.4*	*14.0*
Performance Specialties	**(50.8)**	**137.2**	**86.4**	63.8	6.3	70.1
Personal Care	**49.3**	**12.3**	**61.6**	43.2	7.1	50.3
Central costs	**(25.1)**	**5.9**	**(19.2)**	(48.1)	31.6	(16.5)
Operating (loss)/profit	**(26.6)**	**155.4**	**128.8**	58.9	45.0	103.9

1 After adjusting items, see Note 5 for detail.

Group results

In 2024 revenue increased 3% on a reported (and constant currency) basis to $738.3 million (2023: $713.4 million) with improved mix and pricing, as well as higher volumes across Coatings and Personal Care.

Reported operating loss was $26.6 million (2023: profit of $58.9 million), primarily as a result of the impairment of Talc assets. Adjusted operating profit increased 24% on a reported and constant currency basis to $128.8 million (2023: $103.9 million), driven by self-help initiatives, including lower costs and favourable price and mix benefits, further supported by higher volumes in the year. Statutory loss after tax was $47.8 million (2023: profit of $28.2 million).

Central costs

Central costs are those costs that are not identifiable as expenses of a particular business segment and comprise expenditures of the Board of Directors and corporate head office. Adjusted central costs increased to $19.2 million (2023: $16.5 million), largely driven by higher variable remuneration due to improved performance.

Adjusting items

In addition to the statutory results, the Group uses alternative performance measures to provide additional analysis of the performance of the business. The Board considers these non-GAAP measures as an alternative way to measure the Group's performance. Adjusting items in 2024 resulted in a charge of $154.6 million before tax (2023: $44.7 million). The key categories of adjusting items are summarised below. For more information on adjusting items and the Group's policy for adjusting items, please see Note 5 and Note 1 to the financial statements respectively.

Credit/(charge) $m	*Coatings*	*Talc*	Performance Specialties	Personal Care	Central costs	**Total**
Business transformation	*(0.5)*	*(2.2)*	(2.7)	(4.2)	(4.1)	(11.0)
Environmental provisions	–	–	–	–	(1.8)	(1.8)
Impairment of assets	–	*(126.0)*	(126.0)	–	–	(126.0)
Settlement of Brazil customs matter	*(3.0)*	–	(3.0)	–	–	(3.0)
St Louis fire	*(1.3)*	–	(1.3)	–	–	(1.3)
Amortisation of intangibles arising on acquisitions	*(0.1)*	*(4.1)*	(4.2)	(8.1)	–	(12.3)
Total charge to operating profit	*(4.9)*	*(132.3)*	(137.2)	(12.3)	(5.9)	(155.4)
Unwind of discount on restructuring provision	–	–	–	–	(0.4)	(0.4)
Interest on EU state aid receivable	–	–	–	–	1.2	1.2
Total	*(4.9)*	*(132.3)*	(137.2)	(12.3)	(5.1)	(154.6)

Business transformation

Business transformation costs of $11.0 million (2023: $26.1 million) primarily included: charges of $1.6 million recognised in respect of the closure of the Middletown plant, announced in March 2024; charges of $0.2 million in relation to the sale of the Eaglescliffe site, announced in March 2024; charges of $3.5 million in relation to the strategic review of the Talc business, announced in August 2024; charges of $2.1 million in relation to the execution of the Group's data transformation programme; charges of $2.8 million (2023: $25.4 million) in relation to the Fit for the Future organisation restructuring programme, announced in September 2023; and charges of $0.5 million (2023: $0.7 million) in relation to the closure of the Charleston plant, announced in November 2020. See Note 5 for further detail.

Environmental provisions

The Group's environmental provision is calculated on a discounted cash flow basis and reflects the time period over which spending is estimated to take place. A net charge of $1.8 million (2023: $6.2 million) to the environmental provision reflects the impact of changes in discount rates of $2.2 million (2023: $0.4 million), and additional remediation work identified of $4.0 million (2023: $6.6 million).

Impairment of assets

In the first half of 2024, Talc performance was adversely impacted by continued weak end-market demand and strike action in Finland. Accordingly, a new business plan was prepared for the Talc business which resulted in an impairment of assets of $66.1 million. In September 2024, the RAC of ECHA made a recommendation that talc be classified as STOT RE1 and Carc 1B. A final decision by the EC is expected in H2 2026, with implementation currently expected in Q3 2028, at the earliest. As a result, there is a high degree of uncertainty with regards to the future demand and profitability profile of the Talc business, which gave rise to a further impairment of $59.9 million in the second half of 2024. See Note 5 for further detail.

Settlement of the Brazil customs matter

The Group agreed a settlement with the Brazilian tax authorities in relation to a customs matter, of which $3.0 million (2023: nil) has been recognised as an adjusting item. See Note 5 for further detail.

St Louis fire

In November 2024, a fire incident at our St Louis plant resulted in a cost of $1.3 million. Of this, $0.7 million related to items of property, plant and equipment which were written off.

Amortisation of intangibles arising on acquisitions

Amortisation of $12.3 million (2023: $12.7 million) represents the charge in respect of the Group's acquired intangible assets.

Interest on EU state aid receivable

Finance income of $1.2 million (2023: $1.4 million) has been recognised in respect of interest due to the Group.

Net finance cost

$m	2024	2023
Finance income	0.3	0.5
Finance cost of borrowings	(20.3)	(17.5)
Net finance cost of borrowings	(20.0)	(17.0)
Net pension finance income	1.4	1.0
Discount unwind on provisions	(2.4)	(1.4)
Fair value movement on derivatives	–	0.4
Interest on EU state aid receivable	1.2	1.4
Interest on lease liabilities	(1.4)	(1.3)
Net finance costs	**(21.2)**	(16.9)

Net finance costs increased to $21.2 million (2023: $16.9 million). Net finance costs comprise interest payable on borrowings, calculated using the effective interest rate method, facility arrangement fees, the unwinding of discounts on the Group's environmental provisions, net pension interest income/expense, fair value movement on derivatives, interest receivable on the EU state aid receivable balance and interest charged on lease liabilities.

The increase in net finance costs is primarily due to the higher finance cost of borrowings as a result of higher interest rates, partially offset by a lower net debt level during 2024.

Net pension finance income of $1.4 million (2023: $1.0 million) is a function of discount rates under IAS 19, and the value of the schemes' deficit or surplus positions.

The Group's environmental provisions are calculated on a discounted basis, reflecting the time period over which the spending is estimated to take place. The discount unwind on provisions of $2.4 million in 2024 was greater than the prior year due to higher discount rates and the increased rehabilitation provisions for Talc.

Interest receivable of $1.2 million (2023: $1.4 million) has been recognised in respect of interest due to the Group.

Both finance income and the interest on lease liabilities were broadly consistent with the prior year.

Taxation

	2024		2023	
	$m	Effective rate %	$m	Effective rate %
Reported tax (credit)/charge	(1.8)	3.6	11.5	29.0
Adjusting items tax credit	(26.8)	–	(8.4)	–
Adjusted tax charge	**25.0**	**23.8**	19.9	23.5

The Group incurred a tax charge of $25.0 million (2023: $19.9 million) on adjusted profit before tax, resulting in an effective tax rate of 23.8% (2023: 23.5%). The Group's adjusted effective tax rate in 2024 is broadly in line with the prior year.

Tax on adjusting items relates primarily to the impairment of assets, amortisation of intangible assets and the Fit for the Future restructuring programme.

The medium-term expectation for the Group's adjusted effective tax rate is around 26%.

Earnings per share

To aid comparability of the underlying performance of the Group, earnings/(loss) per share ("EPS") reported under IFRS is adjusted for items classified as adjusting.

	2024	2023
(Loss)/profit after tax ($ million)	(47.8)	28.2
Adjusting items net of tax ($ million)	127.8	36.3
Adjusted profit after tax ($ million)	80.0	64.5
Weighted average number of shares for the purpose of basic EPS (million)	588.9	585.7
Effect of dilutive shares options (million)	11.9	11.2
Weighted average number of shares for the purpose of diluted EPS (million)	600.8	596.9
Basic EPS before adjusting items (cents)	(8.1)	4.8
Diluted EPS before adjusting items (cents)	(8.1)	4.7
Adjusted basic EPS (cents)	13.6	11.0
Adjusted diluted EPS (cents)	13.3	10.8

Adjusted diluted EPS increased 23% to 13.3 cents (2023: 10.8 cents), primarily due to a higher adjusted profit after tax. Basic EPS before adjusting items decreased to a loss of 8.1 cents per share (2023: earnings of 4.8 cents) primarily due to the impairment of assets, resulting in a statutory loss after tax.

Note 7 provides disclosure of EPS calculations both including and excluding the effects of adjusting items and the potential dilutive effects of outstanding and exercisable options.

Distributions to shareholders

The Board has considered the strength of the balance sheet and the near-term prospects for the business and in line with the dividend policy, recommended a final dividend of 2.9 cents per share (2023: 2.1 cents), which will be paid in pounds sterling, resulting in a full-year dividend of 4.0 cents per share. A dividend of 2.28 pence per share has been determined by converting the 2.9 cents into pounds sterling using the forward rate of £1.00:$1.2693, as determined on 27 of February 2025. If approved at the AGM, the dividend will be paid on 30 May 2025 to shareholders included on the share register on 2 May 2025.

Cash flow

As per the statutory cash flow statement, net cash inflow from operating activities increased to $100.0 million (2023: $76.8 million), primarily as a result of higher operating cash flow before movement in working capital of $138.4 million (2023: $132.6 million), a higher net working capital inflow of $4.3 million (2023: inflow of $2.1 million) related to movements in inventories, debtors and creditors, and the non-repeat of the 2023 net cash outflow used in operating activities from discontinued operations of $12.5 million related to the Chromium business.

Net cash flow in relation to investing activities decreased to an outflow of $37.5 million (2023: inflow of $101.1 million), primarily due to the gross cash proceeds from the sale of the Chromium business of $139.2 million in 2023.

Net cash outflow in relation to financing activities decreased to $59.8 million (2023: $168.0 million), primarily due to the repayment of borrowings following the sale of the Chromium business in 2023.

The adjusted cash flow, which excludes the effect of adjusting items from operating cash flow and is therefore distinct from the statutory cash flow referenced above, is summarised below. A reconciliation between statutory operating profit and EBITDA is shown in the alternative performance measures ("APM") section.

Adjusted cash flow

$m	2024	2023
EBITDA[1]	167.6	145.8
Change in working capital	4.4	2.1
Capital expenditure	(37.8)	(38.2)
Adjusted operating cash flow	134.2	109.7
Pension payments	(0.6)	(3.3)
Interest	(18.0)	(17.8)
Tax	(24.5)	(27.3)
Adjusting items	(33.3)	(10.0)
Other[2]	(2.0)	(6.3)
Free cash flow	55.8	45.0
Issue of shares, net of share repurchases by ESOT	0.5	(1.0)
Dividends paid	(18.8)	–
Acquisitions and disposals	–	139.2
Discontinued operations	–	(12.5)
Currency fluctuations	7.3	(5.9)
Movement in net debt	44.8	164.8
Net debt at start of year	(202.0)	(366.8)
Net debt at end of year	(157.2)	(202.0)

1 Earnings before interest, tax, adjusting items, depreciation and amortisation.
2 Other includes share-based payments, movement in provisions, movement in derivatives and payment of lease liabilities.

Adjusted operating cash flow increased to $134.2 million (2023: $109.7 million), primarily driven by an improvement in adjusted EBITDA.

Free cash flow increased to $55.8 million (2023: $45.0 million), primarily driven by improved operating cashflow, lower tax payments offset by higher cash adjusting items and a lower impact from the movement in provisions, included in other.

Adjusting items increased to $33.3 million (2023: $10.0 million), including $18.0 million for the organisational restructuring, $4.2 million for the environmental provisions and $3.5 million for the ongoing strategic review of Talc. See the unaudited information section at the end of this report, for further detail.

Net debt decreased to $157.2 million (2023: $202.0 million), a reduction of $44.8 million. Net debt to adjusted EBITDA decreased to 1.0x in 2024 on a pre-IFRS 16 basis (2023: 1.4x).

Balance sheet

$m	31 December 2024	31 December 2023
Intangible fixed assets	585.9	650.6
Tangible fixed assets	338.0	423.6
Working capital	137.4	147.2
Net tax liabilities	(68.3)	(101.5)
Provisions and retirement benefit obligations	(29.4)	(48.8)
Financial assets and liabilities	3.9	11.3
Lease liabilities	(34.7)	(36.2)
Unamortised syndicate fees	3.7	3.1
Net debt	(157.2)	(202.0)
Net assets held for sale	(22.3)	–
Total equity	757.0	847.3

Group equity decreased to $757.0 million (2023: $847.3 million), principally driven by lower fixed assets and partially offset by lower net debt. Intangible fixed assets decreased by $64.7 million, due to $47.1 million of impairment, $12.8 million of amortisation and $5.1 million of foreign exchange losses. The reduction in tangible fixed assets of $85.6 million was driven by $78.9 million of impairment, depreciation of $38.8 million and foreign exchange losses of $16.6 million, which were partially offset by gross additions of $44.9 million and right-of-use asset capitalisation of $4.8 million.

Working capital, which comprises inventories, trade and other receivables, and trade and other payables, decreased to $137.4 million (2023: $147.2 million). The decrease was driven by lower inventories and receivables at the end of the year, partially offset by lower payables.

Net tax liabilities decreased to $68.3 million (2023: $101.5 million) primarily as a result of the impairment, leading to a reduction in the associated deferred tax liability.

Adjusted ROCE (excluding goodwill) increased to 23% (2023: 15%), reflecting higher adjusted operating profit and lower operating capital employed, partially offset by lower provisions (see the APM section for more detail).

Foreign currency

The financial information is presented in US dollars. The main dollar exchange rates relevant to the Group are set out below.

	2024		2023	
	Year end	Average	Year end	Average
Pounds sterling	0.80	0.78	0.78	0.81
Euro	0.97	0.92	0.91	0.93

Provisions

The Group records a provision in the balance sheet when it has a present obligation as a result of past events, which is expected to result in an outflow of economic benefits in order to settle the obligation and the amount can be reliably estimated. The Group calculates provisions on a discounted basis. At the end of 2024, the Group held provisions of $48.4 million (2023: $81.9 million) consisting of environmental provisions of $43.2 million (2023: $60.5 million), self-insurance provisions of $0.2 million (2023: $0.5 million), restructuring provisions of $4.7 million (2023: $20.1 million) and other provisions of $0.3 million (2023: $0.8 million).

The decrease in the environmental provisions was attributable to the classification of the Eaglescliffe business as held for sale as of 30 June 2024 of $20.8 million. The decrease is also impacted by the change in the discount rate applied to the provisions of $1.4 million, currency translation of $2.4 million and utilisation of provisions of $1.9 million. These decreases were partially offset by additional provisions of $7.5 million in relation to extra rehabilitation and closure costs in relation to the Group's Finnish talc mines, $0.2 million in relation to extra remediation work required for other environmental provisions, and the unwind of discount in the year of $1.6 million.

The self-insurance provision represents the Group's estimate of its liability arising from retained liabilities under the Group's insurance programme and remained flat during the period.

The restructuring provision reflects the adjustments to head count and other costs of restructuring, where a need to do so has been identified by management. The provision decreased primarily as a result of $16.3 million of provision utilised during 2024, partially offset by $0.1 million of additional provisions, $0.4 million of unwind of discount on these provisions, and $0.4 million of currency translation differences.

Pensions and other post retirement benefits

$m	2024	2023
Net (surplus)/liability:		
UK	**(23.0)**	(38.7)
US	**(1.2)**	–
Other	**5.2**	5.6
	(19.0)	(33.1)

UK plan

The largest of the Group's retirement plans is the UK defined benefit pension scheme ("UK Scheme"), which at the end of 2024 had a surplus, under IAS 19, of $23.0 million (2023: $38.7 million). The UK Scheme is relatively mature, with approximately two thirds of its gross liabilities represented by pensions in payment, and is closed to new members. The decrease in net surplus was largely driven by losses on plan assets of $46.2 million (2023: returns of $9.7 million) which was offset by liability adjustments, primarily due to lower discount rates and other actuarial adjustments of $30.9 million (2023: losses of $0.3 million). Company contributions of $nil (2023: $1.8 million) reflect the funding agreement reached with the UK trustees following the 2023 triennial valuation, which concluded in 2024.

US plan

In the US, the Group reports two post retirement plans under IAS 19: a defined benefit pension plan with a net surplus at the end of 2024 of $4.6 million (2023: $3.4 million), and a post retirement medical plan with a liability of $3.4 million (2023: $3.4 million). The US pension plans are smaller than the UK plan. In 2024, the overall deficit on the US plans increased by $1.2 million, as a result of the returns on liability adjustments of $3.2 million 2023: losses of $1.3 million) and employer contributions of $0.4 million, being offset by losses on plan assets of $2.2 million (2023: returns of $4.3 million).

Other plans

Other pension plans amounted to $5.2 million (2023: $5.6 million) and relate to pension arrangements for a relatively small number of employees in Germany, certain UK legacy benefits and one pension scheme acquired as part of the SummitReheis transaction in 2017.

Financial assets and liabilities

The Group uses cash flow hedges to manage exposure to interest rate and commodity price risks, particularly those associated with US dollar and euro interest payments and aluminium and nickel pricing. In 2024, interest rate and commodity price movements resulted in a net gain from the hedge transactions of $4.4 million (2023: gain of $6.3 million) recycled to the income statement.

Net financial assets are represented by net derivative financial assets of $3.9 million (2023: $11.3 million), which relate to the valuation of various risk management instruments.

Events after the balance sheet date

There were no significant events after the balance sheet date.

Ralph Hewins
Chief Financial Officer

5 March 2025

Operating review

Personal Care

Stijn Dejonckheere
SVP Global Personal Care

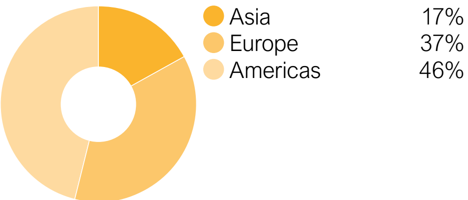
Revenue

$217.4m

Adjusted operating profit

$61.6m

Revenue by region



1 Source: Statista.
2 Source: Euromonitor, Elementis insight.

Financial performance

Personal Care revenue increased 4% on both, reported and constant currency basis, to $217.4 million (2023: $209.3 million), driven by improved volumes and price/mix benefits. Revenues were higher across all regions, with Asia up 18%, benefitting from continued investment in our capabilities in recent years.

Adjusted operating profit increased 22% on a reported and constant currency basis, to $61.6 million (2023: $50.3 million). Growth was driven by improved volumes and self-help actions, including cost savings and route-to-market improvements. Self-help actions and innovative new products drove a significant improvement in adjusted operating margin to 28.3% (2023: 24.1%).

Strategic progress

Personal Care operates in attractive growth markets globally. It develops and delivers high-value additives to its customers, based on unique chemistry and formulation expertise. Our medium-term Personal Care growth strategy is focused on three core market segments: Skin Care, Colour Cosmetics and Antiperspirants. At our 2023 CMD, we announced an ambition to deliver above-market revenue growth across our growth platforms, over the three years to 2026. Personal Care growth platforms are expected to deliver around a third of the $75 million growth target by 2026. In the first year, we delivered $6 million of above-market revenue growth, supported by all three platforms.

Colour Cosmetics revenue increased 7% (market[1] growth of 4%), with revenues higher across all regions, especially in Asia, where we have significantly enhanced our sales and marketing capabilities in recent years. We saw strong growth in China, driven by new and existing relationships with the local players. Furthermore, the improved capabilities in this region allowed us to optimise our route to market, and we now serve more of our Chinese customers on a direct basis.

In 2024, we launched two new customised products targeting emerging markets. We continue to leverage our expertise in rheology and formulation solutions, combined with growing demand for hectorite as a key ingredient.

We see good growth over the coming years, supported by innovative products including a range of patent-pending Bentone® Ultimate products, with a higher efficacy in use and a fully natural activation mechanism. We believe these innovative products will further strengthen our leading position in natural rheology.

The Skin Care growth platform saw revenues up 17%, against the global market[1] growing 4% on average. Recent growth in the Skin Care segment has been supported by increasing demand from consumers looking for more sustainable products with natural ingredients. Our hectorite-based additives are well positioned to benefit from this trend, as they work equally effectively in both water-based and oil-based products. Our strategy in this segment focuses on natural rheology, creating products that offer attractive new functionalities. For example, this year we launched Bentone Hydroclay™ 2101, a product customised for a leading European suncare manufacturer, and Bentone Hydroluxe™ 360, an all-in-one hectorite based solution which provides outstanding sensory, and texture benefits enabling formulators to create products with a variety of textures. This is our first product in a new Bentone Hydroluxe™ line. In a future launch, we are looking at an additional functionality of hectorite as a natural co-emulsifier. Together with existing products, this will enable us to expand our share in the natural rheology modifier market for skin care, worth over $200 million. In 2025, we also plan to launch water-resistant film formers for sun care.

The third growth platform is Antiperspirants, a market segment where we have a global leading position in AP actives. In this market, we see trends for longer-lasting sweat protection, and increasingly, growing demand for more natural products and alternative antiperspirant actives.

As recognised innovation leaders in this field, we are focusing on a range of new products that address these market needs.

The above-market[2] revenue growth of 2% was driven by increased demand for our high-efficacy products, enabled by our strong relationships with global key accounts and the successful full production at the new Taloja plant in India. In July 2024, we closed one of the three AP actives plants, consolidating the existing footprint into two. We already saw benefits of this in lower costs and margin improvement in H2, with the full impact expected in 2025. Having two plants in two key locations strengthens our competitive position and supply resilience.

In 2024, we launched four new high-efficacy products, including a lower-carbon antiperspirant active. Our new lower-carbon grade of antiperspirant ingredients utilises upcycled aluminium waste to partially replace virgin aluminium feedstock, leading to a lower product carbon footprint for us and our customers. In 2025, at the in-cosmetics trade show in Amsterdam, we plan to launch a new deodorant active that can provide sweat reduction benefits.

Innovation remains a key driver of growth in Personal Care. We have introduced nine new products in 2024: two which expand our technology toolkit and seven highly customised products, based on individual customer specifications. This innovation approach is helping us gain momentum with our customers and drive revenue growth. Sales from new and innovation products increased to 17% (2023: 11%). Those products offer sustainability benefits to our customers, either because of a higher efficacy or because they are replacing a product of synthetic origin.

Skin Care, Antiperspirants and Colour Cosmetics all represent material growth opportunities with a record $89 million pipeline of new business established. We will continue to focus on helping our clients with their formulation challenges and building strong partnerships with global key accounts. Our new R&D facility in Porto is expected to be fully operational in 2025 and will further strengthen our customer proposition.

Performance Specialties

Luc van Ravenstein
SVP Global Performance Specialties

Performance Specialties was created at the beginning of 2023, by combining the Talc and Coatings businesses. We will continue to report Coatings' and Talc's performance separately for transparency.

Revenue
$520.9m

Adjusted operating profit
$86.4m

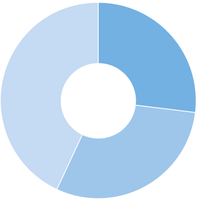
Performance Specialties revenues increased 3%, both on reported and constant currency basis, to $520.9 million (2023: $504.1 million) and adjusted operating profit increased 24% on a constant currency basis, to $86.4 million (2023: $70.1 million), driven by Coatings.

Coatings

Revenue
$386.4m

Adjusted operating profit
$78.4m

Revenue by region



Asia	27%
Europe	30%
Americas	43%

Financial performance

Overall revenue increased 5% on both reported and constant currency basis to $386.4 million (2023: $367.6 million), benefitting from higher volumes and improved mix and price benefits.

Coatings also includes our specialised Energy business, which accounts for circa 10% of total Coatings sales.

Adjusted operating profit increased 40% on a reported basis, up 41% on a constant currency basis, to $78.4 million (2023: $56.1 million), driven by self-help actions, as well as improved volumes and mix benefits.

Self-help actions led to a significant improvement in adjusted operating margin of 20.3% (2023: 15.3%), demonstrating the quality and resilience of this business, amid a continued weak demand environment.

Strategic progress

Our medium-term growth strategy for Coatings is focused on three differentiated, technology-led growth platforms: Architectural Coatings, Industrial Coatings and Adhesives, Sealants and Construction Additives.

At our 2023 CMD, we announced an ambition to deliver above-market revenue growth across our growth platforms, over the three years to 2026. Coatings growth platforms are expected to deliver around two thirds of the $75 million target by 2026. In the first year, we delivered $20 million of above-market revenue growth, supported by all three platforms.

The first of these, Architectural Coatings, is an important market for Elementis. We have a big opportunity to tap into the growing demand for high-end paints in Asia, which is an attractive $300 million ingredients market. To capture this opportunity, we expanded our manufacturing footprint in Asia, adding a new NiSAT facility in Songjiang, China. The new facility is expected to bring enhanced performance and environmentally friendly benefits to the Chinese architectural sector. In 2024, Architectural Coatings saw 3% revenue growth, while the market[3] reduced 0.4% globally. We saw particularly strong growth in Asia, supported by improved localised production as well as innovative customised formulation solutions for an Indian paint manufacturer.

We launched four new products, including two RHEOLATE® biobased NiSATs, which are based on a waste stream of sugarcane molasses, and hence provide additional sustainability benefits, without compromising on performance. We believe that our innovative products, alongside our manufacturing footprint across three key regions, will support our ambition to grow at twice the market by 2026, in this attractive market segment.

The second growth platform is Industrial Coatings, where we see growing demand for more sustainable coatings and coating additives, driven by regulations and market trends. Here we focus on additives for high-performance segments such as marine, protective and automotive industries. Our leadership position in rheology additives supports our ability to provide full formulation to our customers.

In 2024, Industrial Coatings revenues increased 9% against a flat global market[3]. Revenue was higher across all regions, driven by increasing demand for our hectorite-based solutions. We launched two new products in 2024, including NUOSPERSE® FX 7600W and SUPREAD™ 3410, supporting the transition from solvent-based to water-based coating systems. Over the next 12 months, we will complete our testing phase to refine our market expansion strategy for the powder coating industry, leveraging our hectorite and organic thixotrope-based portfolio. Powder coatings do not require solvents and the latest technology developments are enabling lower curing temperatures. This makes them suitable for heat sensitive materials such as wood coatings, creating additional growth opportunities.

Our third growth platform comprises Adhesives, Sealants and Construction Additives, where we offer high-performance additives for a range of applications, for example, pressure-sensitive adhesives, water-based construction sealants and cement-based tile mortars. This is a market that we are only starting to penetrate but where our technologies bring both sustainability and performance benefits. We are looking to double our market share from 3% to 6% by 2026. In 2024, we saw revenues growing 15% (from a small base) versus global markets[4] being only marginally up. Our recent growth has been supported by the success of our THIXATROL® range, which grew over 40% in the year, as well as hectorite-based additives.

3 Source: Orr & Boss
4 Source: Markets and Markets.

Our THIXATROL® ingredients are natural, safer to handle, and provide the required rheology profiles for the end product. Importantly, our products can reduce in-process energy usage by up to 80%. We see strong demand for hectorite-based additives, where hectorite is seen as a more sustainable ingredient, but also one that provides additional benefits. One key area where we see rapid growth is in hectorite for tile mortars. This is a $100 million market, where we are replacing bentonite-based products and significantly improving end-product efficiency. Innovation is crucial here, and we have six new products in the pipeline, launching over the next two years.

Innovation is a key driver of growth in Coatings. We launched 12 new products in 2024, of which six were across the growth platforms, and six targeting other markets including new adjacencies. Here we expanded our plastic additives portfolio with CHARGUARD™ fire retardant synergists, designed to enhance anti-drip and char formation properties of non-halogenated fire-retardants, potentially replacing certain types of polyfluoroalkyl substances used in this application.

Another major component of our growth strategy is our key account management programme. We have built strong technical and commercial relationships with major customers and cooperate in the development of new formulations to enhance their products and processes. This drives volume and revenue growth and deepens our relationships with major customers. This approach, combined with our innovation focus, is helping us explore new market segments and create new growth opportunities.

Talc

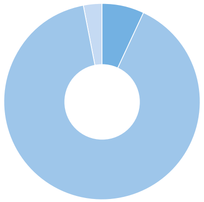
Revenue

$134.5m

Adjusted operating profit

$8.0m

Revenue by region



Asia	14%
Europe	79%
Americas	7%

Financial performance

Talc revenue reduced 1% on a reported basis, down 2% on a constant currency basis, to $134.5 million (2023: $136.5 million), with lower volumes offsetting positive mix and price benefit. Revenues were impacted by the Finnish nationwide strike in H1 2024, and lower demand across key European markets.

The overall impact of the Finnish strike on Talc operating profit was around $3 million, due to lost sales and higher costs, in H1 2024. As a result, the adjusted operating profit reduced to $8.0 million (2023: $14.0 million) and adjusted operating margin declined to 5.9% (2023: 10.2%).

Strategic progress

In H2 2024 we put in place a dedicated Talc sales, customer service and support team to enable greater focus on improving business performance. We have gained good traction over the year, with stable trading and have gained market share despite continued weak market demand.

We continue to believe that Talc is a business with strong fundamentals, and we are focusing our strategy on higher-margin applications that require talc of high and consistent quality. Those include, for example, long-life plastics, technical ceramics and barrier coatings. In long-life plastics, our Finntalc K line boosts plastic strength by up to 20%. In 2024, we launched another product in this series, popular for its highly lamellar ore. In technical ceramics, the internal combustion engine particulate filters require a highly engineered grade of talc to get the right efficiency. We have demonstrated the quality, purity and consistency needed in this market and built a solid base. We gained good traction with new customers this year and continue to expand our customer base further through tailored product developments and high-quality service.

In August, we announced a strategic review of the Talc business, to establish whether the full potential of Talc can best be delivered as part of Elementis, or via a divestment.

In September 2024, the RAC recommended that talc be classified as carcinogenic. This opinion has been adopted by the RAC but not published and a final decision is expected at the earliest in H2 2026.

Due to the ongoing strategic review of Talc, we now exclude the Talc growth platform from our overall 2023 CMD growth programme.

Risk management

The more clearly we understand risk, the better we become at taking opportunities. Elementis monitors risk using a framework that operates consistently throughout all of our divisions and businesses, so that even with a devolved operating model, we have a consistent approach. Managing risk is about putting the business in the best position to make well-informed decisions that move the Group forward. Risk management creates value by enabling pursuit of our strategy, with a full and balanced picture of the potential impacts.

Our framework for risk management

Elementis faces a number of risks, uncertainties and opportunities in the ordinary course of its operations. The effective identification, mitigation and ongoing management of these risks underpins the delivery of the Group's strategic objectives.

Elementis has an established risk management framework and system of internal controls to support decision-making throughout the financial year. Risk management systems are intended to mitigate and reduce risk to the lowest possible level, as the complete elimination of all risks is not possible. Risk management processes can therefore provide only reasonable assurance against material misstatement or loss.

The Board has overall responsibility for risk management and sets the Group's policies, culture and tone on risk as well as provides oversight to management. A comprehensive risk management framework is in place to identify, assess, mitigate and monitor the risks faced.

The Company places the highest priority on preventing loss of life, harm to people and the environment, legal and regulatory breaches, and damage to reputation or brand. The Group has in place policies, procedures and guidance in order to help the ELT and employees manage risk in these areas.

Our risk management framework

Board

The Board has overall responsibility for risk management and sets the Group's policies, culture and tone on risk as well as provides oversight to management.

Audit Committee

The Audit Committee supports the Board and has specific responsibility for monitoring financial reporting as well as the internal and external audit programmes, one of the primary purposes of which is to provide assurance on financial, operational and compliance controls.

CEO

The CEO is responsible for implementing Group policies, risk management performance, identifying principal risks and ensuring that resources are allocated for effective risk management and mitigation.

ELT individuals and risk champions

ELT members have responsibility for managing and monitoring risks relevant to their business or function on an ongoing basis, and work with the support of risk champions to further embed risk management within the organisation.

Operational and supporting functions

Data Protection Steering Committee, HSE Council, Manufacturing Council, Ethics and Compliance Council, Environmental Sustainability Council, Diversity, Equity and Inclusion Council, Investment Commitment Forum (Capital expenditure and allocation), Product Stewardship & Regulatory Affairs, and Internal Audit.

Top-down
Oversight, identification, assessment and mitigation of risks at a Group level

Bottom-up
Identification, assessment and mitigation of risks across operational and functional areas

How we manage risk

For us, managing risk is about putting ourselves in the best position to make well-informed decisions that move Elementis forward. Risk management creates value by enabling us to act in pursuit of our strategy, with a full and balanced picture of the potential impacts.

1 First-line roles: Business operations

Our first line of defence is our employees. They have a responsibility to manage day-to-day risk in their own areas, guided by Group policies, procedures and control frameworks. Local management, and ultimately the ELT, ensure that risks are managed, maintained, reviewed and actioned according to these frameworks.

2 Second-line roles: Oversight functions

The second line of defence is provided by the oversight functions, which review and monitor current and emerging risks using a bottom-up and top-down approach and provide relevant frameworks, policies and processes for managing those risks.

3 Third-line roles: Internal audit

The third line of defence is assurance over the effectiveness of mitigating controls. This is provided by internal and external assurance providers, which are reviewed by management and monitored and challenged by the Audit Committee and the Board.

Risk heat map (gross impact)

Principal risks

1. Global economic conditions and competitive market pressures
2. Business interruption as a result of supply chain failure of key raw materials and/or third-party service provision
3. Cyber security, IT networks, data security and privacy
4. Regulatory compliance and product stewardship
5. Business interruption as a result of a major event or a natural catastrophe
6. Major regulatory enforcement action, litigation and/or other claims arising from products and/or historical and ongoing operations
7. Intellectual property and know-how/protection
8. Portfolio innovation and technology
9. Health and safety
10. People, talent and succession

Change vs 2023

(=) Same
(+) Increasing
(–) Decreasing

Risk culture

Every individual at Elementis has a responsibility to manage risk, irrespective of function, business or role. Risk awareness exists throughout decision-making processes and is embedded in systems, policies, procedures, leadership and behaviours, and specific standards such as the Code of Conduct. All employees are responsible for complying with related Group policies and guidance and share responsibility for ensuring that the Group conducts its business in a safe, lawful and ethical manner. Managing risk is about process, but also culture. It is not just an activity for professionals and committees with risk in their title; it involves the whole business. We look to give colleagues autonomy, which means the people closest to our customers and markets can take their own decisions. Our divisions have their own business strategies and are required to identify and manage risks, and to put in place controls and action plans.

Risk appetite and tolerance

Risk appetite at Elementis is understood as being the amount of risk that the Board is prepared to accept in return for reward. There is a degree of variability in determining risk appetite, which may be based on strategic objectives, as well as guidance from management or advisers with an understanding and analysis of the nature of the risk. The strategic appetite for risk is decided on a case-by-case basis at Board level - for example, with respect to a corporate transaction or significant capital expenditure project – and delegated to the ELT to implement as appropriate. The maximum risk that can be taken before the Group experiences financial distress is also decided at Board level and mitigated, as far as possible, by internal controls, business continuity plans, insurance, financial instruments and contracts.

Our risk review processes

Our Risk Management Policy defines our approach to risk management. The Board maintains an annual forward planner to ensure that appropriate time is allocated at scheduled meetings to discuss, review and monitor business and operational performance, strategic priorities, governance, compliance and risk matters. This approach enables the Board to engage directly with each of the business units and functional departmental leaders.

Each ELT member is responsible for identifying, assessing and monitoring their respective business and functional risks as well as measuring the impact and likelihood of the risk to the business. Each identified risk is categorised as strategic, commercial, operational, financial or compliance.

On an annual basis the ELT collectively reviews the enterprise risk universe and the Board carries out a review of the principal risks and uncertainties.

Key risk changes and uncertainties in 2024

During 2024 the Board carried out two comprehensive reviews of the Group's principal risks: being those which, if they were to materialise, could have a significant impact on the Group's ability to meet its strategic objectives over the medium term.

The risk heat map identifies the key risks, pre-mitigation, that management consider most impactful to the Group's business model and the delivery of its strategic objectives. Movements on the risk heat map reflect changes to the risk environment since 31 December 2023. The likelihood and impact of certain risks has changed but our work to mitigate them has kept pace.

Ships, boats, bridges and offshore structures are facing daily challenges like saltwater exposure, UV radiation, and constant mechanical stress. Our additives are designed to meet these demanding performance criteria in the marine coatings sector. Our low-temperature-activated organic thixotropic agents known as THIXATROL® contribute to the reduction of energy consumption in the production process and lower carbon emissions.

The key risk changes and uncertainties in 2024 were:

Decreased health and safety risks

Our success in reducing health and safety risks is in large part due to the implementation of robust management systems, clear safety culture programmes, robust risk management processes, and a continued intense focus on process safety. Our TRIR in 2024 was 45% lower than in 2023

Increased cyber risks

Cyber risk is ever-present on all businesses' radar and has increased since 2023. The digital environment, and the risks that come with it, are fluid and fast-moving. Cyber security remains a substantial risk to Elementis. An updated set of security objectives that align the overall industry landscape was identified and defined during 2024, with information security prioritised as a critical function. The Board reviewed a comprehensive multi-year strategy in which cyber security is a cornerstone. Continuous process improvements and enhanced security controls were implemented, and a 'secure by design' approach is being rolled out. Furthermore, a full migration to a 'Zero Trust Network Architecture' is under way. Management remains vigilant in identifying potential cyber threats

Increased regulatory risks

Regulatory compliance risks increased in 2024 principally as a result of the recommendation to classify talc as a possible carcinogen by the ECHA RAC. Legal proceedings continued in relation to the Group's expansionary mining permits in Finland. The Company continues to enhance its 'Responsible Mining' programme and, as part of this, to engage with local stakeholders in Finland

People risk uncertainty

People, talent and succession risks remain in line with 2023. The Fit for the Future programme is nearing completion, but the Talc strategic review and CEO succession process add a degree of continued risk. Mitigations have been put in place which include adequate handover periods between departing employees and new hires, detailed knowledge transfer plans, retention incentives where appropriate, and external resource to manage workload. The Nomination Committee is responsible for the CEO succession process. The Board maintains close oversight over the Fit for the Future programme and Talc strategic review

Economic pressures and cost reduction

Inflationary pressures continued to impact the macroeconomic environment in which the Group operates. During 2024, management focused on cost-reduction initiatives to help mitigate such pressures. In particular, the Group continued its Fit for the Future programme, which will deliver over $20 million of cost savings by the end of 2025

There have been no material changes to the risk profiles for the other principal risks, although management continues to monitor and review as appropriate.

Climate change

Climate-related risks and opportunities are an important consideration for the Group. Management's response is a crucial part of the Group's business strategy, shaping both how products are designed and how they are brought to market. Climate change also brings opportunities; for example, some of the Group's products can contribute to lower energy and resource use. Elementis has an ambition to reach Net Zero by 2050, and during 2025 management will publish an SBTi-validated science-based target for GHG reductions, covering our operational and value chain emissions.

The Group assesses climate-related risks using the same impact criteria as for the rest of its enterprise risks.

Management have used climate scenarios from NGFS to help understand how climate risks change in different futures and time horizons. Climate change has been identified as a contributing factor to many of our principal risks and long-term uncertainties.

Internal control

The key elements of the Group's internal control framework are monitored throughout the year. The Audit Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems on behalf of the Board.

To support the Board's annual assessment, a report is prepared by the Global Head of Risk and Controls on the Group's principal risks and internal controls. The report sets out the Group's risk management systems and key internal controls, as well as the work conducted in the year to assess and improve the risk and control environment.

The internal control framework is intended to effectively manage, rather than eliminate, the risk of failure to achieve business objectives. It can only provide reasonable, not absolute, assurance against the risk of material misstatement or financial loss.

In accordance with the Financial Reporting Council's ("FRC's") guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Board confirms that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. This process has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. The process is regularly reviewed by the Board and accords with the relevant guidance.

Priorities for 2025

- Successful execution of the Fit for the Future programme
- Assessment of the opportunities and risks posed by AI
- Continued horizon scanning for new and emerging risks and detailed proposed plans for mitigating such risks
- Further enhancements to the risk management framework, including more systematic assessment of sustainability risks in the Group's supply chain, in line with corporate governance best practice
- Finalising the Group's SBT for GHG emissions reduction, thereby helping to minimise exposure to climate change risks and support climate change mitigation actions
- Implementation of a partner risk assessment programme for supplier selection
- Fully embed a database to more effectively manage and review the Group's harmonised tariff codes
- Leverage our outsource provider to streamline, automate and conform our control processes globally
- Continue to work constructively on the challenges to the Group's Finnish mining permits, combined with wider stakeholder engagement to underpin the Group's commitment to responsible mining

Our emerging risks

Management continues to consider how the Group could be affected by emerging risks over the longer term and how strategic, market and customer initiatives might manage risks and seize new opportunities. It is often possible to identify the potential impacts of emerging risks, but it is more challenging to predict their financial impact, likelihood and timeframe. We define emerging risks as upcoming events which present uncertainty.

Emerging risks and opportunities are identified and documented through the existing risk management framework using a variety of horizon-scanning methods, such as monthly performance calls with each business unit, including deep dives on new business opportunities, supply chain resiliency and procurement matters, annual and five-year financial plans and budgets, Board, ELT and other internal governance forums, customer and market insight, industry-specific data, and materiality assessment with regard to ESG.

Emerging risk management ensures potential risks are identified, with plans evaluated in case they were to materialise. These emerging risks may not be fully quantifiable but are closely monitored. Our processes aim to identify new and changing risks at an early stage and analyse them thoroughly to determine the potential exposure. We continually identify and monitor emerging risks using our top-down and bottom-up processes.

The table opposite provides examples of emerging risks.

Risk	Detail	Relevant principal risk	Relevant strategic objective	Time horizon
Escalating global geopolitical tensions and supply chain disruption	• Ongoing conflicts around the world could intensify and spread, with possibilities for sanctions to discourage further escalation and increase pressure on supply chains • Supply chain shortages and resource security pressures increase commodity prices and could result in an economic slowdown • State-sponsored cyber attacks target key sectors, including the specialty chemical industry	1 2 5		Short-term and medium-term
AI-driven innovation	• AI presents many opportunities, but needs to be developed in an ethical way to mitigate against potential data security and cyber attack risks and address growing concerns across consumer groups. We expect further legislation following the EU AI Act 2023, the first regulation on artificial intelligence • AI-generated content becomes more prevalent with the possibility of spreading misinformation • Increased processing power will automate basic activities and support decision-making	3		Short-term and medium-term
Evolving legislation	• Changing legislation to reduce the use of chemicals deemed to be negatively impacting the environment, nature or human health • Persistence of PFAS has become an area of concern and our research is developing alternative solutions to this class of materials • Tighter reporting requirements and greater public focus on environmental performance	4 6 7 8		Medium-term and long-term

Innovation Growth Efficiency

Innovation Growth Efficiency

Principal risks and uncertainties

1 Global economic conditions and competitive market pressures

Link to strategic objective:

Movement in year: =

Description of risks

The performance of the specific end-user markets served is affected by macroeconomic conditions. Adverse developments that may result in a downturn in macroeconomic conditions, or in the industries in which our customers operate, may include political uncertainty, retaliatory tariffs or other disputes between trading partners.

Suboptimal global economic conditions can affect sales, raw material costs, foreign exchange rates, capacity, utilisation and cash generation, which can impact the financial health of the Group.

Increased competitive pressure in the marketplace can result in significant pricing pressure and loss of market share. The impact of non-delivery of operating plans can lead to market expectations of Group earnings not being met, and slower delivery of strategic priorities.

Links with climate change

The global response to climate change introduces additional uncertainties in macroeconomic and market trends which may have both positive and negative impacts on the Group. Customers increasingly collect climate-related information in preparation for future sourcing decisions. The Group understands its emissions footprint, including Scope 3, and aims to reach Net Zero emissions by 2050. Management are progressing the quantification of carbon and environmental footprints at a product level to better demonstrate impact and progress.

Controls and mitigating activities

- Financial performance (monthly sales, profit and cash flows, and position against key banking covenants) is closely monitored with full-year scenario planning of key risks, regular reforecasts and prompt investigation of variances
- Contingency and cost reduction plans can be implemented in the event of an economic downturn to reduce operating costs, including non-essential capital expenditure items and discretionary spend
- Interest, currency and commodity hedging actions are taken as appropriate to mitigate the impact of rising interest rates and inflation
- Global key account management programme to deepen existing relationships with our largest customers and help to pre-empt end-market changes
- Balanced geographic footprint and supply chain and broad differentiated product offering across different sectors

Developments in year

- Continued focus on cost reduction, capital expenditure effectiveness, working capital and discretionary spend
- Price rises implemented to mitigate the impact of raw material, logistics and energy cost increases

Emerging risks

- Increase in commodity prices and imposition of tariffs could result in an economic slowdown

2 Business interruption as a result of supply chain failure or key raw materials and/or third-party service provision

Link to strategic objective:

Movement in year: =

Description of risks

The Group is dependent on raw materials from various sources. In the event of a long-term supply disruption, or market volatility, it may not be possible to secure sufficient supplies of raw materials from alternative sources on a timely basis, or in sufficient quantities or qualities, or on commercially reasonable terms. The lead time and effort needed to establish a relationship with a new supplier could be lengthy and could result in additional costs, diversion of resources and reduced production yields.

Links with climate change

Climate change will increase the severity of extreme weather events that may result in supply chain disruption. Elementis manages its supply chain through maintaining minimum stock levels and qualifying multiple suppliers.

Controls and mitigating activities

- Review of single-source materials; find and qualify alternatives
- Market research to understand and monitor the impact of short-term events
- Recalibration of inventory stock levels and lead times on a regular basis
- Business continuity scenario planning overseen by the ELT
- Proactively identify and mitigate risks across the supply chain
- Implement robust contingency plans to address potential disruptions and maintain resilience
- Increase flexibility in the Group's manufacturing network to supply products from different regions, including new manufacturing locations

Developments in year

- Continued leverage of strategic supplier relationships to secure required raw material volume
- Accelerated production qualification programme to ensure the ability to redistribute production volume across our global manufacturing network
- Continued focus on qualification of new sources of supply
- Enhancement of the Group's global supply chain and procurement teams
- Continued focus on the Group's Global Supply strategy to ensure a resilient global production footprint, enabling Elementis to continue to produce as new risks materialise in the years to come
- Implementing strategic stock methodology and process for supply chain disruptions, enhancing data analytics capabilities, upgrading visualisation tools, and improving our enterprise resource planning to spot potential supply chain bottlenecks early and take proactive measures to improve the supply chain resiliency

Emerging risks

None noted.

Innovation Growth Efficiency

3 Cyber security, IT networks, data security and privacy

Link to strategic objective:

Movement in year: +

Description of risks

The Group increasingly relies on IT systems for its internal communications, controls, reporting, and relationships with customers and suppliers.

A significant disruption could cause delays to key operations and an inability to meet customers' requirements, thereby resulting in increased operating costs, legal liability and reputational damage. Furthermore, ongoing developments in data protection and information security legislation globally have created a range of compliance obligations with increased financial penalties for non-compliance.

Cyber security continues to be an increasingly significant risk to the business, and there remains ongoing work to review and strengthen the Group's security systems.

Links with climate change

Not applicable.

Controls and mitigating activities

- Security controls, including policies and procedures, staff awareness and training, and risk management and compliance processes
- Regular IT, cyber and data protection updates to the Board
- Business continuity and emergency response plans for each manufacturing site
- Regular internal audit reviews
- Privacy and data protection platform

Developments in year

- Dedicated Information Security Officer appointed
- Continued phishing simulation exercises to raise awareness and assess training needs
- Revision and hardening of key controls on critical communications infrastructure
- Improved data protection through enhanced access controls
- Conducted a comprehensive risk assessment and evaluation of our current security posture
- Identification of gaps and vulnerabilities
- Planning for the upcoming regulatory compliance requirements

Emerging risks

- Global geopolitical instability, characterised by the increasing emergence of actor-states, presents a growing set of challenges
- The increasing utilisation of artificial intelligence for either automating attacks or forging content by threat actors
- Malicious actors are increasingly targeting third-party vendors and suppliers as a means of infiltration, elevating the threat of supply chain attacks to a pre-eminent cyber security concern

4 Regulatory compliance and product stewardship

Link to strategic objective:

Movement in year: +

Description of risks

Emerging and existing regulations in global markets can lead to hurdles and additional costs in delivering on strategic objectives. Non-compliance or suspected non-compliance could lead to regulatory action.

Links with climate change

Management are preparing for full ISSB and CSRD compliance.

Controls and mitigating activities

- The Global Product Stewardship & Regulatory Affairs team oversees, manages and monitors regulatory developments in current and new markets and materials
- SDS, labels and regulatory information are provided for global customers specific to the requirements in their jurisdiction
- Active compliance and risk management programmes are in place, including policies, procedures and training
- Regulatory compliance and product stewardship risks updated and reviewed with the Board
- Brazil, UK, Türkiye and South Korea REACH planning and assessment of impact
- Ingredient notifications in existing markets with new requirements were completed
- Ongoing support of manufacturing optimisation change through regulatory activities
- Membership of the European talc industry's representative body for regulatory and scientific matters, Eurotalc, through which the Group is able to contribute to advocacy in relation to the adverse impacts that would result if the draft opinion of the ECHA RAC were ultimately adopted

Developments in year

- Legal proceedings continued in relation to the Group's expansionary mining permits in Finland. The Finnish Supreme Court upheld the validity of the Group's mining permit for one of its mines, and proceedings are ongoing in relation to the environmental permit for the expansion, with a decision expected between 2025 and 2026. The Supreme Court separately rejected an appeal by the Group for the reinstatement of its permit to expand operations at another of its Finnish mines. The Company continues to enhance its Responsible Mining programme and, as part of this, to engage with local stakeholders in Finland
- In September 2024, the ECHA RAC adopted an opinion on the EU harmonised classification of talc, and recommended a classification as "STOT RE 1, H372 (lungs, inhalation)" and as a "presumed carcinogen to humans of category 1B, H350 (may cause cancer)". The full written opinion has yet to be published and is not legally binding. The opinion is expected to be considered by the European Commission in 2026, before a decision is made on whether or not to adopt the RAC's recommendation by way of an amendment to EU regulation. The Group, together with EUROTALC, disagrees with the opinion and asserts that the available evidence shows that talc does not meet the classification criteria for carcinogenicity

Emerging risks

- Polymers will be included in the scope of the EU REACH regulation from 2025, resulting in extra physical chemical testing requirements
- Cyclical silicone materials will be restricted in the EU from 2026 for personal care and cosmetic products

Innovation Growth Efficiency

5 Business interruption as a result of a major event or a natural catastrophe

Link to strategic objective: Growth

Movement in year: =

Description of risks

The ability of the Group to manage its operations successfully and achieve performance in line with its strategy, business plans and budgets depends on the efficient and uninterrupted operation of planning processes, operational delivery capabilities and the internal control environment. Production facilities may be subject to planned and unplanned shutdowns, turnarounds and outages, including for natural catastrophes, weather, climate change or disruption associated with transportation, utilities and distributors, which could result in increased costs in securing alternative facilities, and lead to significant delays in increasing production or customer qualification.

A major event is categorised as an operational, HSE, transport or workplace incident caused by system failure and/or human error, or by fire, storm, flood or pandemic.

Links with climate change

Climate change is likely to increase the severity of extreme weather events which may result in operational disruption. Elementis' sites are designed and maintained to withstand extreme weather. We review weather disruptions, risks and local mitigations annually with site management, and use the NGFS climate impact explorer tool and WRI Aqueduct tool to explore physical risks at our locations. The Group's supply chain management ensures minimum stock levels.

Controls and mitigating activities

- Preventative maintenance, holding critical spares, and process and other safety procedures to mitigate the effects of a major incident
- Property damage and business interruption insurance coverage
- Each site has developed a business continuity plan that includes emergency response and business recovery protocols, annual reviews, periodic updates, training, and practising the plan via periodic drills or table-top exercises
- Management verify the emergency response and crisis preparedness elements of business continuity through the HSE compliance auditing process
- Business continuity scenario planning overseen by ELT
- HSE management programme includes corporate compliance audits and insurance property surveys
- HSE matters reviewed by ELT on a monthly basis

Developments in year

- Internal audit review of certain manufacturing sites
- Focus on operational reliability and process safety management
- Insurance property survey recommendations adopted and tracked

Emerging risks

- Ongoing conflicts around the world could intensify and spread, with possibilities for sanctions to discourage further escalation and increase pressure on supply chains

6 Major regulatory enforcement action, litigation and/or other claims arising from products and/or historical and ongoing operations

Link to strategic objective: Innovation, Growth, Efficiency

Movement in year: =

Description of risks

The scale and complexity of the Group's operations means that it is subject to a wide range of international regulation spanning all aspects of its business. The regulatory sphere includes multiple corporate taxation regimes, national and supra-national anti-corruption, fair competition and data privacy laws, as well as applicable environmental regulations and standards relating to the Group's past and present operations. Failure to comply can lead to complex cross-border claims, litigation, damages, fines, penalties and remediation orders. The Group may be involved in legal proceedings and claims within the ordinary course of business, including legacy claims in relation to businesses that have been acquired or disposed of by the Group. Adverse results in legal proceedings could result in reputational and financial damage, loss of business, and diversion of management time and resources.

Links with climate change

Not applicable.

Controls and mitigating activities

- Cross-functional expertise including Legal, Compliance, Finance, HSE, and Product Stewardship & Regulatory Affairs, supported by external consultants and advisers, actively monitor emerging risks and ensure effective controls over known risks
- Products are routinely and rigorously tested to the highest standards
- Continuous evolution of the global compliance programme to identify, address, monitor and mitigate compliance risks, including through new processes, training and other activities
- Insurance programme and risk transfer strategy in place to mitigate potential financial losses
- Audit Committee and Board exercise oversight through regular reports on all threatened and actual litigation from the Group General Counsel & Company Secretary
- Employees are subject to a range of policies and procedures setting out required behaviours and standards, and consequences for non-compliance
- The Ethics and Compliance Council, chaired by the Group General Counsel & Company Secretary, meets regularly to monitor the Group's compliance culture and ensure that ethics and compliance considerations are appropriately weighted in business decisions
- The Cyber, Data Protection and Information Governance Steering Committee meets regularly to oversee compliance with applicable data privacy laws
- Regulatory compliance and product stewardship risks continue to be updated and reviewed with the Board as new risks arise and new developments are made on ongoing issues. Working groups are in place for a number of regulatory areas

Developments in year

- Customer and Supplier Risk Screening Policy launched in late 2023 fully embedded
- The Group received a formal legal request (a subpoena) to provide information regarding the US class action litigation in relation to 'hair relaxer' products. Elementis initiated a review of historical responsive materials and will cooperate in full with the subpoena request as appropriate, although the Group is not a defendant in the class action

Emerging risks

- Xylene is used as an industrial solvent in several Performance Speciality products. Cumene is an impurity in xylene. Cumene was included in the EU Classification and Labelling Directive 1272/2008 under Amendment to Technical Progress number 18. It will require labelling in Europe. European procurement is sourcing low cumene for European products while Asia and the Americas are monitoring the supply chain

Innovation Growth Efficiency

7 Intellectual property and know-how/protection

Link to strategic objective: Innovation, Growth

Movement in year: =

Description of risks

Failure to adequately protect and preserve intellectual property ("IP") and proprietary know-how in both existing and new markets could harm the Group's competitive position.

Links with climate change

Not applicable.

Controls and mitigating activities

- Active management of the Group's trademark portfolio via an internal Trademark Committee ("TMC"), attended by the Group's external trademark advisers and comprising the business segment's marketing directors, corporate communications and legal teams. The TMC meets regularly to take decisions in relation to the registration of new trademarks and defensive activity in relation to existing trademarks. The TMC is supported by a global network of trademark agents who represent the Group's interests in all relevant jurisdictions
- The Group's Science Director works closely with the legal team and external patent attorneys to ensure emerging inventions are appropriately protected
- Employees are trained on the importance of appropriate handling and disclosure of proprietary and confidential information
- The legal team reviews confidentiality agreements entered into by the Group to assess the suitability of the proposed purpose and the duration of the confidentiality obligations. A central record of all confidentiality agreements entered into globally is maintained by the Legal team
- Patent and IP disclosures to keep distinction in new launches and enforcement of proprietary advantage have now become a standard practice
- Contentious IP matters are reported to the Audit Committee and Board
- The Group's stage gate system incorporates IP and freedom to operate as requirements to launch new products

Developments in year

- Annual patent portfolio review undertaken to monitor our portfolio and manage out obsolete patents
- Conducting 'freedom to operate' earlier in the innovation process to avoid false starts and avoid potential patent issues with external parties

Emerging risks

- New personnel onboarded in Portugal. Training has been implemented to ensure the Group's strict guidelines are followed

8 Portfolio innovation and technology

Link to strategic objective: Innovation, Growth, Efficiency

Movement in year: =

Description of risks

The ability of the Group to compete is highly dependent on its ability to meet the changing needs of customers and keep pace with technological innovations and sustainability trends.

New or substitute products and technologies developed by competitors could erode the Group's ability to compete and lead to declines in sales and market share.

Links with climate change

Climate change and increased focus on sustainability drives demand for products with lower climate impacts and more efficient resource use. We are increasing the range of products offered with a high naturally-derived material content and are increasing our use of waste aluminium in place of virgin aluminium in antiperspirants. In addition, management are assessing the Group's product portfolio in a systematic way to identify and prioritise further opportunities to improve sustainability.

Controls and mitigating activities

- The global R&D team aims to develop new products and technologies to meet the changing needs of the Group's sophisticated customers
- Collaborative relationships with customers and industry formulators ensure efforts are aligned with the latest market trends
- Use of an innovation tool to manage stage gate process, with systematic prioritisation to deliver high-value solutions for the market
- The Group's proprietary hectorite and talc assist in consistent delivery of high-performance innovation
- Leverage of existing portfolio technologies to enter into new market adjacencies where our product performance can deliver additional value

Developments in year

- 22 new products launched in 2024
- Innovation roadmap with strategic partners to leverage existing technologies
- Supporting production facilities to ensure a second source of key raw materials, and introducing new technologies and new process improvements while ensuring consistency and safety

Emerging risks

None noted.

Innovation Growth Efficiency

9 Health and safety

Link to strategic objective: Innovation, Growth, Efficiency

Movement in year: ⊖

Description of risks

The inherent nature of manufacturing activities, such as material handling, production, storage and transport, has wide-ranging occupational safety and process safety risks. Failure to recognise, evaluate and mitigate health and safety risks would leave the Group vulnerable to employee and contractor injuries, lost production time, equipment damage, impact to the community, potential regulatory compliance challenges, and reputational damage.

Links with climate change

Not applicable.

Controls and mitigating activities

- Safety leadership – HSE certification process required for all site leaders, setting clear expectations of their responsibility for ensuring employee safety and providing them with leadership training/tools
- Focused global HSE strategy and roadmap aligned with goals and incident trends, and establishment of meaningful leading and lagging KPIs
- Compliance and insurance audits, root cause analyses, management of change, routine inspections, risk assessments, training, contractor management and work permits
- Safety culture promotion – increased employee engagement via an incentive programme promoting safety through Stop Work Authority, near-miss reporting, hazard recognition, inspections and risk assessment participation
- Continued training on hazard recognition to improve employee awareness and mitigation of hazards
- Process safety management – Phase 2 process improvement plans for all high-risk tasks through process hazard analyses and ensuring equipment mechanical integrity through capital investment, equipment assessments and suitable preventative maintenance

Developments in year

- Improved accountability and analytics in the management of HSE and quality incidents, action tracking, audit management, and regulatory compliance
- Increased use of innovation and technology for incident reporting and trending in the prevention of incidents
- Continued development of a global HSE framework aligned to ISO standards and publication of life-critical HSE standards. A total of six global standards developed and implemented across all locations
- Fourth annual Global Health, Safety and Environmental (HSE) Week, including technical speakers and local activities. The week was expanded to highlight all three elements of HSE – health, safety, environment – with the key aim being to increase awareness of the importance of worker safety in the workplace and address climate change impacts
- Implementation of a new audit and inspection management system to track and schedule audits, assign responsibilities and track corrective actions to completion
- Implementation of a formalised process safety management network including quarterly meetings and integration of a global dashboard for increased accountability
- Embedding TogetherSAFE, our value for safety, into our work planning and business processes and holding our fourth annual CEO TogetherSAFE Award promoting team safety initiatives

Emerging risks

- Increased number of fires. Incident learnings are being implemented at a site level and a global fire and explosion standard is being established within the required safeguards

10 People, talent and succession

Link to strategic objective: Innovation

Movement in year: ⊜

Description of risks

The Group operates in highly competitive labour markets and relies on the expertise and services of talented individuals and teams to succeed.

Loss of key people or disruption to teams without timely action could result in disruption to business operations.

Links with climate change

Employees increasingly wish to contribute to addressing climate change. The Group's sustainability strategy and commitment to reduce GHG emissions in line with science supports the employee value proposition.

Controls and mitigating activities

- Performance management process for all employees to set goals aligned to key priorities and actions for personal and professional development
- Career profile allowing employees to create their personal profile and future aspirations
- Succession planning to build a diverse leadership pipeline. All senior leaders are reviewed twice a year by the ELT, and the ELT are reviewed once a year by the Board
- Measurement of employee engagement to create actionable plans, with all employees surveyed twice a year
- People manager training and toolkits empowering growth and impact
- Unlimited access to LinkedIn Learning to allow employees to expand their skills based on their own learning needs, and access to the Gallup Portal for all managers to build skills on employee engagement
- Flexible working in line with business needs and local market practice
- Extensive communication to employees globally, regionally and locally
- Retention packages for key employees

Developments in year

- Updated intranet with enhanced search tools and accessibility
- New mindfulness and wellbeing programme introduced with regular global workshops
- Diversity, Equity and Inclusion Council redesigned, with regional leaders and local champions supplementing global initiatives such as Women in Leadership
- Engagement survey in collaboration with Gallup administered twice per year, with feedback provided to all employees and a focus on action planning specific to each team's results
- Performance management approach continues to focus on balance of task-orientation and engagement and development
- Global and local people manager training sessions continue to be conducted in local languages, aligned with the specific needs of people managers
- HET training using Clifton Strengths was developed and implemented with leadership teams in multiple functions
- Continued enhancements to succession planning in order to improve internal talent development and progression
- Orderly transition to the new, post Fit for the Future, organisation, with over 100 new hires onboarded in Portugal, including new leaders in IT, R&D and HR

Emerging risks

- Delays in opening of new office and laboratory in Porto. This has been mitigated by the use of temporary office and laboratory facilities to ensure business continuity
- Uncertainty created by Talc strategic review
- Uncertainty created by CEO succession process

Viability and going concern statement

Going concern

The Directors are satisfied that it is appropriate for the Group and the Company to adopt the going concern basis of accounting in preparing these Group and parent company financial statements and that there are no material uncertainties impacting the ability of the Group and Company to continue to operate over a period of at least 12 months from the date of approval of these financial statements.

To support this assessment the Directors produced three models, covering a future period of five years from the date of these accounts, demonstrating the position of the Group regarding its two financial covenants, net debt/EBITDA and interest cover, at each measurement period for the 12 months following the date of signing of these accounts and annually thereafter. These models comprised:

- A base case scenario, aligned to the latest Group annual operating plan for 2025, as well as the Group's five-year plan;
- A possible downside scenario that assumes the global economic environment is severely depressed over the assessment period; and
- A reverse stress test, flexing sales to determine what circumstance would be required to breach the financial covenants.

No breaches in the required covenant tests were reported during the year, and under both the base case and severe but plausible downside scenarios, the Group is expected to remain within its financial covenants throughout the going concern period. The conditions necessary for the reverse stress scenario to be applicable were deemed to be remote.

The Directors also considered factors likely to affect future performance and development, the Group's financial position, the current excess liquidity position, the high level of cash conversion and the principal risks and uncertainties facing the Group, including the Group's exposure to credit, liquidity and market risk and the mechanisms available for mitigating these risks.

The Group's net debt position as at 31 December 2024 was $157 million. It has access to a syndicated revolving credit facility of $250 million, which expires in June 2028, and long-term loan facilities of $75 million and €142 million which have an expiry date of June 2026.

The Group had further borrowing facilities available to it, aside from the syndicated revolving credit facility ("RCF") and term loans, of over $6 million as at 31 December 2024.

In conclusion, after reviewing the base case scenario, the severe but plausible downside scenario and considering the likelihood of the reverse stress test scenario occurring to be remote, as well as having considered the uncertainty relating to the Group's principal risks and the mitigating actions available, the Directors have formed the judgement that at the time of approving these consolidated financial statements, there are no material uncertainties that cast doubt on the Group's going concern status for next 12 months and that it is therefore appropriate to prepare the consolidated accounts on the going concern basis.

Business viability assessment

The basis of the assessment included a detailed review of strategic and operating plans, underpinned by five-year financial forecasts, including profit and loss and cash flows. Consideration was given to capital expenditure, investment plans, returns to shareholders and other financial commitments, as well as the Company's debt-bearing capacity, its financial resources, borrowings and the availability of finance. No review of business plans and financial forecasts would be complete without a robust assessment of the risks and opportunities in such planning models and the assumptions used. The review included consideration and discussion of the materials prepared and presented to the Board by management and its advisers (where appropriate), as well as additional information requested by the Board.

The Board's programme of monitoring major risks is an important component of the business viability assessment and the financial impact of the principal risks was modelled over the five-year period. Business and segment growth scenarios, rate of return on investments, assumptions on global GDP growth rates, relevant currency rates, and commodity prices in business plans and financial forecasts were all considered, with stress testing on financial models where appropriate. Finally, a review of litigation and tax reports, legal and compliance risks throughout the year and a formal year-end risk review, ensures that the viability statement is made with a reasonable degree of confidence.

Principal risks

For each principal risk that is deemed to be both permanent and likely to have a high impact, a severe but plausible scenario was considered. In making the business viability statement, the Board reviewed and discussed the overall process undertaken by management and assessed the outcome of the stress testing carried out using the Group's five-year financial forecast as the base case. The five-year financial forecast considers the Group's cash flows, interest cover covenant, net debt/EBITDA covenant, and other key financial ratios over the period. These metrics were assessed against the Group risk register to determine the most impactful ones to stress test against. Consideration was also given to the potential impact of the Group's climate risk scenarios.

Business viability statement

In accordance with the UK Corporate Governance Code provision 31, the Directors have reviewed the Group's current position and carried out a robust assessment of the principal risks and uncertainties that might threaten the business model, future performance, and solvency and liquidity of the Group, including resilience to such threats, and consider that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a period of at least five years. A period of five years was chosen as being consistent with the Group's business and financial planning models, R&D plans, a number of key supply contracts and requirements for external borrowing facilities. Regarding accessibility to financing, the term loans have an expiry of June 2026 and the RCF has an expiry of June 2028; both of these are within the five-year period and so will require renegotiation or replacement. Elementis has, to date, had a very supportive banking syndicate and due to deleveraging there is now a materially lower requirement for debt financing; as such, the Directors do not believe that there will be any issues in renegotiating lending facilities when necessary.

Strategic report

The Strategic report was approved by the Board of Directors on 5 March 2025 and is signed on its behalf by:

Paul Waterman
CEO

Ralph Hewins
CFO

Chair's introduction to governance

John O'Higgins
Chair

Dear Shareholders,
On behalf of the Board, I am pleased to introduce our Governance report for the year ended 31 December 2024. This report sets out our approach to effective corporate governance and outlines key areas of focus of the Board and the activities it undertook during the year, as we continue to drive long-term value creation for our stakeholders. I am grateful to my fellow Board members for their continued support."

Purpose, culture and values

Our purpose – unique chemistry, sustainable solutions – guides our strategy and priorities and underpins our decision-making as a Board. The Company's values of Safety, Solutions, Ambition, Respect and Team underpin our culture, align with our purpose and drive our business success. During 2024, the Board took the decision to initiate a strategic review of the Company's Talc business, to establish whether the full potential of Talc could best be delivered as part of the Company, or via a divestment. Despite the regulatory headwind of a proposal to reclassify talc that was announced by the Risk Assessment Committee of the European Chemicals Agency in September 2024, the strategic review is progressing in line with expectations and a further announcement will be made in due course. The Company's Fit for the Future programme was successfully advanced, with over 100 roles filled in Porto, Portugal, and a temporary laboratory brought into use for our Porto R&D team, pending the completion of our new office and laboratory space in that location. In addition, the offshoring of various finance processes to India was successfully completed.

Board succession and diversity

Steve Good stepped down from the Board at the conclusion of the 2024 Annual General Meeting ("AGM") after reaching a tenure of nine years on the Board in October 2023. The Board was grateful to Steve for his very significant contribution to the Board. The Board subsequently appointed Clement Woon to succeed Steve Good as Chair of the Remuneration Committee. As the Company will submit an updated Remuneration Policy at the 2025 AGM, Clement Woon has undertaken engagement with shareholders to solicit their views on the proposed policy, in advance of that.

The succession planning for Steve Good's replacement culminated, following a thorough recruitment process, in the appointment of Maria Ciliberti to the Board in March 2024. Maria stood for election for the first time at the 2024 AGM, and stands for re-election at the 2025 AGM.

As a result of the active dialogue which the Board maintains with the Company's shareholders, the Nomination Committee evaluated the candidacy of two further Non-Executive Directors during 2024, Heejae Chae and Christopher Mills, both of whom have a significant track record of delivering value for shareholders. As a result of this engagement and evaluation, Heejae Chae was appointed to the Board on 25 March 2024 and Christopher Mills was appointed to the Board on 1 January 2025. The Board looks forward to continuing to benefit from the skills and experience of its newest Directors, complementing the existing skills and experience of the Board.

In November 2024, the Company announced that Paul Waterman had agreed with the Board that it was the right time to transition the leadership of the Company to a new Chief Executive Officer ("CEO"), following Paul's nine years of service. Paul agreed to remain with the Company until no later than the conclusion of the AGM in April 2025 and does not stand for re-election. During 2024, the Board initiated a process to identify and appoint Paul's successor and retained an independent search firm to support the Nomination Committee in conducting a thorough search. Following this process, the Board was pleased to approve the appointment of Luc van Ravenstein as the successor to Paul with effect from 29 April 2025, and Luc stands for election for the first time at the 2025 AGM.

As at 31 December 2024, 44.4% of the Board were women (four women and five men). After the conclusion of the 2025 AGM, the gender balance of the Board is expected to be 40% (4 women and 6 men). I am pleased to report that we therefore meet the Listing Rules targets (also referred to in the FTSE Women Leaders Review) for (i) female representation on the Board to be at least 40%, (ii) there to be at least one individual on the Board from a minority ethnic background, and (iii) for there to be at least one woman in a senior Board role. We will continue to ensure that the benefits of diversity are appropriately considered in the context of any future Board recruitment. Further information on Board diversity is set out on pages 90-91.

Net Zero transition plan

In Q4 2024, the Board was proud to approve the formal submission of its science-based target ("SBT") to the Science Based Targets initiatives ("SBTi") for validation in H1 2025. Once validated, this target will help drive reduction in the Company's greenhouse gas ("GHG") emissions and help us realise our long-term ambition of 'Net Zero by 2050' (at the latest). Our submission includes the reduction of absolute GHG emissions of our Scope 1 and Scope 2 (market) and from our most significant Scope 3 emissions categories, in line with SBTi rules.

In considering the Company's SBT, the Board took into account the expectations of its stakeholders with regard to management of the Company's GHG footprint and its alignment with the UK's commitment to a GHG reduction pathway. Further information on our climate strategy can be found on pages 35-41.

Board effectiveness

The Board participated in an externally facilitated performance evaluation this year, having last undergone an externally facilitated evaluation in 2021. I am pleased to report that the evaluation found that the Board demonstrated robustness and a sense of cohesion, seeking, and often finding, unity, despite differences of opinion, which are naturally, and appropriately, encountered on occasion. Further details of the process followed and its outcomes are set out on page 87.

Annual General Meeting

The AGM is an important event in the Company's corporate calendar, providing an opportunity to engage with shareholders.

This year, we will again be holding a hybrid AGM, with shareholders able to attend the meeting in person to vote and ask questions in advance of the meeting via email: company.secretariat@elementis.com. Instructions on how to register and join the webcast are set out in the Notice of Meeting, which is available on the Company's website.

John O'Higgins
Chair

Board of Directors

The right skills to deliver our strategy

John O'Higgins
Chair

Tenure John was appointed Non-Executive Chair and Chair of the Nomination Committee on 1 September 2021. John joined the Board as a Non-Executive Director on 4 February 2020 and was appointed Senior Independent Director on 29 April 2020 prior to his appointment as Chair.

Independent Yes[1]

Experience and role John served as chief executive of Spectris plc from January 2006 to September 2018, leading the business through a period of significant strategic transformation and development. Prior to Spectris plc, John spent 14 years at Honeywell International in a number of senior management roles, including chairman of Honeywell Automation India and president of Automation & Control for Asia-Pacific. His early career was spent at Daimler Benz A.G. as a research and development engineer.

Previous non-executive director roles include Exide Technologies, a US-based supplier of battery technology to automotive and industrial users (from 2010 to 2015).

John holds a master's degree in Mechanical Engineering from Purdue University (US) and an MBA from INSEAD.

External appointments

- Non-executive director of Johnson Matthey plc, chair of remuneration committee and a member of the audit and nomination committees
- Non-executive director of Oxford Nanopore Technologies plc and a member of the audit, risk, remuneration and nomination committees
- Adviser to Envea Global, a market leader in environmental air and emissions measurement and majority owned by The Carlyle Group

1 On appointment.

Paul Waterman
Chief Executive Officer

Tenure Paul was appointed Chief Executive Officer ("CEO") on 8 February 2016 and will step down from the Board at the conclusion of the AGM on 29 April 2025.

Independent No

Experience and role Paul has a proven track record in developing markets, products and opportunities for creating value, business optimisation and transformation. Paul's global experience provides the skill set required to deliver the Company's strategy and provide inspiring leadership.

Prior to joining Elementis, Paul was global CEO of the BP Lubricants business in 2013 after having overseen the BP Australia/New Zealand downstream business. In 2010, Paul was country president of BP Australia. Prior to this he was CEO of BP's global aviation, industrial, marine and energy lubricants businesses (2009 to 2010) and CEO of BP Lubricants Americas (2007 to 2009). He joined BP after it acquired Burmah-Castrol in 2000, having joined the latter in 1994 after roles at Reckitt Benckiser and Kraft Foods.

Paul holds a BSc in Packaging Engineering from Michigan State University and an MBA in Finance and International Business from New York University, Stern School of Business.

External appointments

None

Ralph Hewins
Chief Financial Officer

Tenure Ralph was appointed CFO-Designate and Executive Director on 12 September 2016 and became the Elementis Group Chief Financial Officer ("CFO") on 1 November 2016.

Independent No

Experience and role Ralph is an accomplished CFO who has a strong track record in finance, strategy development and implementation, and mergers and acquisitions ("M&A") which enables him to provide effective financial leadership to underpin the delivery of the Company's strategy.

Ralph had a 30-year career with BP, where he held a number of significant leadership positions, including roles in financial management, sales and marketing, corporate development, M&A, strategy and planning. In 2010, Ralph was CFO of BP Lubricants and served on the board of Castrol India Limited from 2010 until 2016.

Ralph holds an MA in Modern History and Economics from the University of Oxford and an MBA from INSEAD.

External appointments

None

Committee Chair A Audit Committee N Nomination Committee R Remuneration Committee

Trudy Schoolenberg

Senior Independent Director

Tenure Trudy was appointed Non-Executive Director on 15 March 2022 and become Senior Independent Director on 26 April 2022.

Independent Yes

Experience and role Trudy has over 30 years' experience of working in the chemicals, engineering and high-performance product sectors. Having built her executive career with global organisations such as Shell, Wartsila and Akzo Nobel, she brings a strong international perspective and a proven track record for driving sustainability through innovation. In addition, Trudy has strong operational knowledge, gained during her time at Shell as production manager at the Pernis refinery in the Netherlands, the largest refinery in Europe and one of the largest in the world.

Trudy currently serves as a non-executive director and chair of Accsys Technologies plc (AIM-listed sustainable building materials business), a supervisory board member of SPIE SA (a listed technical services business) and as a non-executive director and senior independent director of TI Fluid Systems plc (a listed global manufacturer of automotive systems). Trudy previously served as a board member of The Netherlands Petroleum Stockpiling Agency (COVA) (2011-2021), non-executive director and senior independent director at Spirax-Sarco Engineering plc (2012-2021), non-executive director and senior independent director of Low and Bonar plc (2013-2020) and as a supervisory board member of Avantium N.V. (2020-2022).

Trudy has a PhD in Technical Physics from the Delft University of Technology (the Netherlands) and holds a master's degree in Industrial Engineering.

External appointments

- Non-executive director and chair of Accsys Technologies plc
- Senior independent director of TI Fluid Systems plc
- Independent director of SPIE SA

Heejae Chae

Independent Non-Executive Director

Tenure Heejae was appointed a Non-Executive Director on 25 March 2024.

Independent Yes

Experience and role Heejae served as chief executive of Scapa Group plc, a global supplier of products for healthcare and industrial markets, for 12 years, until its sale in 2021. Prior to joining Scapa Group plc, he held roles as group chief executive of Volex Group plc, and was the group general manager, radio frequency worldwide, for Amphenol Corporation. Heejae spent the early part of his career in finance at The Blackstone Group and Donaldson Lufkin and Jenrette, before moving into industry.

Heejae holds a Bachelor of Arts in Economics and Bachelor of Science in Engineering from Columbia University, and an MBA from Harvard University.

External appointments

- Non-executive director of IP Group plc and chair of the IP Group remuneration committee
- Executive chairman of Sys Group plc

Maria Ciliberti

Independent Non-Executive Director

Tenure Maria was appointed a Non-Executive Director on 11 March 2024.

Independent Yes

Experience and role Maria's professional experience spans over 35 years in the petrochemical industry and includes roles in manufacturing, research and development ("R&D"), commercial and business management. She worked at The Dow Chemical Company, Columbia Gas of Ohio and Container Corporation of America in the USA. She also spent over a decade in global leadership roles in Europe, with Celanese, General Electric Plastics (now owned by SABIC) and Borealis, where her last role was commercial vice president for Borealis' Global Specialty Solutions Business.

Since 2022, Maria has held the role of president for the USA and Canada business of Royal Vopak, a global, independent infrastructure provider. Maria sits on the board of Vopak's USA and Canadian joint ventures, which include Vopak Industrial Infrastructure Americas, Vopak Exolum Houston, Vopak Energy Storage Texas, Ridley Island Propane Export Terminal and Ridley Island Energy Export Facility.

Maria holds a Bachelor of Science degree in Chemical Engineering and a Master of Business Administration – both from The Ohio State University.

External appointments

None

Dorothee Deuring

Independent Non-Executive Director

Tenure Dorothee was appointed a Non-Executive Director on 1 March 2017.

Independent Yes

Experience and role Dorothee provides the Board with valuable insight into the wider European chemicals and industrial sectors as well as sector-specific acquisition expertise.

Dorothee manages her own corporate advisory consultancy serving a number of European clients in the pharma/biotech sector. She is active in various industry bodies. Her previous executive roles include managing director and head of Corporate Advisory Group (Europe) at UBS in Zurich, head of M&A chemicals and healthcare at a private investment bank in Germany, and a senior executive in the corporate finance department at the Roche Group. Dorothee served as non-executive director of the supervisory board of Bilfinger SE and member of the audit committee (May 2016-May 2021) and PolyPeptide Group AG (2023-2024).

Dorothee holds a master's degree in Chemistry from the Université Louis Pasteur, Strasbourg, and an MBA from INSEAD.

External appointments

- Non-executive director of Temenos AG
- Management board member of Cornucopia SICAV-SIF
- Supervisory board member of OMV AG

Committee Chair A Audit Committee N Nomination Committee R Remuneration Committee

Christine Soden

Independent Non-Executive Director

Tenure Christine was appointed a Non-Executive Director on 1 November 2020 and is the Designated Non-Executive Director for workforce engagement and Chair of the Audit Committee.

Independent Yes

Experience and role Christine brings significant experience of innovation and the commercialisation of technology to the Board. Christine is an experienced CFO with a strong track record of leading a range of private and public companies rooted in innovation, with a particular focus on biotechnology, life sciences and pharmaceutical products.

Christine was CFO and company secretary of Acacia Pharma Group plc, a public quoted provider of pharmaceutical products designed to improve the outcomes and recovery for surgical patients (2015-2020). Prior to Acacia Pharma Group plc, Christine served as CFO and then non-executive director of AIM-listed Electrical Geodesics, Inc., which was acquired by Philips NV in 2017. Other CFO and finance leadership roles include Optos plc, BTG plc (former FTSE250 constituent), Oxagen Limited and Celltech Chiroscience Group plc. Christine started her life sciences career as financial controller of Medeva plc.

Christine has previously served as chair of the audit committee at e-therapeutics plc, an AIM-listed technology based drug discovery platform (2017-2020), and at Provalis plc, a quoted healthcare business (2000-2005). She was also non-executive director of Futurenova Limited, a provider of antimicrobial cases for iPads and iPhones from 2017 to 2021, and non-executive director of Cell and Gene Therapy Catapult (October 2020-July 2024).

Christine is a chartered accountant and holds a degree in Mathematics from the University of Durham.

External appointments

- Non-executive director of Arecor Therapeutics plc

Clement Woon

Independent Non-Executive Director

Tenure Clement was appointed a Non-Executive Director on 1 December 2022 and became Chair of the Remuneration Committee on 30 April 2024.

Independent Yes

Experience and role Clement brings broad managerial experience in globally operating technology and consumer-related industries. He has a strong track record of renewing traditional industries and revitalising growth through strategic interventions and in-depth experience and knowledge of markets within the Asia Pacific region.

Clement was Group CEO of Saurer Intelligent Technology Co Ltd, a €1 billion textile machinery and components business listed on the Shanghai Stock Exchange, between August 2016 and March 2020. Clement continued to serve on the board of Saurer as non-executive director until August 2021. Between March 2021 and January 2023, Clement served as chairman of PFI Foods Industries Pte Ltd. Between April 2014 and July 2016, Clement was adviser and co-CEO of Jinsheng Industry Co. Ltd, an industrial company in China with diverse interests including biotech, automotive and textiles. Clement also previously held various senior positions at companies based in Switzerland and Singapore, including division CEO of Leica Geosystems AG, president and CEO of SATS Ltd, and CEO Textile Division of OC Oerlikon AG.

Clement holds an MSc in Industrial Engineering and a BEng in Electrical Engineering from the National University of Singapore, as well as an MBA in Technology Management from Nanyang Technological University, Singapore.

External appointments

- Non-executive director of Morgan Advanced Materials plc

Anna Lawrence

Group General Counsel & Company Secretary

Tenure Anna joined Elementis in March 2021.

Experience and role Anna has responsibility for all legal and compliance matters across the Group and is the Group Company Secretary. Anna also serves as the Group's Chief Compliance Officer and chairs the Ethics and Compliance Council. She has extensive international experience gained through holding senior legal positions in companies across diverse sectors, including Rolls-Royce plc, Johnson Matthey plc and Kingfisher plc. She qualified as a solicitor at Allen & Overy LLP.

Anna holds a BA in Modern Languages from the University of Oxford, a Postgraduate Diploma in Law and Legal Practice from BPP Law School, and is an Associate of the Chartered Governance Institute.

1 January 2025
Appointment of Christopher Mills, non-independent Non-Executive Director

Christopher is currently the Chief Executive Officer and Investment Manager of North Atlantic Smaller Companies Investment Trust plc, a UK listed investment trust, and a non-executive director of Assetco plc, MJ Gleeson plc, The PRS REIT plc, Oryx International Growth Fund Limited and various other organisations.

Appointment of Luc van Ravenstein, incoming Chief Executive Officer

In March 2025, the Company announced that Luc van Ravenstein would succeed Paul Waterman as CEO and join the Board with effect from 29 April 2025, subject to confirmation by shareholders at the 2025 AGM. Luc joined Elementis in 2012. He led the Company's largest business segment, Performance Specialties, for seven years and led the Personal Care segment for the six years before that. Luc has an MSc degree in Chemistry and Chemical Engineering and a Professional Doctorate in Engineering from Eindhoven University of Technology.

Committee Chair A Audit Committee N Nomination Committee R Remuneration Committee

Division of responsibilities

Governance framework

Shareholders

Board of Directors

The Board is responsible for ensuring long-term sustainability and the delivery of long-term value and success for our shareholders. It also provides effective challenge and support to the Executive Leadership Team ("ELT") in relation to strategy, while ensuring the Group maintains effective risk management and internal controls systems.

Board Committees

The Board is supported in its activities by Board Committees that have specific delegated responsibilities, as set out in separate terms of reference, which are available on the website: www.elementis.com

Audit Committee

- Overseeing financial reporting and the Group's financial systems
- Providing oversight and governance of internal controls and risk management
- Monitoring the independence and effectiveness of the external auditors
- Maintaining an appropriate relationship with our internal and external auditors

For further information, please see pages 92-96.

Nomination Committee

- Responsibility for the structure, size and composition of the Board, ensuring the Board and Committees have the correct balance of skills, knowledge and experience
- Ensuring and overseeing succession planning and responsibility for the annual review of Board effectiveness
- Identifying and nominating suitable candidates for appointment to the Board
- Promoting diversity

For further information, please see pages 88-91.

Remuneration Committee

- Setting the Remuneration Policy and determining the review structure for the Chair, Executive Directors and ELT, to align their remuneration with the long-term interests of the Company
- Approving bonus plan, long-term incentive plan targets and share awards

For further information, please see pages 101-129.

Disclosure Committee

- Advising the Board regarding, and to ensure that Elementis makes, accurate and timely disclosure of price-sensitive information that is required to be disclosed to meet its legal and regulatory obligations

CEO

The CEO is responsible for the day-to-day running of the business and overseeing its performance, development and strategy.

ELT

The ELT is led by the CEO and meets quarterly to review various reports from all areas of the business as well as the external operating environment and associated risks and opportunities. Relevant matters are reported to the Board by the CEO or the CFO.

- Diversity, Equality and Inclusion Council
- Ethics and Compliance Council
- Health, Safety and Environmental Council
- Sustainability Council
- Cyber, Data Protection and Information Governance Steering Committee

Board in action

Board meeting attendance

The attendance of the Directors at the Board meetings in the year ended 31 December 2024 is as follows:

Member	Member since	Eligible meetings (max 8)	Attendance
John O'Higgins	February 2020	8	8
Heejae Chae[1]	March 2024	6	5
Maria Ciliberti[2]	March 2024	6	5
Dorothee Deuring	March 2017	8	8
Steve Good[3]	October 2014	3	3
Trudy Schoolenberg	March 2022	8	8
Christine Soden	November 2020	8	8
Clement Woon	December 2022	8	8

1 Heejae Chae joined the Board in March 2024, after the first quarterly meeting had been held. Heejae was also unable to attend one meeting.
2 Maria Ciliberti joined the Board in March 2024 after the first quarterly meeting had already been held. Maria was also unable to attend one meeting due to illness.
3 Steve Good retired from the Board at the conclusion of the AGM on 30 April 2024.

Board meetings

The Board has a formal annual programme of activities which is supplemented by ad hoc meetings and conference calls, when appropriate.

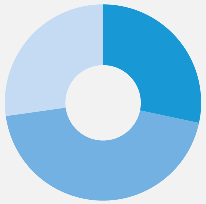
At each of its formal meetings, the Board receives standing reports on business performance, operations (including HSE performance), sustainability, research and development, IT, investor engagement, governance, and legal and compliance.

During 2024, the Board considered a number of topics:

- 2023-2028 financial shape
- Five-year strategy
- Annual operating plan
- Environmental, social and governance ("ESG") and Sustainability
- Ethics and compliance
- Global Manufacturing and Supply Chain
- HSE and global process safety review
- Research and Development
- IT and cyber security
- Legal matters (including litigation)
- Risk
- People-related topics, including: Fit for the Future (organisational restructure); strategy; diversity, equity and inclusion ("DE&I"); people engagement; employee value proposition; and succession
- Performance Specialties
- Personal Care
- Procurement
- The Elementis Group Pension Scheme

Scheduled meetings during the year

2025 scheduled Board meetings



	2024	2023
Business & financial performance	28.6%	29%
Strategy	44.2%	51%
Governance, risk & compliance	27.2%	20%

The allocation of agenda time for the eight scheduled meetings was categorised into: business and financial performance; strategy; and governance, risk and compliance.

The Board regularly invites members of the ELT, and their team members, to Board meetings to report on their relevant business and functional areas. The Non-Executive Directors make themselves available for discussion with ELT members and subject-matter experts in advance of Board meetings where a particularly strategic subject is tabled, to enable an in-depth exploration of the subject matter in preparation for the meeting.

All Board members, or the Non-Executive Directors and the Chair, typically meet in person the evening before Board meetings, to enable less formal discussions.

Board changes

We welcomed Maria Ciliberti and Heejae Chae to the Board in March 2024.

Steve Good stepped down from the Board at the conclusion of the 2024 AGM after reaching a tenure of nine years on the Board in October 2023.

In November 2024, it was announced that Paul Waterman would be stepping down as CEO no later than the conclusion of the AGM in April 2025. Following a thorough search process led by the Nomination Committee, the Board was pleased to announce in March 2025 that Luc van Ravenstein would assume the role of CEO and would join the Board as an Executive Director on 29 April 2025, standing for election for the first time at the 2025 AGM.

In January 2025, Christopher Mills was appointed to the Board as non-independent Non-Executive Director and will stand for election for the first time at the upcoming AGM.

Further information can be found on page 79.

Key activities in 2024

February

Dividend reinstatement

The Board considered the strength of the balance sheet, availability of distributable reserves and the near-term prospects for the business, and recommended the reinstatement of the ordinary dividend to be paid in May 2024.

Divestment of Eaglescliffe (UK) site

The Board approved the divestment of the Eaglescliffe (UK) site to the Flacks Group.

April

Annual General Meeting

The Company held a hybrid AGM on 30 April 2024, which shareholders were invited to attend in person or via a webcasting facility, with a telephone line available for shareholders to ask questions. The proceedings of the AGM are available on request. All resolutions were approved by shareholders on a poll.

Shareholders were able to submit questions ahead of the AGM; however, no questions were submitted prior to or at the meeting. A recording of the AGM can be found on our website.

April/June

Response to open letters from shareholder

Open letters to the Board were published by a shareholder with a 0.6% shareholding which detailed various requests, including initiating a strategic review of the Talc business, CEO succession and proceeding with the cost-saving programme, Fit for the Future. In November, the shareholder publicly acknowledged that the Group had implemented each of these steps.

January | February | March | April | May | June

March/April

Appointment of Non-Executive Directors

Maria Ciliberti and Heejae Chae were welcomed to the Board.

Governance roadshow

The Chair conducted a governance roadshow during March and April, meeting with the top shareholders. Discussions focused on the updated strategy and Group targets, succession planning and shareholder activism. Shareholders were also interested to discuss a potential sale of the Talc business. The Chair used this opportunity to gain feedback on capital allocation preferences and other governance-related matters, which was subsequently shared with the Board.

June/October

Site visits to Portugal and US

With its people as its core asset, the Board travels regularly to ensure that it has in-person engagement with the workforce on all levels and maintains a good understanding of the Group's operations.

Site visits to New Jersey (US) and New Martinsville (US), and the new Support and Technology Hub in Porto (Portugal) during 2024 enabled to the Board to gain insights from discussions with the local management teams and colleagues about the opportunities and challenges they face, in management presentations as well as less formal networking events.

September

External Board evaluation

EquityCulture Ltd were engaged to conduct the triennial external evaluation. Following a review of Board papers, a series of in-depth individual interviews with each Board member, and observation of a Board meeting, EquityCulture presented their report for the Board's consideration. Following a discussion, certain areas of focus for Board and Committee operations were agreed.

Further information regarding the evaluation can be found on page 87.

Investor meetings

In 2024, over 100 meetings were held with investors, of which 21 were with the Chair.

The Board values the importance of an active engagement programme and we are continuously looking to improve our engagements to build and develop open and trusted relationships with our shareholders.

The Investor Relations function has primary responsibility for managing day-to-day communications with institutional shareholders and supports the Chair, Senior Independent Director ("SID"), CEO and CFO in conducting a comprehensive shareholder engagement programme during each financial year.

The CEO and CFO are the Company's principal spokespeople. Throughout the year, they engaged extensively with existing and prospective investors during individual and group meetings, as well as conferences and fireside discussions.

The Board receives an investor relations report at each of its meetings outlining recent dialogue with investors and feedback received, and updates from our corporate brokers JP Morgan and DB Numis. Analysts' reports are also made available to the Board.

In 2024,

100+

meetings were held with investors

July | August | September | October | November | December | January | February

July–December

Strategic review of the Talc business

In August, the Board announced that a review of the Talc business would be undertaken to establish whether the full potential of Talc could best be delivered as part of Elementis, or via a divestment.

Further information can be found on page 26.

November

CEO succession

On 18 November 2024, the Group announced that Paul Waterman would step down from the Board as CEO no later than the conclusion of the 2025 AGM. The Nomination Committee appointed Korn Ferry to advise on a role specification, and to compile a long list of suitable candidates meeting the requirements, from which the Nomination Committee selected a short list of candidates to undergo a formal interview and evaluation process.

Further information can be found on page 90.

The Chair and the SID engaged with shareholders to discuss CEO succession planning, progress on the Talc strategic review and potential new initiatives to narrow the gap between the share price and the Company's intrinsic value. Feedback from the meetings was shared with the Board.

Key activities in 2025

January/April

In January 2025, Christopher Mills was appointed to the Board as non-independent Non-Executive Director and will stand for election for the first time at the AGM on 29 April 2025. The Chair of the Remuneration Committee reached out to the top 15 shareholders, sharing the summary of the proposed revisions to the Director's Remuneration Policy, ahead of its tabling for approval at the 2025 AGM.

Shareholders who engaged were supportive of the policy, particularly tightening of malus and clawback and the changes in application related to introducing return on operating capital employed ("ROCE") and Sustainability into the long-term incentive plan ("LTIP"). Other members of the Board are available to meet with shareholders as appropriate.

Workforce engagement

Engaged activities throughout the year

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board meeting		●	●	●		●	●		●	●		●
Board site visit						●				●		
DNED engagement with employees						●				●		
Employee survey	●		●	●					●			
Speak Up survey					●							
Global townhall								●				●

June

US

New Jersey

The Board meeting was held at the New Jersey offices. After the meeting, the Board engaged with employees from a range of functions over dinner in the evening.

New Martinsville

The Board visited our New Martinsville plant, where rheology modifiers such as NiSATs, as well as dispersants, are processed for the Performance Specialties business segment. Members of the management team gave presentations on the plant's activities, followed by a tour of the manufacturing site and laboratory, which included presentations by colleagues on specific activities undertaken at the site. The Board had the opportunity to engage with employees during a lunch meeting.

October

Portugal

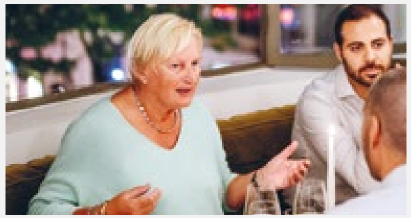
Porto

The Board visited the location of our new Porto office and laboratory to review the plans, layout and location. They also visited the interim laboratory, where our team of scientists provided an overview of activities, including the successful transfer of knowledge from Cologne and demonstrations of our chemistry in action. The Board had an opportunity for Q&A with employees during a lunch meeting.

As part of its visit, the Board held a dinner with management. Each Board Director hosted their own table, which was an opportunity to meet with employees from various roles.

Board visits

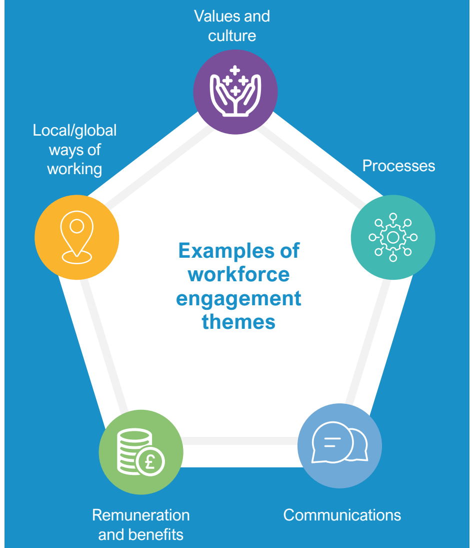
The Non-Executive Directors typically visit at least two of the Company's manufacturing sites each year, to gain insights into the Group's activities and to meet and engage with colleagues across the business. This enables the Directors to maximise their contribution to Board discussions and their understanding of stakeholders.



Non-Executive Director for workforce engagement

The Board recognises the importance of engaging with our employees, and receiving feedback and insight from all levels within the Company."

Christine Soden

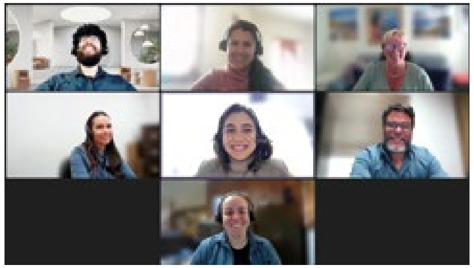


All year

Engaged activities throughout the year

In line with the requirements of the UK Corporate Governance Code, the Board considered the mechanisms for ensuring that the views and concerns of the workforce are taken into account and agreed that a specific Board accountability for workforce engagement would be formalised by appointing a Board member to serve as the Designated Non-Executive Director for workforce engagement ("DNED").

Christine Soden currently serves as the DNED, having assumed the role on appointment as a Board member on 1 November 2020.



Virtual focus group held with Sao Paolo/Palmital employees.

DNED engagement

While visiting the various sites during the year, Christine Soden, as DNED, held a number of focus groups, which gave her an opportunity to meet with a selection of employees and encourage them to share their views and raise any issues or concerns.

Christine then ensures that employees' questions and concerns are heard during Board discussions, that appropriate steps are taken to evaluate the impact of proposals and developments on the workforce, and that the Board considers what steps should be taken to mitigate any adverse impact.

Focus group held at Porto.

Themes identified from the focus group sessions during the year included:

- Employee engagement
- Process standardisation
- Flexible benefits
- Safety
- Fit for the Future transition
- Improving communication
- Level of HR support at more remote locations
- Use of spot bonuses
- Site improvements

Learnings and responses

During the year, Christine held focus groups with employees in New Martinsville, USA, Porto, Portugal and Sao Paolo/Palmital Brazil. Common themes included safety; employee engagement; systems, process and data standardisation; employee benefits and communication.

Specific learnings were:

- Our Safety culture continues to improve in line with our values
- The employee engagement survey is enabling more local discussions and actions
- Our systems, processes and data management could be improved
- The level of HR support and visibility could be improved at more remote locations
- We could use our spot bonus programme more effectively
- Site improvement activities need to be prioritised

Many of these learnings are being addressed through our ongoing initiatives e.g. safety programme, Gallup engagement survey; improving our intranet; the global data transformation project and others through local initiatives such as: providing more regular on-site HR presence in the US especially around activities such as open-enrolment; exploring flexible benefits in Portugal to give employees more freedom of choice and updating our employee handbooks in US and Brazil.

Purpose, culture and values

Our purpose

Our purpose is unique chemistry, sustainable solutions.

We are collaborative industrial innovators, developing long-term partnerships with our customers, innovating at pace to keep them at the forefront of their markets. Combining our access to unique natural resources with our unmatched rheology and technological expertise, we responsibly transform raw materials into advantaged ingredients that provide crucial end product benefits. This enables our customers to solve their product performance and sustainability challenges.

Our culture

The Board is satisfied that the Company's culture continues to be aligned with its purpose, values and strategy:

- Strategy is discussed regularly and includes the three-year plan and annual operating plan, and is formally agreed as part of the Board's annual programme
- The Company's values underpin the behaviours expected to cultivate an open and inclusive culture

Further information on Elementis culture can be found on pages 44-50.

How the Board monitors culture

Employee engagement survey insight

Employee retention, promotion and attrition data

Reports on progress on diversity, equity and inclusion

Whistleblowing reports

HSE performance

Internal Audit reports and findings

Ethics and compliance programme

Cultural indicators

- Promoting integrity and accountability
- Valuing diversity
- Being responsive to the view of stakeholders
- Culture aligned to purpose and values
- Culture aligned to strategy

Our values

Our values are core to our high-performance culture and are reflected in everything that we do.

Safety
Our way of life

Solutions
Creating value for our customers

Ambition
Passion for excellence

Respect
We do the right thing

Team
The power of collaboration

Further information regarding our values can be found on page 3.

Board performance review

Each year, the Board undertakes a rigorous review of its performance and that of its Committees and individual Directors. The results of the review enable the Board to reflect on the continuing effectiveness of its activities and quality of its decisions, and to identify any areas for further focus in the coming year.

At least every three years, an externally facilitated review of Board performance is carried out.

2022	2023	2024	2025
Internal evaluation	Internal evaluation	External evaluation	Internal evaluation

Following a tender process, EquityCulture Ltd was appointed to undertake the external board performance review for 2024, by way of an approach which would take into account the specific needs and evolution of the Board. EquityCulture has no other connection with the Company or any of the Directors.

As part of the external Board performance review, EquityCulture assessed Board and Committee papers for the preceding 12 months and attended a Board meeting to observe the Board in action. EquityCulture also held individual meetings with each Board member to gather their thoughts and feedback, as well as with the Chief Human Resources Officer ("CHRO") and the Group General Counsel & Company Secretary.

Performance review findings and recommendations

The individual interviews were in depth, with a majority lasting over 75 minutes. The responses were largely positive in relation to the continued effective operation of the Board and its Committees. The Board's relationship was seen to be unified, positive, open, collaborative and constructively challenging. The Board was felt to have received robust and comprehensive reporting from management in relation to key areas such as strategic priorities, talent and succession, sustainability and financial resilience, and the quality of the Board packs was commended. It was noted that the Chair was seen to manage Board meetings well, ensuring that all views were heard and that meetings and conclusions were balanced. It was suggested that, in view of the number of new Non-Executive Director appointments to the Board during 2024, further time for the Non-Executive Directors to convene as a group would be beneficial.

The agreed focus areas for 2025 included:

- The provision by Non-Executive Directors of feedback to management after each Board meeting, with constructive suggestions on what had worked well and where reporting could be improved going forward
- Carving out further time for Non-Executive Director discussions
- Taking detailed Board packs as read and further focusing Board meeting time on deep discussion of key strategic points
- Reviewing whether certain topics, such as risk, could benefit from added input from external specialist presenters to bolster internal reporting

Process for the year 2024

January
- Appointment of the chosen external Board evaluator following thorough tender process

July
- The Group General Counsel & Company Secretary and Board Chair agreed the timetable and process for the external performance review, including appropriate questions to be posed to Directors during their individual meetings with EquityCulture, to ensure that the Chair would be supported in delivering an effective approach

September
- EquityCulture attended a Board meeting to observe
- Individual meetings held by EquityCulture with Board members

October
- The findings of the performance review were discussed with the Chair and Group General Counsel & Company Secretary

December
- The report was presented to the Board. The Board discussed the findings and agreed on the focus areas for the forthcoming year

Nomination Committee report

John O'Higgins
Chair, Nomination Committee

Dear Shareholders,
As Chair of the Nomination Committee (the 'Committee'), I am pleased to present the Nomination Committee report covering the work of the Committee during 2024. This report should be read in conjunction with the separate section on compliance under the UK Corporate Governance Code on page 97."

Attendance at Nomination Committee meetings

Member	Member since	Eligible meetings (max 8[1])	Attendance
John O'Higgins[2]	February 2020	6	6
Heejae Chae[3]	March 2024	4	3
Maria Ciliberti[4]	March 2024	6	5
Dorothee Deuring	March 2017	8	8
Steve Good[5]	October 2014	1	1
Trudy Schoolenberg	March 2022	8	8
Christine Soden	November 2020	8	8
Clement Woon	December 2022	8	8

The CEO and CFO were invited to attend where appropriate.

1 Three meetings were scheduled, and five were ad hoc.
2 John O'Higgins was unable to attend two meetings due to a conflict of interest.
3 Heejae Chae joined the Board on 25 March 2024, after the first quarterly meeting had been held. Heejae was unable to attend two meetings due to a conflict of interest. Heejae was also unable to attend one meeting due to a scheduling conflict.
4 Maria Ciliberti joined the Board on 11 March 2024 after the first quarterly meeting had already been held. Maria was also unable to attend one meeting due to illness.
5 Steve Good retired from the Board at the conclusion of the AGM on 30 April 2024.

Our gender identity and ethnicity data in accordance with Listing Rule 9.8.6R(10) is set out on pages 90-91 as at 31 December 2024. To compile this data, at year end, Board and ELT members were asked to complete a diversity disclosure to confirm which of the categories they identify with.

Highlight areas of focus

- Ongoing Board succession planning
- Appointment of two new independent Non-Executive Directors and one non-independent Non-Executive Director
- Engagement with external search consultants to conduct a search for a new CEO
- CEO succession
- Oversight of Group's Diversity Policy
- External Board effectiveness review

Role of the Committee

The Committee is responsible for the structure and composition of the Board and ensuring that the Board and Committees have an appropriate balance of skills, knowledge and experience to support the strategy of the Company now and in the future.

Key responsibilities

- Regularly reviewing the structure and composition of the Board
- Ensuring the right leadership, balance of skills and experience to deliver the Company's strategy and enable the Board to fulfil its obligations effectively
- Succession planning for the Board and ELT
- Leading on the annual performance evaluation of the Board and its Committees
- Identifying and nominating to the Board for approval, candidates to fill Board vacancies as and when they arise
- Identifying and managing any potential conflicts of interests

The Committee's terms of reference, which are reviewed and approved annually, are available at www.elementis.com

Programme of business

- Annual review of Directors' independence and conflicts in accordance with the Committee's terms of reference
- Reviewing structure, size, diversity and composition of the Board
- Succession planning for the Board and ELT, and oversight of senior management succession plans
- Ensuring that at least annually the Non-Executive Directors meet without the Executive Directors present
- Annual evaluation of the Board Chair, led by the SID
- Approval of the Nomination Committee report for inclusion in the Annual Report

Board effectiveness process

Annually, the Board is responsible for conducting an evaluation of the performance of the Board and its Committees. The Committee oversees the effectiveness of the process, which for 2024 consisted of an external evaluation led by consultants. Following the evaluation, the Board is satisfied of the continued effective operation of the Board and its Committees. Further information regarding the process can be found on page 87.

Directors' conflicts

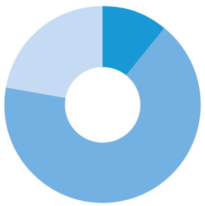
The Committee has oversight of Directors' potential conflicts of interest and, during the year, in accordance with policy, considered and approved the following additional external appointments:

- Dorothee Deuring as non-executive director of OMV AG and as non-executive director of Cornucopia SICAV-SIF

Board composition and skills

A matrix is maintained which serves as a record of Directors' experience, attributes and expertise. The Committee reviews this matrix annually to ensure that the Board has an appropriate composition and range of skills, experience and diversity to prevent any dominance, either individually or collectively, over the Board's decision-making processes.

Composition of the Board



Chair	11.10%
Independent Non-Executive Directors[1]	66.7%
Executive Directors	22.2%

1 Senior Independent Director is female.

Board expertise and experience matrix

	JOH	PW	RH	HC	MC	DD	TS	CS	CW
Manufacturing/industrial processing	●	●	●	●	●	●	●		●
Specialty chemicals	●	●	●	●	●	●	●		
International business & markets	●	●	●	●	●	●	●	●	●
Pension trustee			●	●					
M&A/capital-raising	●	●	●	●	●	●	●	●	
Financial/accounting/risk expertise (recent/relevant)			●	●		●		●	
Sales/marketing/customer	●	●	●		●		●		●
Strategy/business development	●	●	●	●	●	●	●	●	●
Research/technology/innovation/ product development	●	●			●	●	●	●	●
Risk management		●	●	●		●	●	●	
HR/people				●				●	●
Sustainability/climate				●		●	●		●
Digital/e-commerce/cyber			●	●	●	●		●	

Re-appointments to the Board and succession planning

During the year, there was no requirement for the re-appointment of a Director for a second or third term. The Committee regularly reviews the schedule of non-executive tenure and the next formal review will take place in 2025. Recommendations for annual re-appointment are supported by considerations regarding the Directors' independence, experience and contribution which they bring to the Board and its Committees. These matters will be subsequently confirmed following the Board performance review process during 2025 and a review of conflicts and independence. In line with best practice, the continuing Board roles remain subject to annual re-election by shareholders.

As reported in the 2023 Annual Report, the search process for a new Non-Executive Director, which was initiated in 2023, culminated in the appointment of Maria Ciliberti on 11 March 2024.

The Board maintains active dialogue with the Company's shareholders. As a result of engagement with shareholders during 2024, the Committee evaluated the candidacy of two further Non-Executive Directors, Heejae Chae and Christopher Mills, both of whom have a significant track record of delivering value for shareholders. Heejae Chae was appointed to the Board on 25 March 2024 and Christopher Mills was appointed to the Board on 1 January 2025. Christopher Mills is not considered by the Board to be independent, in view of his role as founder and CEO of Harwood Capital Management Limited and close relationships with several other shareholders. As at the date of the announcement of Christopher Mills' appointment on 24 December 2024, funds managed by Harwood Capital and its affiliates owned 22,500,000 shares in the Company.

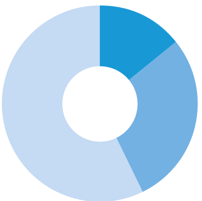
In November 2024, the Company announced that Paul Waterman had agreed with the Board that it was the right time to transition the leadership of the Company to a new Chief Executive Officer, following Paul's nine years of service. Paul agreed to remain with the Company until no later than the conclusion of the AGM in April 2025, to facilitate an orderly handover to his successor, and to remain available as required for any transition or other support until the end of July 2025. During 2024, the Committee initiated a process to identify and appoint Paul's successor and conducted a thorough search, supported by an independent executive search firm, which included consideration of a range of candidates, including external to the Company. At the culmination of this process, the Committee recommended to the Board that Luc van Ravenstein be appointed as Paul's successor. The Company was pleased to announce Luc's appointment as Paul's successor with effect from 29 April 2025, and Luc stands for election for the first time at the 2025 AGM. Luc joined Elementis in 2012. He has led the Company's largest business segment, Performance Specialties, for seven years and led the Personal Care segment for the six years before that.

Re-election of Directors

The Board has concluded, following the appraisal process, that each of the Directors standing for (re-)election continued to make an effective contribution to the Board and committed sufficient time to the Board and Committee meetings and any other duties. With the exception of Paul Waterman, who will step down from the Board no later than the conclusion of the AGM in April 2025, having served as CEO for nine years, all Directors will stand for (re-)election at the 2025 AGM, and an explanation of how they contribute to the success of the Company can be found in the Notice of Meeting.

Dorothee Deuring will have served on the Board for eight years in March 2025. Dorothee will seek re-election with the intention of serving until 2026. The Nomination Committee has concluded that Dorothee continues to exhibit independence of character and judgement, and that the Board benefits from her extensive knowledge of the business and the constructive challenge she brings to Board discussions.

Length of tenure



6-9 years	1	14.3%
3-6 years	2	28.6%
Less than 3 years	4	57.1%

Diversity Policy

The Board has adopted a Diversity Policy, which is available on the Company's website. The Board acknowledges the importance of diversity in its broadest sense in the boardroom as a key element of Board effectiveness. Diversity includes perspective, experience (including working internationally), background (including nationality), cognitive and personal strengths and other personal attributes, as well as diversity of gender, social background and ethnicity. We consider overall Board balance when appointing new Board members.

Progress on our diversity objectives

- Our external advisers are selected on their commitment and ability to deliver diverse long lists in the recruitment processes
- The composition of the Board is reviewed on an annual basis, with an assessment of skills, expertise, backgrounds and experience prior to Directors joining the Board and on an ongoing basis using a diversity matrix
- The proportion of female Directors on the Board as at 31 December 2024 was 44.4% (four women and five men). After the conclusion of the 2025 AGM, the gender balance of the Board is expected to be 40% women and 60% men). The Board is aware of the target specified in recent updates to the Listing Rules for female representation on boards of at least 40% and will ensure that the benefits of diversity continue to be considered in the context of any future Board recruitment. The Board currently meets (a) the Listing Rules for female representation on the Board of at least 40% and (b) the targets referred to in the new Listing Rules for there to be at least one woman in a senior Board role (the role of Senior Independent Director being held by Dr Trudy Schoolenberg) and at least one member of the Board from a minority ethnic background (there being two members of the Board from minority ethnic backgrounds, following the appointment of Clement Woon to the Board in December 2022 and the appointment of Heejae Chae to the Board in March 2024)
- Oversight of gender and ethnic diversity profile across the Group, including promotion of talent into management roles (see pages 47-48 for progress on female leadership)
- The Parker Review target has set a percentage goal for senior management positions that will be occupied by ethnic minority individuals, to be achieved by December 2027. During the year, we started a process to identify how best to approach this in order to set a meaningful target which will take into account our global presence
- Oversight of executive and senior management succession
- Continuing to monitor regulatory developments and best practice in respect of diversity

Gender representation among Board and executive management

	Number of Board members	Percentage of Board	Number of senior positions on Board[1]	Number in executive management	Percentage of executive management
Male	5	55.6%	3	8	88.9%
Female	4	44.4%	1	1	11.1%
Not specified/prefer not to say	–	–	–	–	–

1 CEO, CFO, SID, Chair.

Nationality of the Board

American	3	33.34%
Austrian	1	11.11%
British	2	22.22%
Dutch	1	11.11%
Irish	1	11.11%
Singaporean	1	11.11%

Ethnicity representation among Board and executive management

	Number of Board members	Percentage of Board	Number of senior positions on Board[1]	Number in executive management	Percentage of executive management
White British or other white (including minority white groups)	5	55.6%	4	8	88.9%
Mixed/multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	2	22.2%	0	0	0%
Black/African/ Caribbean/ Black British	0	0%	0	1	11.1%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified/prefer not to say	2	22.2%	–	–	–

1 CEO, CFO, SID, Chair.

Priorities for the year ahead

- Review of Board and senior management succession plans
- Review of Board Diversity Policy and objectives
- Review of management progress towards achieving diversity objectives
- Review of the 2024 external Board performance review outcomes and action plan, and planning for our 2025 internal Board performance review

John O'Higgins
Chair, Nomination Committee

Audit Committee report

Christine Soden
Chair, Audit Committee

Highlight areas of focus

- Recommended approval of the 2023 Annual Report and Accounts and 2024 Half Year Interim Statements to the Board
- Approval of audit plans (external and internal) for 2024
- Review of going concern and viability statement
- Presentation of adjusting items
- Goodwill and indefinite life intangible assets impairment review

Dear Shareholders,
As Chair of the Audit Committee (the 'Committee'), I am pleased to present the Audit Committee report covering the work of the Committee during 2024. This report should be read in conjunction with the separate section on compliance under the UK Corporate Governance Code on page 97."

Attendance at Audit Committee meetings

Member	Member since	Eligible meetings (max 3)	Attendance
Christine Soden (Chair)	November 2020	3	3
Heejae Chae[1]	March 2024	0	0
Maria Ciliberti[2]	March 2024	2	2
Dorothee Deuring	March 2017	3	3
Trudy Schoolenberg	March 2022	3	3
Clement Woon	December 2022	3	3

1 Heejae Chae joined the Board on 25 March 2024, after the first quarterly meeting had been held. Following a review of Committee members in July 2024, Heejae Chae stepped down from the Audit Committee.
2 Maria Ciliberti joined the Board on 11 March 2024, after the first quarterly meeting had been held.

Role of the Committee

To assist the Board by establishing, reviewing and monitoring the Group's financial reporting, internal controls framework and risk management, internal audit programmes and changes in regulatory requirements.

Composition of the Committee and meetings attendance

In accordance with the Code, the Board has confirmed that all members of the Committee are independent Non-Executive Directors and have been appointed to the Committee based on their individual financial and commercial experience.

The Board is satisfied that Christine Soden, as Chair of the Committee, has recent and relevant financial experience to chair this Committee through her previous executive roles as CFO at Acacia Pharma Group plc (2015-2020) and CFO of Electrical Geodesics, Inc. Christine is a chartered accountant (FCA).

The Committee, as a whole, has financial and commercial competence relevant to the sector in which the Group operates. Further information on the skills, expertise and experience of Committee members can be found on page 89.

The Chair of the Board, CEO, CFO and Group Financial Controller & Head of Tax, and representatives from the external auditors (Deloitte) and internal auditors (PwC), have a standing invitation to attend Committee meetings. All Board members have access to Committee papers.

Key responsibilities

- Monitoring the integrity of the Group's financial statements, financial reporting and related statements
- Ensuring the appropriateness of accounting policies, any changes to these, and any significant estimates and judgements made
- Reviewing the effectiveness of internal control, compliance and risk management systems (including whistleblowing arrangements)
- Overseeing all aspects of the relationship with the internal and external auditors; approving the policy on non-audit services; making recommendations to the Board for their dismissal or changes; and supervising any tender process

The Committee's terms of reference, which are reviewed and approved annually, are available at www.elementis.com

Activities during the year

The Committee's focus in 2024 has been on:

- Meetings with both the internal and external auditors to review their key findings
- Reviewing the internal control systems and considering the output of internal audit reviews and management's action plans
- Reviewing the integrity, consistency and key accounting judgements, particularly in respect of impairment, made by management in both the Company's full and half-year results
- Advising the Board on whether the Annual Report and Accounts preparation process is fair, balanced and understandable, and provides the information necessary to shareholders to assess the Group's position and performance, business model and strategy
- Reviewing the going concern and viability statements and the supporting assumptions and assessments in the Company's half-year report and Annual Report and Accounts
- Ensuring compliance with applicable accounting standards, monitoring developments in accounting regulations which affect the Group, and reviewing appropriateness of accounting policies and practices currently in place
- Reviewing effectiveness of the internal and external auditors, their independence and objectivity and terms and scope of engagement, and recommending their re-appointment
- Overseeing matters relating to tax including the impact of tax rates on the financial statements, the position on EU state aid and approval of the Company's tax strategy
- Litigation and compliance reports for both the full and half-year
- Considering the material legal risks impacting the Company and the associated provisioning for both the full and half year
- Receiving updates on the Code of Conduct and Ethics and the associated training and whistleblowing reports
- Technical updates on the Annual Report and Accounts key developments, 2024 year-end report environment, corporate governance matters and future developments
- Reviewing the Group's risk management activities undertaken by each business area, and at Group level to identify and assess the Group's principal and key operational risks
- Monitoring and assessing the Group's insurance arrangements
- Reviewing climate risks and opportunities
- Reviewing management preparedness plans, materiality update and expected disclosure approach for EU CSRD; authorised our financial auditors Deloitte to conduct a readiness review of current practices related to the Corporate Sustainability Reporting Directive ("CSRD") to identify improvement areas
- Monitoring proposed audit and corporate governance reforms, including Provision 29, and the Group's preparedness for these

Committee effectiveness

The Committee's performance and effectiveness was reviewed in the year as part of the Board and Committee effectiveness review conducted by the Group General Counsel & Company Secretary on behalf of the Chair of the Board. Further details can be found on page 87.

External auditors

Deloitte has served as external auditors for eight years. The Committee engaged with Deloitte to ensure this key area of oversight was appropriately maintained. The Committee periodically meets privately, without management present, with the lead audit partner and senior members of the audit team in order to help promote and encourage honest and open feedback from both parties.

Audit of the 2024 Annual Report and Accounts

Deloitte reviewed with the Committee its audit strategy and plan for the 2024 audit, highlighting those areas which it considered significant risks and thus would receive special focus. Deloitte views significant audit risks as those areas where there is a higher risk of material misstatement and therefore which require extra focus.

The Committee and Deloitte discussed and agreed on the audit placing extra focus on risks associated with revenue recognition, impairment, and management override of controls. The Committee considered the audit plan presented by Deloitte, including assessing whether the materiality level and proposed resources to undertake the audit were consistent with the scope. The Committee considered whether it required Deloitte to look at any specific areas but concluded that the proposed audit plan already adequately covered the key judgemental areas.

On completion of the audit, Deloitte prepared a detailed report of its audit findings, which was reviewed and discussed by the Committee. The Committee noted that Deloitte had, in particular, robustly challenged management's assumptions regarding the impairment of the Talc cash generating unit and the adequacy of the environment and rehabilitation provisions.

A similar process was undertaken for the half-year results.

Audit effectiveness

As part of its oversight of the external auditor, the Committee annually assesses the performance and effectiveness of the external auditors, and the audit process more broadly. This assessment includes consideration and evaluation of the quality of the audit, how the auditor handled key accounting judgements and how effectively the auditor responded to the Committee's questions.

The Committee's evaluation of the audit quality includes the following key areas:

- Constructive challenge of management's key judgements;
- Quality and consistency of the senior audit team;
- Deloitte's quality assurance procedures;
- Compliance with relevant legislative and professional standards;
- Competence and objectivity of key judgemental audit areas such as provisions and other estimates;
- Type of data analytic tools used in the audit; and
- The auditor's Audit Quality Inspection reports published by the Financial Reporting Council ("FRC")

In addition to the above considerations the Committee also considers the results of management's survey of internal stakeholders who had had the most interaction with the auditors during the audit process. The data is collated into a score card which is used to help assess the strengths and any weaknesses of the external auditors.

Management and the external auditors will address any areas of weakness in their regular review meetings and the lead audit partner from Deloitte will update the Committee on how areas of weakness are being addressed.

Taking into account the above, the Committee is content that Deloitte continue to provide a good quality audit and have maintained their independence. It is intended that a resolution to re-appoint Deloitte as the external auditors is proposed at the 2025 AGM.

Audit independence and objectivity

The Committee considers the external auditors' objectivity and independence at least twice a year. It takes into account the information and assurances provided by the auditor confirming that all its partners and staff involved with the audit are independent of any links to Elementis. The Committee also monitors changes in legislation related to auditor independence and objectivity to assist the Company to remain compliant.

Deloitte has confirmed that all its partners and staff complied with their ethics and independence policies and procedures, which are fully consistent with the FRC's Ethical Standard, including that none of its employees working on the Company's audit hold any shares in Elementis plc.

Deloitte is required to provide written disclosure at the planning stage of the audit in the form of an independence confirmation letter. Their letter discloses matters relating to its independence and objectivity, including any relationships that may reasonably be thought to have an impact on its independence and the integrity and objectivity of the audit engagement partner and the audit staff.

The audit engagement partner must change every five years and other senior audit staff rotate at regular intervals.

The Committee develops and recommends to the Board the Company's policy on non-audit services and associated fees that are paid to Deloitte. In accordance with the FRC's Revised Ethical Standard, an auditor is only permitted to provide certain non-audit services to public interest entities (e.g. Elementis plc) that are closely linked to the audit itself or that are required by law or regulation, as such services could impede their independence. Permitted non-audit services fees paid to the statutory auditor are subject to a fee cap of no more than 70% of the average annual statutory audit fee for the three consecutive financial periods preceding the financial period in which the cap applies. The 70% non-audit services fee cap has been applied to the Group for the year ended 31 December 2024. The average of audit fees is $2.3 million (calculated as the average of the audit fees for the three preceding financial years (2023:$2.4m; 2022: $2.4m; 2021: $2.2m).

Non-audit services fees during the year were $0.1 million, (2023: $0.0m 2022: $0.0m; 2021: $0.0m), so significantly below the cap of $1.6m (70% of $2.3m). In 2024, fees for non-audit services represent 0% of the average audit fees on which the cap is based.

The Committee is of the view that Deloitte was objective and independent throughout the 2024 audit process.

Auditor rotation and tendering, and Competition and Markets Authority order – statement of compliance

The Committee carried out an audit tender process in 2015, resulting in the appointment of Deloitte as external auditors in April 2016. Deloitte's re-appointment in 2024 was approved by shareholders at the Company's AGM in April 2024.

Under the Companies Act 2006, the lead audit partner must be mandatorily replaced after five years to ensure auditor independence. The external auditors, as a whole, can only be appointed for a maximum term of ten years before a competitive tender is required to be undertaken.

The year ended 31 December 2024 is the fourth year for the lead audit partner, Lee Welham, who was appointed in January 2022.

Following this rotation of the lead external audit partner at the end of FY2021, the Committee will undertake a full tender in 2025 for the Group's external audit services as per the indicative tendering timeline below.

The Committee confirms that the Company is compliant with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, for the year ended 31 December 2024.

External audit – indicative tendering timeline

- 2016: Deloitte appointed as external auditors
- 2021: Mandatory appointment of new audit partner
- 2025: Full competitive tender to be undertaken
- 2026: Re-appointment of, or appointment of new, external auditors

Non-audit services

The Group has an agreed policy with regard to the provision of audit and non-audit services by the external auditors, which has operated throughout 2024 and is available on the Company's website.

Under the policy, the CFO may approve individual engagements where the fee is up to 15% of the Group's audit fee for the year, provided that the non-audit fees in the year do not exceed 50% of that Group audit fee. Decisions above these thresholds must be referred to the Committee for determination.

	2024	2023
Audit fees ($m)	**2.1**	2.1
Assurance-related services ($m)	**0.3**	0.3
Non-audit fees ($m)	**0.1**	–
Ratio of non-audit fees to audit fees (%)	**4.76%**	0%
Total fees ($m)	**2.5**	2.4

Key judgements

Key judgements	How the Committee has addressed these matters
Adjusting items	The presentation and consistency of costs and income within adjusting items is a key determinant in the assessment of the quality of the Group's adjusted earnings Adjusting items was a particularly important area of judgement during the current year due to continuation of the Fit for the Future restructuring programme. The restructuring gives rise to an IAS 37 provision, with the expense of $12.1 million being included as an adjusting item as part of the business transformation costs. The Committee carefully reviewed the appropriateness of the classification of the costs as adjusting items, as well as the accuracy of the costs.
Revenue recognition	The main area of judgement continues to be in relation to recognition of revenue from shipments by sea. The Committee satisfied itself that the Group had appropriately recognised revenues in accordance with their contractual obligations during the period, paying particular attention to period end cut-off.
Impairment in relation to the Talc CGU	Critical accounting estimates arise in determining the value in use and fair value less costs to sell for the Talc cash generating unit ('CGU'). The Committee has reviewed the robustness of the impairment modelling, challenged the appropriateness of the key assumptions used, and the discount rate being applied. The Committee also considered the impact of the continuing market challenges being faced by the business on the achievement of the business plan, along with impact of, and data available from, the ongoing strategic review. After considering all of these items, and also the impairment of $66.1m made to the Talc CGU at 30 June 2024, the Committee concluded that a further impairment of $59.9 million was necessary at 31 December 2024.

The Committee discussed and challenged management's assessment of the key judgements set out above and was satisfied that all judgements and estimations had been appropriately made and the financial statement disclosures were appropriate.

Internal controls, risk and risk management

The Committee's role is to review the effectiveness of the internal control, compliance and risk management systems, which it carries out in support of the Board's formal review of significant risks and material controls, as summarised in the Risk management report on pages 65-69.

The Committee also has oversight of associated readiness activity and implementation timelines, and allocates appropriate resources to continue the development of our framework of controls in line with guidance.

PwC provides an outsourced internal audit function. The Committee considers that the value of internal audit is enhanced by having a third party perform this function, to support the independent challenge of management and give greater access to expertise and resources than an internal function could provide.

The internal audit plan is based on a review of the Group's key risks which are considered high risk, or have not been subject to a recent audit. The 2024 internal audit plan was discussed and agreed between management and PwC ahead of it being considered and subsequently approved by the Committee. Management review the schedule with PwC on a quarterly basis and adapt the schedule during the year to incorporate any new or increased risks. The outcomes of these reports are provided to the Committee, alongside any management actions.

Following an evaluation of the services provided by PwC in respect of the internal audit, the Committee confirms that both the process for determining the internal audit programme, and the programme itself, are appropriate and effective.

Management are committed to address all control findings identified by both the internal and external auditors. The Group has continued to remediate control deficiencies as they are identified. The Group also continues to invest in its finance, operational and IT capabilities, and management are committed to maintaining a strong control environment. Set out below is a summary of the key features of the Group's internal controls and risk management system.

Control environment

The Group has policies and procedures that set out the responsibilities of business and site management, including authority levels, reporting disciplines, and responsibility for risk management and internal controls. In addition, annual compliance statements on internal controls are certified by each operating segment.

Risk identification and review

A formal risk review process exists at Board and ELT levels for the identification, evaluation, mitigation and ongoing monitoring of risks, including emerging risks. Further details can be found on pages 70-74.

Internal audit programme

An internal audit programme is proposed by PwC in consultation with the CFO and approved by the Committee each year, setting out a programme of audits over the course of the next 12 months. The programme covers the monitoring of the effectiveness of internal controls and the design of processes to test the effectiveness of controls. As well as conducting audits of operating facilities, sales offices and tolling sites on a two- to three-year rotational basis, the internal audit programme includes reviews of Group functions and processes.

During 2024, the following audits were undertaken:

- CSRD readiness
- Cyber security
- Fraud materiality assessment
- Livingston site (UK)
- Ludwigshafen site (Germany)
- New Martinsville site (US)

Internal auditor effectiveness

To support the Committee in evaluating the effectiveness of the internal audit programme, a questionnaire-based evaluation is completed by employees who have had the most interaction with PwC during the year. A scorecard is reviewed by the Committee to assess the strengths and weaknesses of the internal auditors. The effectiveness of the internal audit function was considered and confirmed by the Committee.

Controls assurance

The controls assurance framework at Elementis is as follows:

- Board leadership supported by an open and transparent culture of ‘no surprises’, good governance and compliance. This means knowing and understanding the businesses and quality interactions between the Board and the ELT (including a regular programme of presentations and reports to the Board, as well as operational site visits)
- Internal and external audit programmes, and regular litigation and compliance reviews with the Group General Counsel & Company Secretary
- A programme of compliance audits, regulatory inspections, environmental reviews and property surveys by external specialists
- The Company’s Code of Conduct and Ethics, on which all employees receive training, and which summarises the Company’s key policies, including anti-bribery and corruption, whistleblowing arrangements and anti-retaliation. In 2023, we launched our ‘Business Partner Expectations Document’, which sets out our key requirements of third parties that we do business with, as well as our third-party compliance risk screening tool

Whistleblowing

If an individual is not comfortable speaking up to their line manager, to HR or to the Compliance team regarding potential breaches of law, Company policy or values (including those related to accounting, auditing, risk, internal control and related matters), they have access to an independently hosted, anonymous (if preferred) whistleblowing facility (IntegrityCounts), available 24 hours a day, 365 days of the year. Details of how to access this service are referenced in the Code of Conduct and Ethics, and actively advertised at all Elementis locations. Information is also available online. The Committee has oversight of reports of this nature, which are investigated by the Group General Counsel & Company Secretary with the involvement of other senior colleagues as required. During 2024, there were 23 reports. As a result of the Committee’s review, it was satisfied that all had been duly investigated and appropriate actions identified by management.

Fair, balanced and understandable

The Committee adopted a similar approach as in previous years to ensure that the Annual Report is fair, balanced and understandable. The process was as follows:

- An internal Annual Report team was set up to manage the process. The team consisted of members drawn from the Group Finance, Company Secretariat, Investor Relations, Sustainability and Communication teams. The team was responsible for regularly reviewing work and ensuring balanced reporting with appropriate links between key messages and sections of the Annual Report
- The Committee Chair held meetings with the audit partner, and the Committee held meetings with the external auditors without management being present
- The Committee received updates from management on the Annual Report progress and audit throughout the process as well as from the Company’s brokers and other advisers
- The Committee, Chair and Executive Directors reviewed the Annual Report in its final stages

Following this process, the Committee and then the Board were able to confirm that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Group’s position, performance, business model and strategy.

Christine Soden
Chair, Audit Committee

Compliance statement

The UK Corporate Governance Code

For the year ended 31 December 2024, Elementis plc was subject to the UK Corporate Governance Code 2018 (the 'Code'). The Code sets standards of good practice in relation to all areas of corporate governance in the UK. In this Annual Report, we report on how we applied the main principles of the Code and complied with its relevant provisions.

We consider ourselves to be fully compliant throughout the year ended 31 December 2024 and from that date up to the date of approval of this Annual Report, save in relation to Listing Rule LR9.8.6R(9) due to having had 37.5% female Directors on the Board in January and February 2024, during a period when the Board succession process was in flight. From March 2024 this rose to 40% and from April 2024 (until 31 December 2024) to 44% and was 40% at the date of approval of this Annual Report.

Elementis has complied with all other relevant provisions throughout the year ended 31 December 2024 and from that date up to the date of approval of this Annual Report. The Code is currently available at www.frc.org.uk

How the Board operates

The Board held eight scheduled meetings during the year, and additional Board meetings were also held to discuss emerging matters, including Board appointments and CEO succession, and the progress of the strategic review of the Talc business.

For each Board and Committee meeting, meeting papers are provided in advance through a secure portal. Board papers include standing items, such as financial performance and investor relations updates, and special business such as strategic, operational or governance matters, which are prepared by Executive Directors, senior management, the Group General Counsel & Company Secretary and/or external advisers. The Board regularly invites ELT members and their team members to attend Board meetings and receives presentations and updates from their relevant business and functional areas.

Other key information, such as analyst/investor reports, Company policies and governance guidelines, is available through the secure portal.

Matters reserved for the Board

To ensure there is a clear division of responsibilities between the Board and the running of the Company business, the Board has a formal schedule of matters reserved for its decision. This is reviewed on a periodic basis and is available on our website: www.elementis.com

- Group financial report
- Risk management and internal controls
- Corporate governance
- Group strategy
- Acquisitions and disposals
- Talent and succession
- Culture and values
- Sustainability
- Health and safety
- Engagement with key stakeholders
- Financial and trading statements

Board allocation of agenda time

Agendas for each Board meeting are prepared by the Group General Counsel & Company Secretary as a rolling programme over a 12-month period, but are reviewed regularly and updated where appropriate. The agenda for each Board meeting is agreed with the Chair, CEO and CFO.

Shareholder communications

The Chair is responsible for effective communication with shareholders. The CEO and CFO are the Company's principal contacts for investors, analysts, press and other interested stakeholders.

There is a dedicated investor relations programme for current and potential investors, which is managed by the Head of Investor Relations, who reports to the CFO. Further information regarding shareholder services can be found on page 199.

Roles and responsibilities of the Directors

The Board members have clearly defined roles and responsibilities, as set out in the table below. They also have a range of skills, knowledge and experience that is relevant to the successful operation of the Board (see the biographies on pages 77-79 and Board composition and skills matrix on page 89).

Non-Executive Directors	
Chair John O'Higgins	• Leads the Board and is responsible for its overall effectiveness • Sets the agendas in consultation with the CEO, CFO and Group General Counsel & Company Secretary • Promotes open, honest and constructive debate, challenges during meetings and guides the CEO and CFO in delivery of the strategy • Ensures the Board conforms with the highest standards of corporate governance • Chairs the Nomination Committee and ensures the Board has an appropriate balance of skills, diversity and experience • Ensures effective succession planning is in place and leads the annual Board effectiveness review • Engages with shareholders and other stakeholders, and ensures that their views are understood and considered appropriately in Board decision-making
Senior Independent Director Trudy Schoolenberg	• Acts as a sounding board to the Chair, providing support and advice where necessary • Is the point of contact for shareholders and other stakeholders to discuss matters of concern • Leads the Board's appraisal of the Chair's performance with the Non-Executive Directors
Independent Non-Executive Directors Heejae Chae, Maria Ciliberti, Dorothee Deuring, John O'Higgins, Trudy Schoolenberg, Christine Soden, Clement Woon	• Provide independent oversight objectivity to the Board's deliberations • Use their broad range of experience and expertise to challenge management and aid decision-making • Serve on various Committees and play a leading role in the effectiveness of those Committees
Non-Independent Non-Executive Director Christopher Mills	• Supports the Board in completing existing initiatives and potentially new initiatives to help contribute to long-term shareholder value creation • Serves on the Nomination Committee

Executive Directors	
Chief Executive Officer Paul Waterman	• Day-to-day management of the business • Execution of strategy and operational performance • Provides regular updates to the Board on all significant matters relating to the Group • Ensures the Company has a strong team of high-calibre executives • Puts in place management succession and development plans
Chief Financial Officer Ralph Hewins	• Supports the CEO in the delivery of the Company's strategy and financial performance • Leads the Group Finance function and is responsible for financial reporting, investor relations, IT, risk, insurance and tax matters • Plays a key role in external stakeholder relationships, including investment community, lenders and pension trustees

Group General Counsel & Company Secretary	
Anna Lawrence	• Supports the Chair in ensuring the Board operates efficiently and effectively • Provides the Board with advice on governance developments • Facilitates the Directors' induction programmes and assists with ongoing training and development • Assists the Chair with the Board effectiveness review process

Designated Non-Executive Director for workforce engagement	
Christine Soden	• Represents the Board when engaging and communicating with employees and provides communication on any outcomes

Independence of the Non-Executive Directors

Seven of the Non-Executive Directors are considered independent in character and judgement. The Chair was considered independent on appointment and the Board confirms that he remains effective. The independence of Non-Executive Directors is reviewed annually by the Nomination Committee, with the continuing independence of Dorothee Deuring being subject to a particularly rigorous review, in view of her longer service, as described further on page 90.

Christopher Mills is not considered by the Board to be independent, in view of his role as founder and CEO of Harwood Capital Management Limited and close relationships with several other shareholders. As at the date of the announcement of Christopher Mills' appointment on 24 December 2024, funds managed by Harwood Capital and its affiliates owned 22,500,000 shares in the Company.

The biographies of the Directors can be found on pages 77-79 and details of the membership of each Board Committee can be found on pages 88, 92 and 101 respectively.

Time commitment

Following the Board performance review process, as detailed on page 87, the Board has considered the individual Directors' attendance, contribution and external appointments, and is satisfied that each of the Directors is able to allocate sufficient time to the Group to discharge their responsibilities effectively. Information on Directors' external appointments can be found on pages 77-79. The Directors' commitments register is maintained by the Group General Counsel & Company Secretary and is regularly reviewed by the Nomination Committee. All Directors are expected to commit sufficient time to the Board, and the Company, as is necessary to carry out their duties as a Director.

Additional appointments

If a Non-Executive Director wishes to take on an additional external appointment, they are required to seek permission from the Board. The Board will take into consideration the time commitment required by the Non-Executive Director in their role as a Board Director, Committee Chair or Committee member before any permission is given.

Executive Directors are not permitted to take on more than one non-executive directorship of a FTSE 100 company or other significant appointment. No such external appointments are currently held by any of the Executive Directors.

In April 2024, Dorothee Deuring notified the Board of her wish to take on an additional appointment as supervisory board member of OMV AG. The Board considered Dorothee's external commitments and additional time required for the new proposed role and concluded that Dorothee would still have sufficient time to perform her role with the Company. The Board also considered whether the new appointment would be a conflict of interest and concluded that it would not.

Conflicts of interest

Elementis plc has a Conflicts of Interest Policy in place for all Group companies. Our Board and its Committees consider potential conflicts at the outset of every meeting and the Board formally reviews the authorisation of any potential conflicts of interest throughout the year, with any conflicts being recorded in the Conflicts of Interest Register.

The Conflicts of Interest Register sets out any actual or potential conflict of interest situations which a Director has disclosed to the Board in line with their statutory duties and the practical steps that are to be taken to avoid conflict situations. When reviewing conflict authorisations, the Board considers any other appointments held by the Director as well as the findings of the Board effectiveness evaluation. Directors are required to seek Board approval for any actual or potential conflicts of interest. Ralph Hewins is in receipt of a conflict authorisation from the Company in respect of him acting as a trustee of the Elementis Group Pension Scheme. Further details can be found in the Directors' report on page 130.

Directors' insurance and indemnities

The Company maintains directors' and officers' liability insurance, in the event of legal action brought against its Directors.

The Company has also granted indemnities to each of the Directors. These indemnities are uncapped in amount, in relation to certain losses and liabilities which they may incur to third parties in the course of acting as a Director of the Company. Neither the indemnity nor insurance provides coverage in the event that a Director is proved to have acted fraudulently or dishonestly.

Board training and independent advice

All Directors have access to the advice and services of the Group General Counsel & Company Secretary and may take independent professional advice, as appropriate, at the expense of the Company.

Directors are given the opportunity throughout the year to undertake training and attend seminars, as necessary, to keep their skills and knowledge up to date. In addition, technical briefings are regularly included in Board and Committee papers.

The Group General Counsel & Company Secretary supports the Chair in ensuring that the Board and its Committees operate within the governance framework and that communication and information flows within the Board and its Committees, and between management and Non-Executive Directors, remain effective.

Information flows

The Chair and the Group General Counsel & Company Secretary ensure that the Directors receive clear and timely information on all relevant matters. Board papers are circulated in a timely manner in advance of the meetings to ensure that there is adequate time for them to be read and to facilitate robust and informed discussion.

A fully encrypted electronic Board portal is used to distribute Board and Committee papers and to provide efficient distribution of business updates and other resources to the Board.

Board induction

The Chair, with support from the Group General Counsel & Company Secretary, is responsible for preparing and coordinating an appropriate induction programme, which is to be tailored to the needs of each newly appointed Non-Executive Director. Newly appointed Directors will be provided with a thorough briefing on their fiduciary duties and continuing obligations from the Group General Counsel & Company Secretary, supported by external legal advisers, if required.

Board induction programme

Induction – general topics	• The role of the Director • Board and Committees • Board meetings • Rules, regulations and guidance • Board procedures • Current issues • Nature of the Company, its business and its markets • The Company's main relationships
Induction – Board Committees (as appropriate)	• Role and remit of the Committee • Link between the Committee's policy and the Company's strategic objectives • The annual meeting schedule for the Committee • The main business conducted by the Committee • The legal requirements relevant to the Committee's operations • Market practice and current trends relevant to the Committee • Current issues • Views of investors on matters considered by the Committee and potential areas of focus • Any technical training on key matters
Induction – external advisers	Meetings with: • External auditors • Internal audit function • Remuneration consultants • Brokers • Lawyers
Induction – senior management meetings	Meetings with: • All ELT members • VP IT, Data and Digital • Group Financial Controller & Head of Tax • Head of Investor Relations • Global Director Sustainability
Induction – site visits	• Key Elementis operating and corporate sites globally

Directors' Remuneration report

Annual statement of the Chair of the Remuneration Committee

Clement Woon
Chair, Remuneration Committee

Dear Shareholders,

I am pleased to present the Directors' Remuneration report for the year ended 31 December 2024. I took over as Chair of the Remuneration Committee (the 'Committee') from Steve Good following the conclusion of the AGM on 30 April 2024, having served as a member of the Committee since my appointment to the Board in December 2022. On behalf of the Board, I wish to thank Steve for the work he undertook while Chair of the Committee.

This report should be read in conjunction with the separate section on compliance under the UK Corporate Governance Code on page 97."

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Directors' Remuneration Policy

Annual Report on Remuneration

The Directors' Remuneration report

The Directors' Remuneration report is set out in the following parts:

1. This **Annual Statement** from the Chair of the Remuneration Committee summarising how our Remuneration Policy has been implemented and the key decisions taken by the Committee;
2. An **At a glance** section providing an overview of how we implemented the Remuneration Policy during the year under review;
3. The **Remuneration Policy** for which shareholder approval is being sought in a binding vote at the AGM to be held on 29 April 2025; and
4. The **Annual Report on Remuneration**, which provides full detail on how we paid Directors during 2024 and how we propose to implement the policy in 2025.

The Remuneration Policy and the Annual Report on Remuneration will be presented to shareholders for approval at the AGM on 29 April 2025 and I look forward to your vote in support of the resolutions.

Attendance at Remuneration Committee meetings

Member	Member since	Eligible meetings (max 5)	Attendance
Clement Woon (Chair)	December 2022	5	5
Maria Ciliberti[1]	March 2024	2	2
Heejae Chae[2]	March 2024	4	3
Dorothee Deuring	March 2017	5	5
John O'Higgins	February 2020	5	5
Christine Soden	November 2020	5	5
Trudy Schoolenberg	March 2022	5	5
Steve Good[3]	October 2014	1	1

1 Maria Ciliberti was appointed as a Non-Executive Director on 11 March 2024. Following a review of Committee members in July 2024, Maria stepped down from the Committee.
2 Heejae Chae was appointed as a Non-Executive Director on 25 March 2024. Heejae was unable to attend one meeting due to a scheduling conflict.
3 Steve Good was Chair of the Committee until he retired from the Board at the conclusion of the AGM on 30 April 2024.

Remuneration Policy

As a global specialty chemicals company, Elementis offers performance-driven additives that help create innovative formulations for consumer and industrial applications. We have market-leading positions in high-performance ingredients in the Performance Specialties and Personal Care markets. We have a global footprint, with sites in Europe, Asia and the Americas, and a talented leadership team located across the world. Our strategy is to deliver long-term sustainable shareholder value through innovation-led growth and the execution of efficiency savings. We continue to deliver solid progress against this strategy, improving both our margin and leverage.

Our Remuneration Policy has been purposefully designed to support our strategy detailed above. Our overall policy is set with reference to UK benchmarks, with flexibility retained to take account of the location from which executives are recruited when determining remuneration quantum. Overall, quantum is set in the context of the size and complexity of the Company. Our pay model is UK-centric and includes base salary, pension and benefits, annual bonus, and a performance share plan (the same policy cascades below Executive Director level but includes restricted stock as well as performance shares in recognition of local market practice in the geographic locations in which we operate).

Remuneration is weighted towards long-term variable-pay, which supports the long-term nature of the investment decisions we make. Our performance metrics are fully aligned with strategy as set out above.

With the 2025 AGM marking the third anniversary of the introduction of the 2022 Remuneration Policy, we are required to seek shareholder approval for a new Remuneration Policy at the 2025 AGM. As a result, we undertook a review of the existing Remuneration Policy during the year, which reconfirmed that the current Remuneration Policy continues to support our strategy and reward objectives at the same time as being aligned with standard market and best practice for FTSE 250 companies. In reaching this decision, the Committee noted the circa 97% support it received for the current Remuneration Policy at the 2022 AGM.

As a result of the above, the only change that we are making to the Remuneration Policy is to broaden the trigger events material to clawback and malus (i.e. enabling the recovery or reduction of previously earned or awarded remuneration in certain circumstances) in line with the good practice envisaged by the 2024 UK Corporate Governance Code. Details of this change are set out on page 107.

Remuneration in 2024

As detailed in the Strategic report, we delivered strong performance in 2024 despite the continued challenging demand environment.

We delivered on our Innovation, Growth and Efficiency strategy, launching 22 new products, executing on self-help actions, including accessing new business opportunities ("NBOs") and delivering $18 million of annual cost savings in 2024. The Fit for the Future restructuring programme progressed as expected, with role restructurings on track, the transfer of transactional services to an outsource provider completed and the set up of our new Porto team.

The outputs of the actions we have taken included year-on-year growth in profit before tax ("PBT") of 24% and a much-improved operating margin of 17.4%, taking us significantly closer to our 2026 target of 19%+ operating margin and demonstrating the progress we are making as a high-quality, high-value specialty chemicals business. Our performance in relation to average trade working capital to sales ratio, one of our bonus metrics, was solid, albeit towards the lower end of the range of targets set for the 2024 annual bonus. This was all achieved while delivering our safety targets, continuing to progress our sustainability and DE&I agenda and undertaking a strategic review of our Talc business.

Annual bonus

As a result of the above, following the Committee undertaking a formal assessment of performance against the targets, bonuses were payable at 77.9% of maximum for the Executive Directors.

Across Elementis, circa 96% of employees are expected to receive a bonus, with awards to be paid up to circa 97% of maximum depending upon individual performance and specific bonus plan targets.

The Committee was comfortable with the bonus earned in the context of the performance delivered, and the bonuses awarded across the Company, and so did not consider it necessary to use discretion in relation to the bonus outturn.

Further details of the targets set for 2024, and the actual performance achieved are disclosed on page 106.

Long-term incentive plan ("LTIP")

LTIP awards granted in the year: The 2024 LTIP awards were granted on 8 April 2024 based on normal award levels of 200% of salary for the Chief Executive Officer and 175% of salary for the Chief Financial Officer.

The metrics were equally weighted on earnings per share ("EPS"), total shareholder return ("TSR"), adjusted operating profit margin ("OPM") and average operating cash conversion ("AOCC"). The vesting of the award is also subject to a return on capital employed ("ROCE") underpin which requires the Committee to consider whether the return generated is in line with the Board's expectations and, if not, to reduce the vesting to a more appropriate level. In addition, the Committee will retain discretion to reduce the number of shares on vesting should it be considered appropriate to do so (e.g. if there was perceived windfall gain).

Full details of the targets and the awards are set out on page 106. To the extent these awards vest at the end of the three-year performance period, shares will be required to be held for a further two years.

LTIP awards vesting based on performance to 31 December 2024: The 2022 LTIP awards were granted subject to challenging EPS, relative TSR and AOCC targets, which were subject to a general ROCE underpin. Based on the performance over the three-year period, the 2022 LTIP awards will vest at 48.7% of the maximum. This is as a result of delivering 53% growth in EPS, a TSR of 50.9%, and an AOCC of 88.2%. The ROCE underpin was satisfied with ROCE increasing significantly over the three-year performance period in challenging market conditions.

The EPS targets were restated (in line with the restatement to the 2021 LTIP targets) following the divestment of the Chromium business during the performance period. The restatement ensured the targets were no more or less challenging than when originally set (i.e. Chromium was excluded from the base and end targets, so the condition was tested on a consistent basis).

In determining vesting, the Committee also considered the potential for windfall gains and concluded that the value on vesting of the 2022 awards did not benefit from windfall gains. In reaching this conclusion, the Committee determined that the share price was a fair reflection of the underlying financial performance of the Company through the performance period and also noted that the share price used as the basis of determining awards in 2022 was at a similar level to the share price prevailing at the time of determining the 2021 awards. Accordingly, the Committee did not use any discretion in connection with the 2022 award. Further details are included on page 106.

The Committee believes that the overall incentive outturns and approach to target-setting (as detailed above) were appropriate based on the Company's performance over the whole performance period and demonstrate that the Committee has, and will continue to, set performance targets which it considers to be meaningful and appropriately stretching. As a result, the Committee is comfortable that its general approach to remuneration and the overall policy framework are working as intended. In reaching this conclusion, the Committee did consider the quantum of remuneration earned at both executive level and across the Company (including considering pay ratios) and determined that our overall Remuneration Policy and outcomes were appropriate and proportionate. As detailed in the sections above, the Committee did not use discretion during the year.

Remuneration in 2025

As detailed above, the clawback and malus provisions are being updated as part of the Remuneration Policy review. With regard to the application of Policy for 2025, the one change that we are to make versus 2024 is to refine the performance metrics that will apply to our 2025 LTIP. Summary details are set out below, with the revisions being made to provide a sharper focus on value creation and capital efficiency over the next three-year period.

Salary review: The Executive Directors' base salary increases were 3.5% for the CEO and 3.8% for the CFO for 2025. These increases were below the workforce salary increase budgets for each location, which were 4.0% in the US and 4.3% in the UK, in recognition of current market conditions and a modest weighting of salary budgets towards the wider workforce.

2025 annual bonus: There will be no change to the quantum of the Executive Director bonus opportunity and as such the CEO will have the opportunity to earn up to 150% of salary and the CFO up to 125% of salary.

With regard to the current CEO, as announced on 18 November 2024, the Company is in the process of effecting a leadership succession plan and, as a result, the bonus payable to the current CEO will be pro-rata for the period of his active employment during 2025. Further details of remuneration arrangements in respect of Paul Waterman's cessation of employment are set out in the information provided on the Company's website in accordance with Section 430(2B) of the Companies Act 2006 and later in this Directors' Remuneration Report.

As in prior years, the bonus will be based 70% against a challenging range of financial targets (50% on adjusted Group profit before tax and 20% on average trade working capital ("AWC") to sales ratio on total operations), with the remaining 30% based on non-financial strategic objectives which are specific and measurable objectives that are related to the Company's strategic priorities.

The non-financial targets for 2025 will again be focused on sustainability and strategic targets. Reflecting the continued Group-wide focus, half of the non-financial targets will relate to sustainability, with the balance of the non-financial targets relating to Innovation, Growth, and Efficiency, which aim to support strengthening of our operating margin over the next three years.

Summary details of our approach to target-setting are detailed on page 107 and full details of the financial target ranges and our performance against them will be disclosed on a retrospective basis in next year's report. The Committee has discretion to modify the overall amount of bonus payable to ensure it is appropriate. 50% of any bonus earned is normally deferred in shares for two years.

2025 LTIP awards: Subject to final Committee review prior to grant, awards are expected to be granted at 175% of salary to the CFO. In light of the CEO succession process noted above, the current CEO will not be eligible for an LTIP award in 2025, albeit flexibility is retained to grant an award to an incoming CEO in line with the Remuneration Policy. The awards will be subject to an overriding Committee discretion to reduce the awards at vesting should there be a perceived disconnect between underlying financial performance, total shareholder return and reward.

With regard to the performance metrics to apply to the 2025 awards, these have been refined versus those used for the 2024 awards. ROCE (excluding goodwill) and greenhouse gas emissions ("GHG") are being introduced as primary LTIP metrics in place of three-year AOCC and OPM. This is to align with our focus on value creation and capital efficiency over the next three-year period and in recognition that average working capital to sales is being retained in the annual bonus as a measure of operational efficiency. GHG reduction is included with a lower weighting, at 10%, versus the 30% applicable to each of the financial measures. The specific targets are detailed below. The refined metric choices fully align to our medium-term to long-term strategy of delivering sustainable growth and shareholder value creation as we look beyond the FY 2026 targets set as part of our November 2023 Capital Markets Day ("CMD").

- The EPS targets will be set based on the level of EPS achieved in 2027, with vesting to take place from a threshold performance level of 15.5 cents, which results in 0% vesting, increasing on a straight-line basis to full vesting at 19 cents or greater. External expectations for our future performance were considered, in additional to internal plans, as part of the target-setting process
- The three-year average ROCE targets will be set with a threshold performance level of 26% which will result in 0% vesting, increasing on a straight-line basis to target vesting (50%) at 28%, increasing on a straight-line basis to full vesting at 29% or greater. External expectations for our future performance were considered, in addition to internal plans, as part of the target-setting process. The introduction of ROCE as a primary performance measure replaces operating cash conversion and the ROCE underpin that applied in prior years
- TSR will continue to be assessed against the constituents of the FTSE All-Share Index (excluding investment trusts). This is considered an appropriate peer group given that Elementis is towards the middle of the group in terms of current market capitalisation and there is insufficient UK listed sector-specific companies against which our relative performance can be benchmarked. Threshold vesting starts at 25% for median performance, increasing on a straight-line basis, with 100% vesting for achieving at least upper-quartile performance
- GHG reduction targets relating to Scope 1 and 2 emissions will operate with vesting to take place from a threshold performance level which will require an absolute emissions reduction of 9,075t CO_2e and result in 0% vesting, increasing on a straight line to full vesting for an absolute emissions reduction of 18,150t CO_2e or greater. The absolute annual reduction target has been set to be in line with our SBTi validated SBT pathway of 5.9% absolute annual reduction in Scope 1 plus Scope 2 (market-based) GHG emissions from a 2024 baseline. Vesting based on the performance conditions will be subject to a general Committee discretion to over-ride the formula-based outcome if it is not considered to be reflective of the overall performance of the Company across the period

Context of Directors' pay within the Company

Christine Soden is the Designated Non-Executive Director ("DNED") for workforce engagement. During the year Christine held focus groups with employees in New Martinsville, USA; Porto, Portugal; and Sao Paolo/Palmital, Brazil, each of which included discussion around compensation. Following these discussions, we've reinforced pay education via intranet communication material, accessible to all. We are exploring flexible benefits in Portugal to give employees more freedom of choice and have ensured more on-site HR and Benefits support to US employees for open enrolment.

The Group is not required to provide disclosure of the CEO to all-employee pay ratio given the Group has fewer than 250 employees in the UK. However, given the external focus on pay ratios, the Committee has included full pay ratio disclosure on page 127 and is comfortable that the ratio is in line with the Company's pay policies and in line with current FTSE market practice.

The Group is also not required to report under the gender pay gap regulations. Despite this, the Group reviews gender pay on a biennial basis. The last gender pay review was completed towards the end of 2024, concluding that the approach to pay was fair and equitable, with any anomalies adjusted accordingly. The CEO pay ratio and gender pay gaps are considered when there is a full review of the Executive Director and wider Remuneration Policy.

Concluding remarks

The Committee believes that the policy and our approach to implementation are in the best interests of the Company, and we hope that you will support the actions the Committee has taken by voting in favour of the Remuneration Policy and Directors' Remuneration Report at the 2025 AGM. If you have any feedback, please feel free to contact me via the Group General Counsel & Company Secretary at company.secretariat@elementis.com

Clement Woon
Chair, Remuneration Committee

2024 at a glance

Our 2024 measures

Annual bonus
Adjusted Group PBT:
50% weighting

Adjusted AWC to sales ratio:
20% weighting

Non-financial objectives (aligned with strategic implementation, safety, environment, and people):
15% weighting – Sustainability targets
15% weighting – Strategic targets

2024 LTIP
EPS:
25% weighting

Relative TSR:
25% weighting

Cash conversion:
25% weighting

OPM:
25% weighting

ROCE underpin

2024 LTIP How our measures link to strategy

		Strategic priorities		
	Performance metrics	Innovation	Growth	Efficiency
Bonus	**Financial: (70%)**			
	Adjusted Group PBT	●	●	●
	AWC to sales ratio		●	●
	Non-financial: (30%)			
	Sustainability targets	●	●	●
	Innovation, Growth and Efficiency	●	●	●
LTIP	EPS (25%)	●	●	●
	Relative TSR versus FTSE All-Share (25%)	●	●	●
	Cash conversion (25%)			●
	OPM (25%)	●	●	●

Implementation of Remuneration Policy in 2024

The section below summarises how the Policy was implemented in the financial year ended 31 December 2024. Further details are provided on pages 116 to 125.

Key policy features	Performance assessment	How we implemented in 2024
Salary • Increases normally guided by the general increase for the local workforce and/or broader workforce as a whole	Not applicable	| | Paul Waterman | Ralph Hewins | | 2024 salary | $1,034,834 | £413,599 | The salaries of the CEO and CFO were increased by 4.0%. The increases were below the 4.5% budgeted average increases awarded to the US and UK salaried workforce. These changes were effective from 1 January 2024.
Pension/benefits/all-employee share schemes • Pension: CEO and CFO pension contributions were reduced to a maximum of 21% from 1 December 2022, to align with the typical UK workforce pension funding rate of 21% of salary • Benefits: Directors receive market-competitive benefits and may participate in all-employee share schemes	Not applicable	| | Paul Waterman | Ralph Hewins | | Pension | $213,611 | £86,856 |

Key policy features

Performance assessment

How we implemented in 2024

Annual bonus

- Performance-related scheme which delivers value for achievement against annual targets
- Committee may adjust outturn where formulaic assessment is inconsistent with Company's overall performance
- 50% of bonus earned deferred into shares for two years
- Recovery and withholding provisions apply

	Paul Waterman	Ralph Hewins
Opportunity	150% of salary	125% of salary
PBT	$105.0m vs target of $90.0m	
Payout (50% of bonus)	**100% of PBT maximum**	
AWC to sales ratio	23.4% vs target of 22%	
Payout (20% of bonus)	**15% of AWC maximum**	
Non-financial	See page 121	
Payout (30% of bonus)	**83% of Non-financial maximum**	**83% of Non-financial maximum**
Total	**77.9% of maximum**	**77.9% of maximum**

Further information can be found on pages 119-120.

As detailed in the Annual Statement on page 101, 2024 was a year of continued progress against our Innovation, Growth and Efficiency strategy.

We delivered 24% growth in PBT to $105.0 million, which was above our internal planning; however, the AWC ratio of 23.4% was at the lower end of the performance range.

Long-term incentive plan

- Performance measures based on financial and/or relative TSR metrics and measured over three years
- Committee may adjust outturn where formulaic assessment is inconsistent with Company's overall performance
- Holding period applies for two years following vesting
- Recovery and withholding provisions apply
- ROCE underpin

2022 Award	EPS growth	Average cash conversion	TSR vs FTSE All Share
Weighting	33.3%	33.3%	33.3%
Threshold target	10.9 cents	85%	Median
Maximum target	14.7 cents	95%	Upper quartile
Actual	13.3 cents	88.2%	58th percentile
Vesting	21.1%/33.3%	10.7%/33.3%	17%/33.3%

Further information can be found on pages 125-127.

The relative TSR, EPS and AOCC over the performance period were above the threshold target. Overall, this has resulted in 48.7% of the award vesting. With regard to the ROCE underpin, the Committee considered the vesting result appropriate having had regard to the ROCE increasing during the period by 62%, with this achieved in difficult economic conditions.

The Committee considered the potential for any windfall gains on vesting, but noting that the awards were granted from a share price of £1.19, which was consistent with the share price used as the basis to determine the 2021 award (£1.255) and the prevailing share price in February 2020 prior to the onset of the COVID-19 pandemic and the market-wide fall in share prices, concluded there was no windfall gain. Shares are subject to the two-year holding period. Further details are set out on page 119.

Share ownership guidelines

- Build up and maintain a shareholding equal to 200% of salary
- The guideline also applies for two years post cessation of employment

	Paul Waterman	Ralph Hewins
Guideline	200% of salary	200% of salary
Level	Achieved 287% of salary[1]	On track 191% of salary[1]

1 For the purposes of the guideline, an estimate has been made in relation to the after-tax number of shares in relation to vested/unexercised share awards.

Both the CEO and CFO increased their holdings during the year.

Further information can be found on page 124.

Implementation of Remuneration Policy for 2025

As a UK listed business, our primary reference points for both quantum and remuneration structure for our Executive Directors are UK benchmarks. However, we retain flexibility to take account of the location from which executives are recruited when determining remuneration quantum with overall quantum set in the context of the size and complexity of the Company. With our current CEO being a US citizen, based in the US, splitting his time between the UK and the US, his remuneration quantum is set to be aligned with UK market practice in terms of structure. However, recognising that remuneration quantum is above UK levels in US businesses of a similar size and complexity, his total remuneration package is positioned towards the upper quartile versus UK FTSE 250 benchmarks. For completeness, this market positioning is considered appropriate on the basis that, versus US companies of a comparable size and complexity, his remuneration quantum falls between the lower quartile and median.
As announced on 18 November 2024, the Board agreed with our current CEO that he will step down no later than our AGM in 2025; it is the current intention that, as we work towards appointing a successor, the terms of any appointment will be proportionate to role and the size and complexity of the business.

The section below summarises how the Committee intends to implement the Policy for the forthcoming financial year ending 31 December 2024.

Key policy features	2025 implementation
Salary • Level based on the scope and responsibilities of the role • Increases normally guided by the general increase for the local workforce and/or broader workforce as a whole	• The Committee reviewed salaries and decided to award Paul Waterman and Ralph Hewins each a salary increase, as shown in the table below, which is lower than the 4.0% budgeted for the US and 4.3% budgeted for the UK salaried workforce

	Paul Waterman	Ralph Hewins
Salary as at 1 January 2024	$1,034,834	£413,599
Salary as at 1 January 2025	$1,071,055	£429,317
2025 increase	3.5%	3.8%

Key policy features	2025 implementation
Pension/benefits/all-employee share schemes • Pension: the CEO participates in US-specific arrangements and receives a salary supplement, and the CFO receives a salary supplement • Any new Director appointment will have pension set at 8% of salary in line with that offered to new joiners across the wider workforce • Benefits: Directors receive market-competitive benefits and may participate in all-employee share schemes	• Implementation in line with the Policy • Pension rates for incumbent Directors for 2024 are aligned with the typical UK individual pension funding rates (see page 124 for further detail)
Annual bonus • Policy maximum of 150% of salary for CEO and 125% of salary for CFO • Performance-related scheme which delivers value for achievement against annual targets • Committee may adjust outturn where formulaic assessment is inconsistent with the Company's overall performance • 50% of bonus earned deferred into shares for two years • Recovery and withholding provisions apply **Link to KPIs** • Adjusted Group PBT • AWC to sales ratio • Individual objectives linked to sustainability and strategic priorities	See opportunity table and performance metrics below

	Paul Waterman	Ralph Hewins
Opportunity	150% of salary	125% of salary

Performance metrics

- Adjusted Group PBT: 50%
- AWC to sales ratio: 20%
- Non-financial strategic priorities: 30%, of which 15% based on appropriately structured sustainability priorities with the remaining 15% set on Innovation, Growth and Efficiency targets
- The targets are fully aligned with the Company's current strategy and have been set to be challenging in the context of the Company's performance expectations for the year ahead
- The Committee considers that the bonus targets are commercially sensitive and therefore plans to disclose them only on a retrospective basis in next year's Directors' Remuneration report
- The range of targets around budgeted performance levels to apply in 2025 have been calibrated to take into account the current external environment and internal planning

Key policy features

Long-term incentive plan

- Policy maximum is 250% of salary
- Awards vest to the extent performance conditions are achieved
- Performance measures based on financial and/or relative TSR metrics and measured over three years
- Committee may adjust outturn where formulaic assessment is inconsistent with the Company's overall performance and/or there is a perceived windfall gain
- Holding period applies for two years following vesting
- Recovery and withholding provisions apply

Link to KPIs

- EPS
- Relative TSR
- ROCE
- GHG reduction (reduction in emissions from Scope 1 and Scope 2 (market-based) emissions)
- The choice of targets relates to measuring the Company's success in delivering profitable growth and sustainable shareholder returns

2025 implementation

	Paul Waterman	Ralph Hewins
LTIP award	200% of salary	175% of salary

Performance metrics

	Weighting	Threshold	Threshold vesting	Target	Target vesting	Maximum	Maximum vesting
2027 EPS	30%	15.5 cents per share	0%	–	–	19 cents per share	100%
2025 to 2027 ROCE	30%	26%	0%	28%	50%	29%	100%
Relative TSR vs FTSE All-Share Index	30%	Median	25%	–	–	Upper quartile	100%
Scope 1 and 2 GHG emissions intensity reduction*	10%	67,833tCO_2e	25%	–	–	58,758tCO_2e	100%

* Straight-line vesting takes place between performance points.

- The range of EPS targets has been set to be demanding based on a combination of internal planning, external market expectations for our future performance and build on our CMD commitments made in November 2023 for end 2026. Note (i) that vesting takes place from 0% (as opposed to the market norm of 25%), and (ii) in line with institutional investor expectations, the range straddles consensus growth expectations
- The range of ROCE targets has been set to be demanding based on a combination of internal planning and external market expectations for our future performance. They build on our CMD commitments made in November 2023 for end 2026
- GHG reduction – introduced in 2025 to align with our adoption of science-based targets. The targets have been structured as absolute emissions reduction to align to the Science Based Target initiative
- The terms of the above awards will be subject to a final review prior to grant and the awards will be subject to an overriding Committee discretion to reduce the awards at vesting should there be a perceived windfall gain

Chair and NED fees

- To attract individuals with the relevant skills, knowledge and experience that the Board considers necessary in order to maintain an optimal mix that ensures the effectiveness of the Board as a whole in carrying out its duties and responsibilities

- Fees will increase by 3.8% for the upcoming year, which is lower than the UK workforce, where the budgeted increase is 4.3%.

	2025	2024	2025 increase
Basic fees			
Chair	**£224,442**	£216,225	3.8%
Non-Executive Director	**£60,762**	£58,538	3.8%
Additional fees			
Senior Independent Director	**£10,558**	£10,172	3.8%
Chair of Audit or Remuneration Committee	**£10,558**	£10,172	3.8%
Workforce engagement NED	**£5,281**	£5,087	3.8%

Remuneration Policy report

The Company's current Remuneration Policy was approved by shareholders at the AGM on 26 April 2022 (the full Remuneration Policy is set out in the 2021 Annual Report and Accounts). As a result, we undertook a review of the existing Remuneration Policy during the year, which reconfirmed that the current Remuneration Policy continues to support our strategy and reward objectives at the same time as being well aligned with market and best practice for FTSE 250 companies.

Summary of proposed changes to the 2025 Remuneration Policy

With the current Remuneration Policy being considered to work effectively, and well aligned with market and best practice, the only material change being made to the Policy is an update to the trigger events included in our clawback and/or malus provisions (i.e. recovery and/or withholding) in the annual bonus and long-term incentive plans. These changes are being made as a result of the updates included in the 2024 UK Corporate Governance Code. Our current provisions enable clawback or malus to be applied where the following circumstances become known within three years of any payments being made:

- Performance outcomes were determined based on mis-stated financial information
- Performance outcomes being incorrectly calculated
- Gross misconduct

In addition to the above, the following additional trigger events will be included in the revised Remuneration Policy from 2025:

- Actions within the performance period that lead to corporate failure
- Activities within the performance period that result in a material financial downturn
- A material failure of risk management within the relevant performance period
- The occurrence of an event in the performance period that caused a serious health and safety event
- Following an individual being deemed a 'good leaver' within an incentive plan by reason of retirement with the agreement of the Remuneration Committee, their taking on subsequent employment in a paid executive role

Each of the above factors is being included in the 2025 Remuneration Policy as well as in the relevant incentive plan documents.

Retaining a three-year period during which the above provisions can be operated was considered appropriate noting that this is standard market practice outside of financial services companies and the clear and transparent nature of reporting profitability and other measures of financial performance at Elementis.

Outside of the above, the Committee has included the ability to review the level of annual bonus that is deferred into shares once the Company's share ownership guidelines have been met. Any such decision would be taken having had regard to emerging market practice in this area following the additional flexibility afforded to companies in this regard in the Investment Association Principles of Remuneration 2024. Other changes are limited to minor modifications to wording to better reflect amendments to share plan rules and the practical operation of the policy.

Determining the Remuneration Policy

The Committee determines the Remuneration Policy taking into account all relevant factors. The Committee receives input from management and external advisers with respect to the design of the Policy and considers the context of the relevant stakeholders when considering their input. The Committee determines the Policy applicable to the Executive Directors and the Chair. The Policy for Non-Executive Directors is agreed by the Board, excluding the Non-Executive Directors. This also applies with respect to the implementation of the Policy so that no individuals are involved in decisions as to their own remuneration. The Committee concluded that the Policy continues to support the long-term strategy of the Company and as such only minor changes were required.

The Policy is aligned with the six factors listed in Provision 40 of the 2018 UK Corporate Governance Code against which was applicable during the year under review:

- **Clarity** – the Policy is set out as transparently as possible and the workforce engagement Director retains oversight of employee communication and education. We proactively consult our shareholders on any proposed changes to remuneration policy
- **Simplicity** – the Remuneration Policy is structured as simply as possible; however, a degree of complexity is required to align pay and performance. Performance metrics are chosen to focus on the key operational, financial and strategic performance objectives of the business
- **Risk** – the Remuneration Policy has been shaped to discourage inappropriate risk-taking, including long-term performance measurement, deferral and shareholding guidelines which extend into post-employment. The Committee retains discretion to override formulaic outcomes
- **Predictability** – elements of the Policy are subject to caps and dilution limits. Examples of how remuneration varies depending on performance is set out in the scenario charts
- **Proportionality** – there is a sensible balance between fixed pay and variable pay, and incentive pay is weighted to sustainable long-term performance
- **Alignment to culture** – the Policy is weighted towards performance-related pay, which supports a performance-based culture, and the non-financial targets encourage innovation and optimisation, which are also central to the Elementis culture and aligned to Company values

Policy table

The information in the table below sets out the Remuneration Policy for Directors.

Basic salary	
Purpose and link to Company's strategy	Targeted at a level to attract and retain world-class executives who are essential to drive the business forward and deliver the Company's strategic goals.
How it operates in practice	Annual salary increases that are broadly in line with the local workforce (in percentage of salary terms), subject to Committee approval. Increases beyond the average of those granted to the local workforce (in percentage of salary terms) may be awarded in certain circumstances, such as where there is a material change in responsibility or experience of the individual, to recognise exceptional performance over a sustained period or a significant increase in the complexity, size or value of the Company. Where new joiners or recent promotions have been placed on a below-market rate of pay initially, a series of increases above those granted to the local workforce (in percentage of salary terms) may be given over the following few years subject to individual performance and development in the role. Salaries are normally reviewed annually, either with effect from 1 January or 1 April (the common review date across the Company).
Maximum potential value	There is no prescribed maximum for salary increases. The Committee will be guided by the general increase for the local workforce and/or broader workforce as a whole, as well as the circumstances listed above.
Benefits	
Purpose and link to Company's strategy	To aid retention and to remain competitive in the marketplace. Healthcare benefits in order to minimise business disruption. Executive Directors may also participate along with other employees in the Group's HMRC-approved Save As You Earn ("SAYE") or other equivalent savings-based share schemes to share in the success of the Group.
How it operates in practice	Life assurance, private medical health insurance and other insured benefits are provided. Provision of either a company car (for business and personal purposes) or a car allowance. Payments in connection with an international assignment and payments in connection with a relocation, which would typically be paid for a transitionary period only, tailored to the location of each executive. The benefits may include provision of tax advice where, at the Company's request, the international location (or balance of time spent in different locations) is changed. Participation in all-employee/savings-based share option schemes as above. In addition, benefits in the US, where it is standard, include cover for dental costs, accidental death and disablement, long-term disability and club membership.
Maximum potential value	SAYE/savings-based schemes are subject to individual limits. These are $2,000 per month in the US and up to the HMRC prescribed limit (£500 per month) in the UK. Other benefits: the Committee will determine range and the level of benefits as it considers appropriate, taking into consideration local market practice.
Pension	
Purpose and link to Company's strategy	To aid retention and remain competitive in the marketplace. To provide appropriate retirement benefits commensurate with local market practice, seniority of the role and tenure with the Company.
How it operates in practice	Executive Directors are eligible to participate in a Company-sponsored pension scheme, a statutory pension arrangement, receive cash in lieu of a Company pension or a combination of these.
Maximum potential value	For incumbent Executive Directors, pensions are set to be aligned with the rate of pension provision most commonly provided to a typical UK employee, calculated at 21% of salary. Any new Director appointment will have pension set to be aligned with the average of the appropriate wider workforce rate (currently 8% of salary).

Annual bonus scheme	
Purpose and link to Company's strategy	To incentivise the senior management team to exceed the annual operating plan approved by the Board at the start of each financial year. To ensure that a significant proportion of an executive's total remuneration is based on corporate/business financial performance that is linked to the Company's annual operating plan. Through the part deferral of bonuses into deferred shares, this enables incentive pay to help executives build and maintain meaningful shareholdings and thereby provides a long-term focus.
How it operates in practice	An annual bonus is based on performance target set against selected performance measures which are linked to the Company's key performance indicators, or the achievement of strategic and/or operational objectives. Bonus payments are paid following the approval of full-year results. Payments are based on salaries at the time of payment. Bonus deferral element: up to 50% of any cash bonus payable is normally awarded in shares and deferred for two years. Dividends accrue on deferred shares (which are normally structured as nil cost options or conditional share awards) that vest during the vesting period. Deferred shares are forfeitable for gross misconduct (dismissal for cause). The Committee reserves the right to review the level of deferral in the event the Company's share ownership guidelines have been met. The Committee may seek recovery and/or withholding of bonuses paid that are later found to have been based on performance that (i) was mis-stated or (ii) was incorrectly calculated, (iii) included gross misconduct, (iv) resulted in the Company suffering serious reputational damage, (v) resulted in corporate failure, (vi) resulted in a material financial downturn, (vii) included a material failure of risk management, (viii) included the occurrence of an event that caused a serious health and safety event, or (ix) where an individual was treated as a 'good leaver' within a Company incentive plan by reason of retirement but subsequently became employed in a paid executive role. The recovery and withholding provisions will apply for a period of three years following payment of any bonus. Detailed provisions are incorporated into the rules of the various schemes which govern the terms of a bonus payment and/or the making of any deferred share or conditional award.
Maximum potential value	CEO: 150% of basic salary. CFO: 125% of basic salary. A higher annual bonus limit of 200% of basic salary may apply for new recruits.
Framework used to assess performance	Performance measures will be mainly financial measures. The Committee reserves the right to select other non-financial targets (including the basis of their measurement) as appropriate considering the Company's strategic objectives for the year ahead. The financial element of the bonus may include (but is not limited to) the Company's key performance indicators, which include: • Profit before tax or other measures of profitability • Group average trade working capital to sales ratio expressed as a percentage or other cash flow indicators For any profit-related metric, targets will be set at threshold, plan and stretch levels and the amount payable for threshold performance is 0% for financial targets rising on a graduated basis through to 100%, becoming payable at the stretch performance level. With regard to non-financial targets, it is not always practicable to set targets on a sliding scale and so targets may be set based on the achievement of specific milestones and/or on a graduated scale. The Committee will consider the bonus outcome each year based on the Company's performance against the measures set at the start of the year. If it considers the quantum to be inconsistent with the Company's overall performance during the year, it can override the result of the performance test. For the avoidance of doubt, this can be to zero and bonuses may not exceed the maximum levels detailed above. Any use of such discretion would be detailed in the Annual Report on Remuneration. The Committee keeps performance metrics under review on an annual basis to ensure they continue to remain appropriate and has the discretion to introduce new metrics or remove existing ones and amend their relative weightings. As a result, the performance metrics and weightings may vary in line with the Company's evolving strategy during the life of the Policy. The profit-related element of annual bonus shall not be less than 50% of the overall bonus opportunity.

Long-term incentives	
Purpose and link to Company's strategy	The LTIP is the sole long-term incentive mechanism for Executive Directors and is intended to align the interests of the executives and shareholders in growing the value of the Group over the long term. When granting awards under the LTIP, the Committee generally takes into consideration the need to motivate and retain the Executive Directors and other participants.
How it operates in practice	Awards are normally structured as either nil cost options or conditional share awards which are eligible to be granted annually. Options may be exercisable three years from, and within ten years of, the date of award. Share awards normally vest on the third anniversary of the date of award. A post vesting holding period of two years will normally apply to annual awards. Recovery and withholding provisions similar to those described in respect of annual bonus payments but relating to the vesting of LTIP awards will apply to awards. Dividends may accrue on shares that vest during the vesting period (and during the post vesting holding period where awards are structured as nil cost options) and may be paid in cash or shares.
Maximum potential value	The maximum award limit is set at 250% of basic salary. Current practice is as follows: - CEO: 200% of basic salary - CFO: 175% of basic salary
Framework used to assess performance	Awards are subject to achievement of financial (e.g. EPS and ROCE) and/or relative TSR performance conditions, measured over a minimum of three financial years beginning with the financial year in which the award is made. The Committee also retains flexibility to introduce strategic and/or ESG targets as a performance measure for a minority of an award. The threshold vesting level may be up to 25% of maximum, increasing to 100% vesting on a graduated basis for achieving stretch targets. In relation to strategic and/or ESG targets, the structure of the target will vary based on the nature of the target set (i.e. it will not always be practicable to set strategic targets using a graduated scale and so vesting may take place in full if specific criteria are met in full). The metrics and their weighting and targets within the LTIP will be reviewed each year. The Committee will consider the LTIP vesting outcomes for awards based on applying the performance conditions and, if it considers the level of vesting to be inconsistent with the Company's overall performance during the performance period (including its underlying financial performance and/or wider stakeholder experience), it can override the result of the performance test. For the avoidance of doubt, this can be to zero. Any use of such discretion would be detailed in the Annual Report on Remuneration.

Share ownership guidelines	
Purpose and link to Company's strategy	To align an executive's interests with those of shareholders and to encourage executives to participate and share in the long-term success of the Group.
How it operates in practice	Executive Directors are expected to build up a shareholding in the Company that is equal in value to 200% of their basic annual salaries. The guideline will also apply for two years post cessation of employment such that Executive Directors are expected to hold shares equal to the value of the lower of the actual shareholding at cessation of employment and the current guideline (200% of salary). The post-cessation guideline only applies to shares vesting under incentive plans from 2022. Shares vesting from share awards, or transferred pursuant to an exercise of any option, granted under any share incentive or employee share-saving scheme may not be sold (other than to meet a tax liability) until the above shareholding level has been met. In exceptional circumstances the Committee may allow the Director to sell some, or all, shares received from a share incentive scheme even if the individual has not met the share ownership guidelines, provided they are satisfied that shareholder interests are adequately aligned. The Committee monitors compliance with these guidelines and can make changes to them from time to time.
Non-Executive Chair and Directors' fees	
Purpose and link to Company's strategy	To attract individuals with the relevant skills, knowledge and experience that the Board considers necessary in order to maintain an optimal mix that ensures the effectiveness of the Board as a whole in carrying out its duties and responsibilities.
How it operates in practice	Non-Executive Directors' fees are determined by the Chair and the Executive Directors, having considered the expected time commitment and responsibilities of the role. In the case of the Chair, the fee level is determined by the Committee. As well as taking into consideration the above factors, the Committee sets the fee at an appropriate level necessary to attract a role-holder qualified to effectively lead the board of a company of a similar size and prestige as Elementis. In the case of other Non-Executive Directors, fees normally comprise a base fee, plus an additional fee for chairing any of the Board's key committees. Other fees may be payable for the role of representing employee views of the Board (i.e. the Designated Non-Executive Director) and providing an international travel allowance for Non-Executives based outside of Europe. Fees are payable in cash and Non-Executive Directors are not eligible to participate in any pension, bonus or share incentive schemes. All Non-Executive Directors are reimbursed for travel and related business expenses reasonably incurred in performing their duties so that they are fully recompensed on a pre-tax basis for undertaking Company business. No individual is allowed to vote on his/her own remuneration.
Maximum potential value	Fees will be reviewed annually with changes normally taking effect from 1 January or 1 April which is the common review date across the Company.. It is the Company's policy (other than where there is a step change in the time commitment required of the Non-Executive Directors) that fees paid to the Chair and other Non-Executive Directors are increased annually in line with the average increase awarded to the UK salaried workforce.

Link between policy, strategy and structure

The Remuneration Policy is principally designed to attract, motivate and retain the Executive Directors and other members of the Executive Leadership Team (senior management team) to execute the Company's corporate and business strategies in order to deliver the annual operating plan and sustainable year-on-year profitable growth, as well as to generate and preserve value for shareholders over the longer term, without encouraging excessive levels of risk-taking. The principles and values that underpin the remuneration strategy are applied on a consistent basis for all Group employees.

The remuneration structure for Executive Directors is made up of two elements: fixed remuneration (consisting of basic salary, benefits including, for example, non-contributory health insurance and life assurance, and pension provision), and variable remuneration (annual bonus scheme and long-term share incentives).

It is Company policy to reward all employees fairly, responsibly and by reference to local market practices, by providing an appropriate balance between fixed and variable remuneration.

Choice of performance measures and approach to target-setting

The performance metrics that are used for annual bonus and long-term incentive plans are drawn from a suite of Company KPIs monitored by the Board that are closely linked to the financial KPIs on pages 22-23.

In the annual bonus scheme, the financial measures to be used in 2025 are adjusted Group PBT and AWC to sales ratio. Adjusted Group PBT is a clear measure of the Company's trading performance, and AWC to sales ratio encourages the most efficient use of working capital and is how earnings are converted into cash. These metrics are aligned with the Company's objectives and strategy.

In addition, non-financial criteria also form part of the targets set in the bonus scheme and these are based on Company-specific sustainability objectives (e.g. health and safety, DE&I and environment) and/or strategic business objectives (e.g. relating to Innovation, Growth and Efficiency targets).

With regard to long-term performance targets for 2025, EPS is used since it is aligned with the Company's strategy of delivering profitable growth and creating long-term shareholder returns. ROCE is also used to align with long-term value creation. Use of relative TSR also further aligns shareholders and executives. GHG reduction targets are used to align with our commitment to operating sustainably.

Targets for financial metrics are set relative to internal planning expectations after having regard to general economic conditions, external market data, current and past performance of the business, and any organic or acquisitive growth plans.

Where appropriate, targets are set based on sliding scales. Only modest rewards are available for delivering performance at threshold levels or above, with maximum rewards requiring outperformance of our challenging plans approved at the start of each year.

The Committee keeps the choice of metrics and targets under review for both the annual and long-term incentive plans each year to ensure they are appropriate in light of the Company's current circumstances. The Committee retains discretion to revise the choice of metric and weightings within the incentives as detailed above. Should the Committee make material changes to the application of the Remuneration Policy from year to year, the Committee would give consideration to an appropriate form of dialogue with the Company's major shareholders.

Differences in Executive Remuneration Policy compared with other employees

The Committee is informed of pay structures across the wider Group when setting the Remuneration Policy for Executive Directors. The Committee considers the general basic salary increase for the broader Group and, in particular, the employees based in the US, the UK and Europe, when determining salary increases for the Executive Directors.

The same principles and values behind the design of remuneration for the Executive Directors apply to other members of the ELT and employees throughout the rest of the Group, with modifications to reflect local market practice and the level of seniority and ability to influence Group performance. Overall, the Remuneration Policy for Executive Directors is more heavily weighted towards variable pay than for other employees. This ensures that there is a clear link between the value created for shareholders and the remuneration received by the Executive Directors, given it is the Executive Directors who are considered to have the greatest potential to influence shareholder value creation.

The level of variable pay varies by level of employee within the Group and is informed by the specific responsibilities of each role and local market practice as appropriate.

In 2018, the Board introduced the ability to grant restricted shares into a new LTIP at that time. The majority of the ELT are based in the US, where it is common market practice to grant restricted shares. It is considered that the ability to grant restricted shares in tandem with performance-related share awards enables the Company to compete for the best talent. Where restricted shares are used, the award levels are generally lower than if performance shares were granted, since restricted share awards are more valuable to a recipient given there is no performance requirement attached to the vesting of the award. Restricted shares will not be granted to Executive Directors.

How the views of employees are taken into account

The Board has established a DNED for workforce engagement as a direct response to the UK Corporate Governance Code, enabling the workforce voice in Board matters. The role of the workforce engagement Director is to review and monitor employee insight informed by engagement activities and employee engagement surveys. Global reward principles are communicated regularly through the Company with additional detail on determination of pay, irrespective of position. Market comparisons are undertaken periodically versus appropriate local market data (e.g. FTSE 250 comparatives). These are used to inform decisions on remuneration quantum. The DNED engaged with the workforce on these principles during 2024, and feedback was sought during focus groups held. For more information on engaging with the workforce, please refer to pages 84-85.

Committee discretion with regard to incentive plans

The Committee will operate the annual bonus plan, deferred share bonus plan ("DSBP"), LTIP and all-employee plans according to their respective rules and in accordance with the Financial Conduct Authority's Listing Rules ('Listing Rules') and HMRC rules where relevant. The Committee retains discretion, consistent with market practice, in a number of regards to the operation and administration of these plans. These include the following (plan limits and performance targets restricted to the descriptions detailed in the preceding policy table):

- Who participates in the plans
- The timing of grant of award and/or payment
- The size of an award and/or payment
- The determination of vesting
- Dealing with a change of control (e.g. the timing of testing performance targets) or restructuring
- Determination of a good/bad leaver for incentive plan purposes based on the rules of each plan and the appropriate treatment chosen
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends)
- The annual review of performance conditions, including metrics and weightings, for the annual bonus plan and LTIP

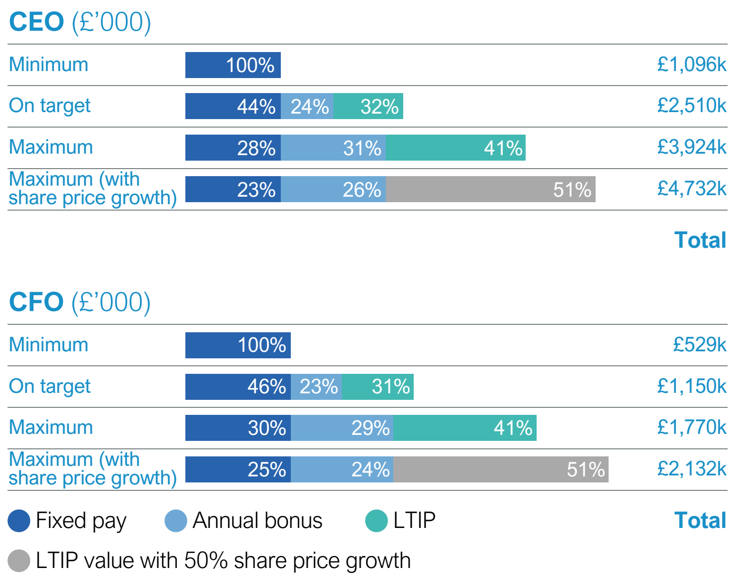
  The Committee also retains the ability to adjust the targets and/or set different measures and alter weightings for the annual bonus plan and to adjust targets for the LTIP if events occur (e.g. material divestment of a Group business) which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. The Committee has discretion to override incentive pay outcomes in the event that payouts are not considered reflective of overall Company performance having applied the performance conditions for the annual bonus and LTIP

CEO and CFO rewards scenario analysis

The bar charts below illustrate the potential pay opportunities for Executive Directors under three different scenarios for 2025. The CEO's remuneration has been converted into pounds sterling using the average exchange rate for 2024 ($1.2806:£1.00).

- Fixed: comprises fixed pay, being the value of salary, benefits and pension (based on 2024 Company contributions)
- On target: the amount receivable assumes performance in which 50% of annual bonus is payable and 50% of LTIP awards vest
- Maximum: the maximum amount receivable should all stretch targets be met and vesting under both the annual bonus scheme and LTIP is 100%
- Maximum with share price growth: in addition, we have provided an illustration of the maximum outcome assuming 50% share price appreciation for the purpose of the LTIP value

The LTIPs also relate to awards to be made in 2025 rather than any awards vesting in 2024.



Recruitment Policy

For Executive Director recruitment and/or promotion situations, the Committee will follow the policy outlined below:

Element	Policy
Basic salary	Basic salary levels will be set in accordance with the Company's Remuneration Policy, taking into account the experience and calibre of the individual (e.g. typically around market rates prevalent in companies of comparable size and complexity) or salary levels may be set below this level (e.g. if the individual was promoted to the Board). Where it is appropriate to offer a below-market rate of pay initially, a series of increases to the desired salary positioning may be given over the following few years subject to individual performance and development in the role.
Benefits	New Directors may be entitled to benefits such as life assurance, private medical health insurance, cover for dental costs, accidental death and disablement, long-term disability and provision of either a company car (for business and personal purposes) or a car allowance, club membership or any other appropriate benefit as the Committee reasonably determines. Where necessary, the Committee may approve the payment of reasonable relocation expenses to facilitate recruitment for a maximum period of 12 months.
Pension	Any new Executive Directors will have their pension level set to be aligned with the appropriate wider workforce rate (currently 8% of salary).
Annual bonus	The annual bonus would operate as outlined for current Executive Directors but, where necessary to aid recruitment, the maximum bonus opportunity is 200% of basic salary for the life of this policy. Bonus will be pro-rated for the proportion of the year served. Depending on the timing and responsibilities of the appointment, it may be necessary to set different performance measures and targets initially.
Long-term incentive	Awards under the LTIP will be granted in line with the policy outlined for the current Executive Directors on an annual basis but, where necessary to aid recruitment, the maximum award is 250% of basic salary for the life of this policy. An award may be made shortly after an appointment (subject to the Company not being in a prohibited period). For an internal hire, existing awards would continue over their original vesting period and remain subject to their terms as at the date of grant. In addition, if the grant of awards for that individual precedes his or her appointment as a Board Director for that financial year, the Committee's policy would include flexibility to top up awards for that year (subject to the overall individual salary limit) based on the Executive Director's new salary.
Buyout awards	In the case of an external hire, if it is necessary to buy out incentive pay or benefit arrangements which would be forfeited on leaving the previous employer, this would be provided for, taking into account the form (cash or shares), timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited. Replacement share awards may be granted using the Company's LTIP (up to the individual limit) or outside of the LTIP if necessary and as permitted under the Listing Rules.
Interim appointments	Where a Director is appointed on an interim basis (e.g. to cover a role until a permanent successor is appointed), the Company may pay additional remuneration to an individual in line with the policy for the role.

Outside Board appointments

The Company's policy is to support executives should they wish to take on an external board appointment, provided that there is no conflict of interest and the role does not interfere with the executive's commitment or duties. If an executive does take on an external appointment, they may retain any fees paid and will be restricted generally to only one such external appointment.

Service contracts

Executive Directors' service contracts contain a termination notice period not exceeding 12 months.

Name	Date of contract[1]	Notice period
Paul Waterman, CEO[2]	6 November 2015	12 months
Ralph Hewins, CFO	27 June 2016	12 months

1 The date of the service contract is not the same as the date of appointment, which for Paul Waterman was 8 February 2016 and Ralph Hewins 12 September 2016.
2 As announced on 18 November 2024, as part of an agreed leadership transition, Paul Waterman will step down from the Board no later than the Company's AGM on 29 April 2025 and cease employment no later than 31 July 2025.

Copies of the Executive Directors' service contracts are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the AGM.

Policy on payment for loss of office

Termination payments

The maximum amount payable under both the CEO's and CFO's contract is basic salary, benefits and pension for 12 months while each serves his notice period. For the Executive Directors, the terms covering termination were agreed at the date their contracts were made and both are required to mitigate their loss in the event of loss of office by making efforts to secure a new position.

The Company may pay compensation in lieu of the notice period of basic salary only, to be paid in monthly instalments (pro-rated for the actual notice period). This would apply if the Company terminates his/her contract for any reason other than for cause, or if he/she serves notice to terminate his/her contract in 12 months' time.

Payments in lieu of notice to both the CEO and CFO may be reduced or ceased if either secures a new position. In both cases, the payments will only be ceased if the salary in a new position is equal to or more than the salary on termination; if not, the monthly payments will be reduced by the gross salary earned by the CEO or CFO in his/her new position each month.

The above summary only addresses contractual rights to payments in lieu of notice, or during the relevant Director's notice period, and may not reflect any settlement, compromise sums or benefits (e.g. assistance with legal fees and outplacement services) which are separately agreed at the point of termination having taken appropriate legal advice.

Further details of remuneration arrangements in respect of Paul Waterman's departure, as announced on 18 November 2024, are set out in the information provided on the Company's website in accordance with Section 430(2B) of the Companies Act 2006.

Treatment of incentive plans

Annual bonus plan

If an Executive Director resigns and serves his/her notice period, the Committee retains discretion to make a pro-rata payment based on performance. The same applies in certain circumstances such as if the individual's employment is terminated on the grounds of ill health or disability. No bonus is payable for termination for cause.

In line with the Company's policy, rules of the annual bonus scheme incorporate a requirement to defer half of the amount of bonus vesting for two years in the form of share awards under the DSBP. In certain 'good leaver' circumstances (e.g. ill health, death), the Committee, acting fairly and reasonably, may waive deferral.

Deferred share bonus plan

If an Executive Director's employment is terminated before a deferred share award vests (after two years), deferred awards earned in connection with financial years ending 31 December 2024 would vest in full on the date of leaving unless termination is for cause, in which case the awards would lapse. For deferred awards earned in connection with financial years commencing from 1 January 2025, which will be granted under a new DSBP as a result of the expiry of the previous plan, the default position will be for deferred share bonus awards will continue to vest on their normal vesting date unless termination is for cause (or for any other reason as determined by the Committee), in which case the awards would lapse.

LTIP

As with the annual bonus plan, the Company's LTIP also includes a number of discretions in connection with an Executive Director leaving employment. Other than in certain defined 'good leaver' circumstances, awards lapse on cessation of employment. Where an individual ceases employment for one of the defined 'good leaver' events (i.e. ill health, disability, redundancy within the meaning of UK legislation or its overseas equivalent, transfer out of the Group/sale of business or retirement with employer's consent and, in the case of the new LTIP, any other reason at the discretion of the Committee), the award will remain eligible to vest on its normal vesting date (unless the Committee uses its discretion to vest the award on the date of cessation of employment), in all cases subject to a pro-rata reduction to reflect the portion of the vesting period that has elapsed (unless the Committee determines otherwise) and the application of the performance condition. In the event of a death of an Executive Director, the default is for the award to vest at the date of death unless the Committee determines otherwise, in which case it will vest at the normal vesting date with pro-rating and performance conditions applied as described in other 'good leaver' circumstances.

Similar provisions apply in the event of a change of control, with performance measured up to the date of the relevant event, and a pro-rata reduction applying unless the Committee determines otherwise.

It is the Committee's policy to exercise these discretions in a way that would be in the best interests of the Company and depending on the individual circumstances of each case.

Payments agreed prior to the effective date of this policy

Any agreements entered in good faith prior to the commencement of the 2022 Remuneration Policy will remain eligible to operate on their original terms.

Non-Executive Directors' terms of appointment

Non-Executive Directors are appointed for a three-year term, subject to annual re-election by shareholders. For Non-Executive Directors who have served for nine years or more, they may be appointed for a further year at a time. Each letter of appointment currently provides that the Director's appointment can be terminated by the Company on six months' notice on any grounds without claim for compensation. Following the 2018 AGM, the letters of appointment of the Non-Executive Directors were amended to 30 days' notice by either party, which is the application of the new Remuneration Policy where a limit of up to three months is permitted. All other terms will remain the same. The Chair's letter of appointment will remain with a six months' notice period.

Non-Executive Directors are not eligible to participate in any pension, bonus or share incentive schemes. No individual is allowed to vote on his/her own remuneration.

The table below provides further details of the letters of appointment that the Non-Executive Directors held with the Company during 2024.

Name	Date of appointment	Date of last re-appointment	Date of expiry
Non-Executive Director			
Dorothee Deuring	1 March 2017	1 March 2023	1 March 2026[1]
Steve Good[3]	20 October 2014	21 October 2023	29 April 2024[2]
John O'Higgins	4 February 2020	4 February 2023	4 February 2026[1]
Trudy Schoolenberg	15 March 2022	15 March 2025	15 March 2028
Christine Soden	1 November 2020	1 November 2023	1 November 2026[2]
Clement Woon	1 December 2022	n/a	1 December 2025
Maria Ciliberti	11 March 2024	n/a	11 March 2027
Heejae Chae	25 March 2024	n/a	25 March 2027

1 Dorothee Deuring and John O'Higgins' re-appointments were approved by the Nomination Committee on 6 December 2022.
2 Steve Good and Christine Soden's re-appointments were approved by the Nomination Committee on 29 September 2023.
3 Steve Good retired from the Board at the conclusion of the AGM on 30 April 2024.

Shareholder engagement

The views of shareholders are important to the Committee. Regular dialogue and engagement with the Company's shareholders is undertaken. For example, the Committee wrote to its major shareholders and the leading advisory bodies in 2025 with the proposed changes to the Policy and its operation going forward.

Annual report on remuneration ('report')

This report details how the Company's policies and practices on Directors' remuneration were applied in respect of the financial year ended 31 December 2024 and how they will be applied in the 2025 financial year.

Remuneration payable to Directors for 2024 (audited)

Although the Company reports its results in US dollars, the remainder of this report on remuneration is presented in pounds sterling because the majority of the Directors are UK-based and paid in pounds sterling. A breakdown of the Directors' remuneration for the year ended 31 December 2024 is set out in the table below.

		Fixed				Performance-related				
£'000	Year	Salary/fees	Benefits[2]	Pension	Total fixed	Bonus	LTIP	Other[3]	Total variable	Total
Executive Directors										
Paul Waterman[1], CEO	**2024**	**808**	**120**	**167**	**1,095**	**978**	**966**	**0**	**1,944**	**3,039**
	2023	804	106	162	1,072	928	710	42	1,680	2,752
Ralph Hewins, CFO	**2024**	**414**	**29**	**87**	**530**	**418**	**436**	**18**	**872**	**1,418**
	2023	398	28	84	510	383	339	18	740	1,250
Non-Executive Directors										
John O'Higgins, Chair	**2024**	**216**	–	–	**216**	–	–	–	–	**216**
	2023	208	–	–	208	–	–	–	–	208
Dorothee Deuring[4]	**2024**	**59**	–	–	**59**	–	–	–	–	**59**
	2023	56	–	–	56	–	–	–	–	56
Trudy Schoolenberg[5]	**2024**	**69**	–	–	**69**	–	–	–	–	**69**
	2023	65	–	–	65	–	–	–	–	65
Christine Soden[6]	**2024**	**74**	–	–	**74**	–	–	–	–	**74**
	2023	71	–	–	71	–	–	–	–	71
Clement Woon[7]	**2024**	**65**	–	–	**65**	–	–	–	–	**65**
	2023	56	–	–	56	–	–	–	–	56
Maria Ciliberti[8]	**2024**	**47**	–	–	**47**	–	–	–	–	**47**
	2023	–	–	–	–	–	–	–	–	–
Heejae Chae[9]	**2024**	**45**	–	–	**45**	–	–	–	–	**45**
	2023	–	–	–	–	–	–	–	–	–
Former Directors										
Steve Good[10]	**2024**	**23**	–	–	**23**	–	–	–	–	–
	2023	66	–	–	66	–	–	–	–	66
Total	**2024**	**1,820**	**149**	**254**	**2,223**	**1,396**	**1,402**	**18**	**2,816**	**5,039**
Total	2023	1,724	134	246	2,104	1,311	1,049	60	2,420	4,524

1 Paul Waterman is based in the US and paid in US dollars. He received an annual salary of $1,034,835 (2023: $995,033). His pension comprises a salary supplement and employer contributions to defined contribution retirement schemes. The foreign exchange rate applied is the 2024 average rate of $1.2806:£1.00 (2023: $1.2373:£1.00).
2 Taxable benefits for Paul Waterman consist of a car allowance (£21,300), private health care (£29,808), dental, life assurance, accidental death and disablement cover and long-term disability insurance (£46,391), and tax advice (£23,427). The tax advice benefit allows appropriate tax filings to be made in both the UK and US as a result of Company business travel requirements during 2023/24, which exceeded the normal business expectations agreed on appointment and gave rise to the need for dual filings. Taxable benefits for Ralph Hewins consist of a car allowance (£18,000), private health care and life assurance.
3 As required by remuneration reporting regulations, the valuation of Paul Waterman's US savings-related share option scheme (SRSOS) award and Ralph Hewin's SAYE grant are based on the face value of shares at grant (September 2022), less the exercise price. There are no performance measures for either the SRSOS or SAYE.
4 Dorothee Deuring's salary was incorrect in the 2023 ARA and has been corrected above.
5 Trudy Schoolenberg is the SID.
6 Christine Soden is the DNED for workforce engagement. She is also Chair of the Audit Committee.
7 Clement Woon became Chair of the Remuneration Committee on 30 April 2024 following Steve Good retiring from the Board at the conclusion of the 2024 AGM.
8 Maria Ciliberti was appointed to the Board on 11 March 2024.
9 Heejae Chae was appointed to the Board on 25 March 2024.
10 Steve Good retired from the Board at the conclusion of the AGM on 30 April 2024, stepping down as Chair of the Remuneration Committee on that date.

Determination of annual bonus outcome for performance in 2024 (audited)

This section shows the performance targets set in respect of the 2024 annual bonus scheme and the level of performance achieved.

Full details of the bonus assessment for the Executive Directors is set out below. The bonus targets were set prior to the start of the financial year based on the continuing operations of the Company. The range of targets were set to be similarly challenging to those set in prior years having had regard to both internal planning and prevailing market conditions. The total bonuses payable based on the performance achieved are 77.9% of maximum for the CEO and CFO. The Committee was comfortable with the bonus earned in the context of the performance delivered and did not consider it necessary to use discretion in relation to the bonus out-turn. Accordingly, and in line with the Policy, 50% of the bonus payable will be deferred over shares which will be released to the Director after two years and which are forfeitable for gross misconduct.

		2024 bonus plan targets					Percentage of maximum bonus earned		Percentage of salary earned	
Full-year bonus	Relative weighting of performance conditions	Threshold	Plan	Stretch	Actual result	Percentage of maximum	Paul Waterman CEO	Ralph Hewins CFO	Paul Waterman CEO	Ralph Hewins CFO
Maximum										
PBT ($m)	50%	84.5	90.0	99.0	105.0	100%	100%	100%	75%	62.5%
AWC to sales (%)	20%	24	22	20	23.4	15%	15%	15%	4.5%	3.75%
Non-financial	30%	n/a	n/a	n/a	24.9/30	83%	83%	83%	37.35%	31.125%
Total full-year	100%						77.9%	77.9%	116.85%	97.375%

In relation to the targets, 0% is payable at the threshold performance levels, 50% at plan and 100% at the stretch performance level.

Set out below is a summary of the Committee's assessment of the challenging 2024 non-financial targets. The objectives were categorised into two categories: (1) sustainability priorities (15% weighting) and (2) Innovation, Growth and Efficiency (15% weighting).

2024 bonus assessment for CEO and CFO: Non-financial targets

Measure	Performance indicator	Achievements	Summary scoring
Sustainability objectives			
Safety, compliance, and risk management Focus on maintaining and strengthening responsible workplace practices through plant-based safety engagement	• Recordable injuries: threshold 8; target 6; stretch 4 • Plant safety engagement: threshold 75% engagement minimum 2 activities/employee per quarter; maximum 75% engagement 4 activities/employee per quarter	• Recordable injuries which related to 100% achievement of this objective: 2 • Safety engagement: Weighted average engagement above 75% with a weighted average number of activities/employee per quarter of 3.87. This equated to 96.7% out of 100% for this objective Targets exceeded for each objective	Achieved in full or predominantly achieved 4.9% / 5%
Diversity, Equity and Inclusion Continue to build organisational capability through actions that increase employee engagement and create a more diverse, equitable and inclusive organisation	• Gender diversity: new-hire diversity; Porto site hiring diversity • ELT and direct reports on track for at least 40% of each gender by 2025 • Gallup Q12 and Culture of Inclusion index	• New hire diversity: 40% female, 42% of US race/ethnically diverse, Porto site 60% female • ELT and Direct Reports 42% female (FTSE Women leaders definition) • Gallup Q12: 3.86-3.91 and Gallup Culture of inclusion: 3.86-3.96 Targets exceeded for each objective	Achieved in full or predominantly achieved 5% / 5%
Environmental Continue to demonstrate clear progress towards achieving our 2030 goals through implementation of key energy-efficiency and environmental projects, and continue to put actions in place to minimise environmental Tier 2 and 3 incidents. Prepare for regulatory and best practice driven changes (e.g. corporate disclosure, Net Zero transition plan, setting an SBT)	• Overall GHG emissions • 2030 target progress • SBT plan, sub-plans fully articulated • Sustainability fully integrated into portfolio and innovation management • Responsible sourcing approach in place	• Absolute GHG emissions increased vs 2023 • 2030 targets behind 2023 • SBT plan and sub plans completed • Good progress integrating sustainability into portfolio and innovation management which included Sotkamo site electrification being completed and naturally-derived products revenue increasing from 68 to 69% • Ecovadis gold maintained and risk service live Three of the five targets achieved	Partially achieved 3% / 5%
Strategic objectives			
Growth Deliver 2024 components of $90m growth platform promise, setting up 2025 and 2026 for success	• Above-market sales of $6m in Personal Care and $16m in Performance Specialties in 2024 • 15 new products with sustainability benefits • Innovation revenue increasing to 15% • Pipeline of new products for 2025 • NBO revenue delivered in 2024 plus growth in pipeline	• $6m in PC and $20m in PS • 22 new products of which 15 have sustainability benefits • Innovation revenue to 15.3% • 15 new products planned for 2025 • $60m NBO revenue plus pipeline increased from $320m to $327m All targets achieved in full or exceeded	Achieved in full or predominantly achieved 5% / 5%
Efficiency Deliver 2024 components of CMD targeted efficiency savings, setting up for full delivery in 2025	• Deliver Fit for the Future – $7m • Supply Chain $3m and Procurement $2m • Fit for the Future programme, Supply Chain and Procurement initiatives on track for full delivery in 2025 • Complete Taloja customer fulfilment transition	• F4TF achieved $10m saving • Supply achieved $4m and Procurement $4m • All programmes on track for 2025 delivery • Taloja transition complete All target achieved in full or exceeded	Achieved in full or predominantly achieved 5% / 5%
Talc future path Set out and implement path for the future whilst delivering 2024 operating profit	• Strategic options evaluated • 2024 Financial performance: OP delivery; margins; cost optimisation and synergies	• The strategic review of Talc is progressing with options evaluated amid the ongoing regulatory uncertainty • OP targets missed with reduced margins. Ceased to pursue cost optimisation and synergies Targets on strategic review in line with Board timetable, with financial targets not met	Partially achieved 2% / 5%

Key to summary scoring

Achieved in full or predominantly achieved   Partially achieved   Not achieved

Directors' share-based awards

Determination of 2022 LTIP awards (audited)

Under the 2022 award, the performance is assessed against EPS growth, relative TSR and cash conversion performance metrics, as summarised below.

The EPS growth and relative TSR and AOCC targets were partially met. Overall this has resulted in 48.7% of the award vesting. The Committee considers this to be in line with underlying performance.

In determining vesting, the Committee considered:

- ROCE (excluding goodwill) over the performance period, which increased from 13% to 23.3% in challenging market conditions, and, as such, the Committee confirmed the formulaic outcome
- The potential for windfall gains, which, given the share price used to determine the number of shares included in awards in April 2022 was £1.190 (which was consistent with the share price used as the basis to determine the 2021 award (£1.2550)) and the prevailing share price in February 2020 prior to the onset of the COVID-19 pandemic, were not considered to have arisen

Performance metric	Weighting	Threshold target	Threshold payout	Maximum target	Elementis achievement	Payout
EPS[1]	33.3%	10.9 cents per share	0%	14.7 cents per share	13.3 cents per share	63.2%
Three-year operating cash conversion	33.3%	85%	0%	95%	88.2%	32%
Relative TSR vs FTSE All-Share Index	33.3%	Median	25%	Upper quartile	58th	50.9%

1 As disclosed in the 2022 Directors' Remuneration Report, the targets were restated to exclude earnings from Chromium in connection with the sale of the business. The range of targets were reduced to reflect the forecast earnings expected from Chromium at the time the targets were set so as to ensure that the restated target was no more or less challenging than when they were originally set. Accordingly, the threshold target was adjusted from 13 cents per share to 10.9 cents per share and the maximum from 17.5 cents per share to 14.7 cents per share.

Based on this performance assessment, the table below illustrates the value receivable under the 2022 awards. Any shares vesting will be subject to a two-year holding period.

Award holder	Number of awards granted	Payout (% of maximum)	Number of shares due to vest	Value from share price increase[1]	Value of dividend equivalents[2,3]	Total value vesting[3]
Paul Waterman	1,236,244	48.7%	602,051	£117	£15	£966
Ralph Hewins	559,656	48.7%	272,552	£53	£6	£436

1 There was share price appreciation from the date of grant (£1.190) to the three-month average share price to 31 December 2024 (£1.385).
2 Value of dividend equivalents estimated based on dividends until 31 December 2024.
3 Value of shares based on a three-month average share price of £1.385 to 31 December 2024. This value will be restated next year based on the actual share price on the date of vesting.

Annual LTIP awards granted in the year (audited)

On 8 April 2024, LTIP awards were granted in line with the Remuneration Policy. The CEO was granted an award over shares to the value of 200% of salary and 175% of salary for the CFO. Share awards will ordinarily vest after three years, with any shares vesting (other than those sold to meet associated tax liabilities) subject to a two-year holding requirement.

Details of the main terms of the 2024 LTIP awards are summarised in the table below. In addition, the Committee retains the discretion to reduce the number of shares on vesting should it be considered appropriate to do so (e.g. in the event that there was perceived windfall gain).

Award holder	Type of share award	Grant date	Number of awards	Face value of award at grant (£000s)[1]
Paul Waterman	Nil cost (restricted stock unit)	08.04.2024	1,107,011	£1,638,376
Ralph Hewins	Nil cost option	08.04.2024	489,054	£723,800

The awards are subject to EPS, TSR, AOCC and OPM performance conditions[2,3] (equally weighted), each measured over the three years to 31 December 2026 as shown in the table below.

Performance metric	Weighting	Threshold target	Threshold payout	Target	Target payout	Stretch target	Stretch payout	End of the performance period
EPS	25%	2026 EPS of 14 cents per share	0%	2026 EPS of 17 cents per share	50%	2026 EPS of 18.5 cents per share	100%	31.12.2026
Cash conversion	25%	80%	0%	n/a	n/a	100%	100%	31.12.2026
OPM	25%	18%	0%	n/a	n/a	20%	100%	31.12.2026
Relative TSR vs FTSE All-Share Index	25%	Median	25%			Upper quartile	100%	31.12.2026

1 The share price used to determine the number of awards granted was £1.48, based on the share price on the day prior to grant (5 April 2024).
2 The vesting of the award is also subject to a ROCE underpin which requires the Company to consider whether the return generated is in line with the Board's expectations and, if not, to reduce the vesting to a more appropriate level. The Committee also retains discretion to reduce the number of shares on vesting should it be considered appropriate, including in the event of a perceived windfall gain.
3 The rationale for the amendment to the choice of performance metrics and the range of financial targets set was detailed in last year's Directors' Remuneration Report.

Sourcing shares for our share plans

Employee share plans comply with the Investment Association's guidelines on dilution, which provide that overall issuance of shares under all plans should not exceed an amount equivalent to 10% of the Company's issued share capital over any ten-year period. We also operate an executive share plan dilution limit of 5% of the Company's issued share capital over a ten-year period. Based on the number of awards that remain outstanding as at the year end, the Company's headroom for all plans is 4.11% and for discretionary plans is 3.45% of issued share capital.

Directors' scheme interests (audited)

The interests of the persons who were Directors during the year in the issued shares of the Company were:

Executive Directors	Interest type	Grant date	Option price (p)	01.01.24[1]	Scheme interests: Granted during 2024	Scheme interests: Exercised during 2024	Scheme interests: Lapsed during 2024	31.12.24	Vested but unexercised share options
Paul Waterman	LTIP[1]	06.04.2021	–	1,079,362	–	590,411	488,951	–	–
	DSBP[2]	05.03.2022	–	490,383	–	490,383	–	–	–
	LTIP[1]	04.04.2022	–	1,236,244	–	–	–	1,236,244	–
	SRSOS[5]	20.09.2022	92.31	45,584	–	39,093	6,491	–	–
	DSBP[2]	08.03.2023	–	374,376	–	–	–	374,376	–
	LTIP[1]	03.04.2023	–	1,350,978	–	–	–	1,350,978	–
	DSBP[2]	08.03.2024	–	–	323,899	–	–	323,899	–
	LTIP[1]	08.04.2024	–	–	1,107,011	–	–	1,107,011	–
Total scheme interests				**4,576,927**	**1,430,910**	**1,119,887**	**495,442**	**4,392,508**	Nil
Ralph Hewins	DSBP[2]	07.03.2017	–	7,140	–	–	–	7,140	7,140
	RA[3]	07.03.2017	–	92,262	–	–	–	92,262	92,262
	RA[4]	07.03.2017	–	17,458	–	–	–	17,458	17,458
	DSBP[2]	05.03.2018	–	73,123	–	–	–	73,123	73,123
	DSBP[2]	06.03.2019	–	48,865	–	–	–	48,865	48,865
	DSBP[2]	05.03.2020	–	76,266	–	–	–	76,266	76,266
	LTIP[1]	06.04.2021	–	515,214	–	281,822	233,392	–	–
	DSBP[2]	05.03.2022	–	213,105	–	–	–	213,105	–
	LTIP[1]	04.04.2022	–	559,656	–	–	–	559,656	–
	SAYE[6]	20.09.2022	88.00	20,454	–	–	–	20,454	–
	DSBP[2]	08.03.2023	–	147,833	–	–	–	147,833	–
	LTIP[1]	03.04.2023	–	584,349	–	–	–	584,349	–
	DSBP[2]	08.03.2024	–	–	138,015	–	–	138,015	–
	LTIP[1]	08.04.2024	–	–	489,054	–	–	489,054	–
Total scheme interests				**2,355,725**	**627,069**	**281,822**	**233,392**	**2,467,580**	315,114

1 LTIP awards are subject to performance conditions. The same relative TSR performance conditions apply in respect of all awards. The EPS target for the 2021 awards is based on FY23 EPS of between 8.4 cents and 10.9 cents, for the 2022 awards is based on FY24 EPS of between 10.9 cents and 14.7 cents, for the 2023 awards is based on FY25 EPS of between 13 cents and 17 cents. The operating cash conversion performance conditions for the 2022 and 2023 awards is based on three-year targets between 85% and 95% for 2022, and 80% and 100% for 2023. These awards ordinarily vest on the third anniversary of the grant date. Full detail of the vesting conditions for the 2024 awards are set out on page 103.

2 Conditional share award under the DSBP. Structured as restricted stock units for Paul Waterman and nil cost options for Ralph Hewins. The 2020 DBSP vested on 5 March 2022. Paul Waterman's tax liability crystallised on vesting, which he self-funded and he therefore retained the 188,130 shares. Ralph Hewins' 2020 DSBP award has vested but has not yet been exercised. For DSBP awards granted in March 2020, the share price at date of grant was 98.95 pence. The face value of awards at grant were £186,155 and £75,466 for Paul Waterman and Ralph Hewins respectively. Both Executive Directors recommended and the Committee agreed that no bonus be payable in respect of 2020, therefore no DSBP awards were granted in 2021. For DSBP awards granted in March 2022, the share price at date of grant was 103.8 pence with the face value of awards at grant of £509,018 and £221,204 for Paul Waterman and Ralph Hewins respectively. For DSBP awards granted in March 2023, the share price at date of grant was 126.1 pence with the face value of awards at grant of £472,088 and £186,418 respectively. For DSBP awards granted in March 2024, the share price at date of grant (8 April 2024) was £1.386 pence with the face value of awards at grant of £448,924 and £191,289 for Paul Waterman and Ralph Hewins respectively.

3 Replacement awards structured as nil cost options made under standalone arrangements that borrow terms from the LTIP as amended. In line with the remuneration forfeited on leaving his former employer, the 2017 award did not have performance conditions, but shares were required to be held for two years.

4 Replacement awards structured as nil cost options made under standalone arrangements that borrow terms from the DSBP as amended.

5 Options held under the Elementis plc US savings-related share option scheme 2018. This is a savings-based share option scheme that is not subject to performance conditions. A 2022 grant was made on 20 September 2022 with an option price of 92.31 pence per share.

6 Options held under the UK SAYE scheme. This is a savings-based share option scheme that is not subject to performance conditions. A 2022 grant was made on 20 September 2022 with an option price of 88.00 pence per share. Further details on this scheme is shown in Note 26 to the consolidated financial statements on page 181.

Directors' share interests (audited)

The interests of the Directors (including any connected persons) during the year in the issued shares of the Company were:

	01.01.24	Acquired during 2024	Disposed during 2024	31.12.24	Shareholding level met as at 31.12.24
Executive Directors					
Paul Waterman	1,268,481	679,482	350,000	1,597,963	Yes[1]
Ralph Hewins	143,770	145,320	–	289,090	No[1]
Non-Executive Directors					
Dorothee Deuring	26,250	–	–	26,250	n/a
Steve Good[2]	82,500	–	–	82,500	n/a
John O'Higgins	125,600	–	–	125,600	n/a
Trudy Schoolenberg	30,000	–	–	30,000	n/a
Christine Soden	30,000	–	–	30,000	n/a
Clement Woon	30,000	20,000	–	50,000	n/a
Maria Ciliberti[3]	n/a	10,000	–	10,000	n/a
Heejae Chae[4]	n/a	34,000	–	34,000	n/a

1 As per the Policy, Executive Directors are expected to build up a shareholding that is equal in value to 200% of their basic annual salaries. Share awards vesting over time will contribute to meeting the shareholder requirement.
2 Steve Good retired from the Board at the conclusion of the AGM on 30 April 2024 and his shareholding at the end of 2024 is as at that date.
3 Maria Ciliberti was appointed to the Board on 11 March 2024.
4 Heejae Chae was appointed to the Board on 25 March 2024.

The market price of ordinary shares at 31 December 2024 was £1.452 pence (2023: £1.276 pence) and the range during 2024 was £1.156 pence to £1.662 pence (2023: £0.9775 pence to £1.296 pence).

As at 31 December 2024, the trustee of the Company's Employee Share Ownership Trust ("ESOT") held 968,021 shares (2023: 1,458,404). As Executive Directors and as potential beneficiaries under the ESOT, Paul Waterman and Ralph Hewins are deemed to have an interest in any shares that become held in the ESOT.

As at 5 March 2025, no person who was then a Director had any interest in any derivative or other financial instrument relating to the Company's shares and, so far as the Company is aware, none of their connected persons had such an interest. There was no other change, so far as the Company is aware, in the relevant interests of other Directors or their connected persons.

Other than their service contracts, letters of appointment and letters of indemnity with the Company, none of the Directors had an interest in any contract of significance in relation to the business of the Company or its subsidiaries at any time during the financial year.

Directors' retirement benefits (audited)

The table below shows the breakdown of the retirement benefits of the Executive Directors, comprising employer contributions to defined contribution plans and salary supplements paid in cash.

Paul Waterman received a salary supplement and participated in US contractual retirement schemes. Further detail can be found in the Policy. The amount shown in the table below represents employer matching contributions, and both this and the salary supplement are included in the Directors' emoluments table shown on page 122.

Ralph Hewins received a salary supplement in lieu of any other retirement benefit. The amount received is shown in the table below and in the Directors' emoluments table.

	Defined contribution plans		Salary supplement	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Paul Waterman	**42**	37	**125**	125
Ralph Hewins	**n/a**	n/a	**87**	84

Note: The pensions received were consistent with the Company's Remuneration Policy at up to a total of 21% of salary and for Paul Waterman included contributions to his US pension arrangements (which included a tax-qualified 401(k) plan and a non-qualified plan).

Payments to past Directors or payments for loss of office (audited)

As announced on 18 November 2024, Paul Waterman will step down from his role as Chief Executive Officer no later than 29 April 2025. He will remain employed by the Group in order to ensure an orderly handover to his successor, until his employment ends on 31 July 2025. Remuneration arrangements in respect of his departure, having taken legal advice in connection with his US contract, reflect his contractual entitlements, the Directors' Remuneration Policy approved by shareholders at the AGM on 26 April 2022 and the rules of the relevant plans. The payments to be made in connection with his loss of office are as set out below:

Salary and benefits

These will continue to be provided in line with the terms of his service agreement through to 31 July 2025, after which Mr Waterman will cease to be employed by the Group. He will receive a payment in lieu of any accrued but unused annual leave as of 31 July 2025. From 1 August 2025 through to 18 November 2025 he will receive continued payment of his base salary in lieu of serving the remainder of his 12-month notice period. These payments are subject to mitigation.

Annual bonus

Mr Waterman will remain eligible to participate in the Elementis Group Annual Bonus Plan:

(a) for the financial year ending 31 December 2024, subject to achievement of performance measures. The payment of any bonus earned will be made by way of (a) cash lump sum to the value of 50% of the bonus entitlement in March 2025, and (b) deferred shares to the value of 50% of the bonus entitlement, which will vest on 31 July 2025. The deferred shares (net of any tax due) will need to be retained in connection with the two-year post cessation of employment shareholding policy (see below); and

(b) for the financial year ending 31 December 2025, pro-rated to 31 July 2025, subject to achievement of performance measures. Payment will be made by way of (a) cash lump sum to the value of 50% of the bonus entitlement, and (b) deferred shares to the value of 50% of the bonus entitlement, which will vest in March 2028.

Any bonuses paid will remain subject to malus and clawback as well as the wider terms of the plan.

Long-term incentive plan awards

The Remuneration Committee determined Mr Waterman to be a good leaver under the rules of the Elementis LTIP as a result of his cessation of employment being by way of mutual agreement in connection with the Board's leadership succession plans. Outside of his 2022 LTIP award, the details of which are set out above in connection with his continued employment through the vesting period, his 2023 and 2024 LTIP awards will remain eligible to vest on their normal vesting dates in 2026 and 2027 respectively, subject to pro-rata reduction to reflect the period from grant to the cessation of his employment on 31 July 2025 relative to three years and the application of performance conditions. After pro-ration to 31 July 2025, Paul Waterman has 1,048,704 shares eligible to vest under the 2023 LTIP award and 484,254 shares eligible to vest under the 2024 LTIP award. In accordance with the rules of the LTIP, any vested shares will remain subject to the terms of the plan, which include a two-year holding period from vesting and malus and clawback provisions.

Other payments

Paul Waterman will receive a capped contribution of up to £20,000 (excluding VAT) towards legal advisory fees incurred in connection with his departure; and up to £50,000 (excluding VAT) towards the preparation of tax filings for each year in which he receives employment income from the Group that is taxable in the UK and career transition advisory support. The contribution towards tax support is consistent with his in employment benefit and provided in lieu of this benefit for the balance of his notice period.

Post-cessation share ownership guidelines

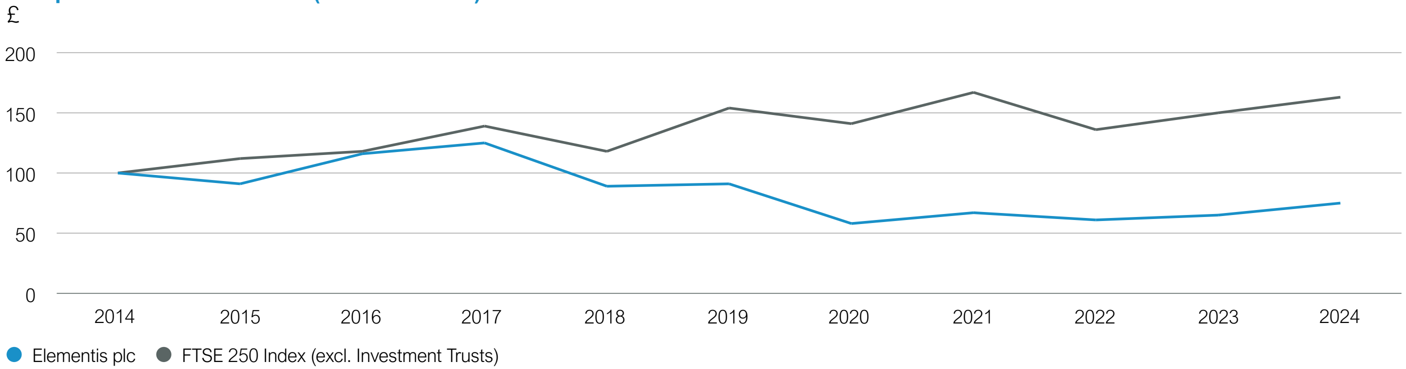
In accordance with the post-cessation shareholding policy introduced in 2022, no shares derived from incentive plans from 2022 onwards may be sold (other than to pay any tax arising on vesting) within two years of cessation of employment unless the shares retained, after tax, from those awards exceed the number of shares calculated to be of value equivalent to 200% of salary as at 31 July 2025 divided by the closing share price on 31 July 2025. LTIP shares are subject to a two-year holding period under the Remuneration Policy.

Total shareholder return performance and change in CEO's pay

The graph below illustrates the Company's total shareholder return for the ten years ended 31 December 2024, relative to the FTSE 250 Index, along with a table illustrating the change in CEO pay over the corresponding period. The table also details the payouts for the annual bonus scheme and LTIP.

As the Company's shares are denominated and listed in pence, the graph below looks at the total return to 31 December 2024 of £100 invested in Elementis on 31 December 2015 compared with that of the total return of £100 invested in the FTSE 250 Index. This index was selected for the purpose of providing a relative comparison of performance because the Company is a member of it.

TSR performance since 2014 (rebased to 100)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
CEO pay (total remuneration – £'000s)	763	1,553[1]	2,539	1,229	1,114	1,007	1,946	2,214	2,752	**3,039**
Annual bonus payout (% of maximum)	0%	27.5%	93.0%	35.0%	17.3%	0%	93%	75%	74%	**77.9%**
LTIP vesting (% of maximum)	0%	91.2%[2]	91.4%[3]	0%	0%	0%	0%	11.1%	54.7%	**48.7%**

1 Includes remuneration for Paul Waterman and David Dutro for the period in which each was CEO during 2016.
2 Relates to Paul Waterman's buy-out awards which vested in March 2017.
3 Relates to Paul Waterman's buy-out awards vesting in March 2018.

CEO to all-employee pay ratio

Whilst Elementis is not required to publish a CEO to all-employee pay ratio given it has fewer than 250 UK employees, voluntary disclosure of the pay ratio is included below. In line with the relevant legislation, the analysis has been completed using Option A (i.e. actual total remuneration earned has been used as the basis for comparison). The reference date for the analysis was 31 December 2024.

Whilst this is only based upon circa 80 UK employees, there is a mix of factory-based employees (circa 75%) and corporate head office employees. Option A was used as it was deemed the most accurate and prevalent among recent FTSE 250 disclosures. The 2024 ratio is equivalent to the 2023 figure due to the continued higher ratio of variable pay within the CEO's overall compensation as a result of the vesting of the 2022 LTIP award. Circa 10% of UK employees are eligible for LTIP. The ratio is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole. The pay ratio illustrates the greater leverage in Director packages versus the wider workforce in that in years where Elementis performs strongly against its performance targets, the ratio is generally higher.

CEO pay ratio	2019	2020	2021	2022	2023	**2024**
Method	A	A	A	A	A	**A**
CEO single figure	£1,114	£1,007	£1,946	£2,214	£2,752	**£3,039**
Upper quartile	15	14	23	24	31	**37**
Median	21	19	34	40	52	**52**
Lower quartile	25	23	42	49	67	**66**

The salary and total pay for the individuals identified at the lower quartile, median and upper quartile positions in 2024 are set out below:

2024	Salary	Total pay
Upper quartile individual	74,484	81,188
Median individual	52,836	58,038
Lower quartile individual	44,324	46,138

Relative importance of spend on pay

The table below shows the total remuneration paid across the Group together with the total dividends paid in respect of 2024 and the preceding financial year.

£m	**2024**	2023	Change
Remuneration paid to all employees[1]	**84.8**	89.2	-5%
Total dividends paid in the year	**14.7**	0	14.7%

1 See Note 8 to the consolidated financial statements. The amounts for 2024 and 2023 have been converted from dollars into pounds sterling using the average USD/GBP exchange rates for those years.

Percentage change in the remuneration of the Directors (unaudited)

The table below shows the change in the Directors' pay and the corresponding change of these elements across all UK employees within the Group from 2023 to 2024.

	Average percentage change 2020-21			Average percentage change 2021-22			Average percentage change 2022-23			Average percentage change 2023-24		
	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus
CEO[1,2,3,4]	2%	26%	100%	3%	-4%	-17%	3.2%	24.7%	2.7%	4%	17.8%	11.8%
CFO[1,2]	2%	4%	100%	3%	4%	-16%	4.5%	0%	2.7%	4%	13.2%	9.1%
John O'Higgins[5]	131%	–	–	86%	–	–	4.5%	–	–	4%	3.6%	–
Dorothee Deuring	2%	–	–	3%	–	–	10.5%	–	–	4%	–	–
Trudy Schoolenberg[6]	–	–	–	–	–	–	31.9%	–	–	4%	–	–
Christine Soden[7]	512%	–	–	14%	–	–	9.3%	–	–	4%	–	–
Clement Woon[8]	–	–	–	–	–	–	4.5%	–	–	16.1%	–	–
Maria Ciliberti[9]	–	–	–	–	–	–	–	–	–	–	–	–
Heejae Chae[10]	–	–	–	–	–	–	–	–	–	–	–	–
Employees[3]	11.1%	–	–	1.8%	–	-12%	0.4%	–	-20.7%	4%	–	25.5%
Former Directors												
Andrew Duff[5]	-31%	–	–	–	–	–	–	–	–	–	–	–
Anne Hyland[11]	2%	–	–	-67%	–	–	–	–	–	–	–	–
Steve Good[12]	7%	–	–	3%	–	–	-0.2%	–	–	-0.2%	–	–

1 All percentages are based on converting relevant local currencies into pounds sterling using the average rates for the respective year.
2 The Executive Directors recommended and the Committee agreed that no bonuses should be payable in relation to 2020 performance.
3 The 2019-20 year-on-year change in the CEO's benefits are driven by increased private medical insurance subscription as a result of a change in coverage, while changes in employee salary, benefits and bonus are driven by changes to the employee population and movements in exchange rates.
4 The actual benefits cost for FY2022 were effectively understated in FY2022 by approximately £15,000 due to the timing of the medical payments. This has been corrected for 2023 and accounts for the majority of the 26% increase. Foreign exchange rates and changes in costs due to age and salary also impact 2023.
5 Andrew Duff stepped down as Chair on 1 September 2021, with John O'Higgins assuming the role.
6 Trudy Schoolenberg was appointed NED on 15 March 2022 and assumed the role of SID in April 2022.
7 Christine Soden joined the Board as NED and DNED for workforce engagement on 1 November 2020.
8 Clement Woon was appointed NED on 1 December 2022.
9 Maria Ciliberti was appointed NED on 11 March 2024.
10 Heejae Chae was appointed NED on 25 March 2024.
11 Anne Hyland retired from the Board in April 2022.
12 Steve Good retired from the Board on 30 April 2024 at the conclusion of the 2024 AGM.

Statement of shareholding voting

The resolutions to approve the 2022 Directors' Remuneration Policy and the 2023 Directors' Remuneration report were passed by a poll at the Company's 2022 and 2023 AGM respectively. Set out in the table below are the votes cast by proxy in respect of these resolutions.

	Votes for	% for	Votes against	% against	Votes withheld[1]
2023 Directors' Remuneration report (2024 AGM)	437,004,311	97.75	10,043,358	2.25	37,468,967
2022 Directors' Remuneration Policy (2022 AGM)	460,112,804	96.99	14,282,696	3.01	42,939

1 Votes withheld are not included in the final figures as they are not recognised as a vote in law.

Other information about the Committee's membership and operation

Committee composition

The Chair and members of the Committee are shown on pages 77 to 79, together with their biographical information. Five meetings were held during 2024 and the attendance of Committee members is shown on page 101.

The Chair, CEO and other Non-Executive Directors who are not members of the Committee have a standing invite to attend, and the CFO and CHRO also attend meetings by invitation, as appropriate. The Executive Directors are not present when their own remuneration arrangements are discussed or, if they are, they do not participate in the decision-making process.

External adviser

Korn Ferry was appointed as external independent adviser to the Committee in 2017 following a competitive tender process. During 2024, Korn Ferry provided advice to the Committee in relation to emerging market practice and benchmarking. Through a separate advisory team to the remuneration advisory team, Korn Ferry provided other human capital related services to the Nomination Committee. The Committee is therefore satisfied that the advice received was objective and independent. Korn Ferry is a member of the Remuneration Consultants Group and abides by the voluntary code of conduct of that body, which is designed to ensure objective and independent advice is given to remuneration committees. More information regarding the role of Korn Ferry in advising the Nomination Committee can be found on page 83. Fees paid to Korn Ferry for remuneration advisory services in 2024 were £81,000 (excluding VAT) and were charged on a time and materials basis.

Terms of reference

A full description of the Committee's terms of reference is available on the Company's website at www.elementis.com

Activities during the year

The Committee operated in line with its terms of reference during the year, setting the pay for the Executive Directors and wider senior leadership team, having oversight of pay across the organisation and setting the Board Chair's fee. The Committee considered the following at its meetings during 2024:

Committee meeting dates	Agenda items
February 2024	2021 LTIP performance outcomes
	2023 Executive Director bonus awards
	2024 LTIP targets/performance conditions and delegated authority to grant the 2024 awards
	ELT salary review and bonus payments
	CEO pay ratio calculations
	Approval of final draft of Directors' Remuneration report
July 2024	Market update and Remuneration Policy review discussion proposals
	Employee share schemes
October 2024	Application of Remuneration Policy in 2025
	Update on 2024 performance against annual bonus targets and 2022 LTIP
November 2024	CEO succession
December 2024	Institutional investor and proxy agency update
	Update on workforce pay reviews
	2025 salary reviews for Paul Waterman and Ralph Hewins
	Chair's fee review
	Letter to shareholders regarding 2025 Remuneration Policy
	Gender pay gap review
	Global benefits review
	Committee terms of reference

Outside of the above meeting dates, the Committee considered and confirmed operational matters in appropriate forums (e.g. the Executive Directors' annual bonus targets, granting of the 2024 LTIP awards, and CEO leaving arrangements).

Evaluation, training and development

On an annual basis, the Committee's effectiveness is reviewed as part of the evaluation of the Board. Following the evaluation last year, there were no major issues to report. During 2024, Committee members were updated on the latest developments on executive remuneration and all members received briefings from the Group General Counsel & Company Secretary and the Committee's remuneration advisers throughout the year, to keep them updated on topical matters and developments relating to executive remuneration.

Auditable sections of the Directors' Remuneration Report

The sections of the Annual Report on Remuneration that are required to be audited by law are as follows: Remuneration payable to Directors for 2024 and Directors' retirement benefits; and tables headed Annual LTIP awards granted in the year, Directors' scheme interests, Directors' share interests and Directors' retirement benefits.

Approved by the Board on 5 March 2025

Clement Woon
Chair, Remuneration Committee

Directors' report

The Directors present their report together with the Annual Report and Accounts, along with the audited consolidated financial statements of the Company, and the Group, for the year ended 31 December 2024.

The Directors' report is set out on pages 130 to 132, together with the information required to be disclosed (referred to below), which is incorporated by reference. The Company, in accordance with Section 414(C)(11) of the Companies Act 2006, has chosen to set out certain information required to be included in the Directors' report in the Strategic report. Such information is identified in the table below. The Governance report is set out on pages 76 to 133. Information from the consolidated financial statements referred to in this Directors' report is incorporated by reference.

Disclosure of information under Listing Rule 9.8.4

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, and as noted in this Directors' report, to include certain matters in its Strategic report that would otherwise be required to be disclosed in this Directors' report. The Strategic report can be found on pages 1 to 75 and includes an indication of future likely developments in the Company, details of important events and the Company's business model and strategic progress.

Directors

Directors and their interests

The biographical details of the Directors of the Company who held office during the year, and up to the date of the signing of the financial statements, are set out on pages 77 to 79.

Appointment and replacement of Directors

The Articles of Association (the 'Articles') give the Directors power to appoint and replace Directors. Under the terms of reference of the Nomination Committee, appointments are recommended by the Nomination Committee for approval by the Board. In line with the UK Corporate Governance Code, the Articles also require all Directors to retire and submit themselves for election at each AGM except for any Director appointed by the Board after the notice of the AGM has been given. The service contracts of the Executive Directors and letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office.

Amendment of the Articles

Amendments to the Articles may be made by way of special resolution, in accordance with the Companies Act 2006. The most recent amendments to the Articles were approved at the AGM held on 30 April 2019.

Directors' powers

The business of the Company is managed by the Board, which may exercise all the powers of the Company, subject to the Articles, the Companies Act 2006 and any special resolution of the Company. The exercise of certain powers, including in relation to the issuing or buying back of shares, requires authority from the Company's shareholders. The Articles may only be amended by special resolution of the Company at a general meeting of its shareholders.

Directors' conflicts of interest

Ralph Hewins is in receipt of a conflict authorisation from the Company in respect of him acting as a trustee of the Elementis Group Pension Scheme. The conflict authorisation enables Ralph Hewins to continue to act as a trustee, notwithstanding that this role could give rise to a situation in which there is a conflict of interest. The Board considers that it is appropriate for the trustees of the UK pension scheme to benefit from the financial expertise of the CFO and that his contribution at trustees' meetings demonstrates the Board's commitment to supporting the UK pension scheme. The Board's conflict authorisation is subject to annual review and, under the terms of the conflict authorisation, reciprocal provisions have been put in place with a view to safeguarding information that is confidential to the Group, as well as to the trustees. Were a conflict of interest to arise, Ralph Hewins is required to excuse himself from reading the relevant papers and absent himself from participating in relevant discussions. Procedures are in place to ensure compliance with the Companies Act 2006. These procedures have been complied with during the year. Details of any new conflicts or potential conflict matters are submitted to the Board for consideration and, where appropriate, are approved. Authorised conflicts and potential conflict matters are reviewed on an annual basis and more frequently where required.

Directors' insurance and indemnities

In addition to the indemnities granted by the Company to Directors in respect of the liabilities incurred as a result of their office (which are qualifying third-party indemnity provisions under the Companies Act 2006), a directors' and officers' liability insurance policy is maintained throughout the year. Neither the indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently. Similar arrangements also exist for Directors of Group subsidiary entities.

Directors' share interests

The Directors' interests in the ordinary shares and options of the Company can be found within the Directors' Remuneration report on pages 123 to 124.

Shares

Share capital

As at 31 December 2024, the Company's issued share capital was 590,950,723 ordinary shares, with a nominal value of 5 pence each. Each issued share carries a voting right of one vote per share. All of the Company's issued shares are fully paid up and rank equally in all respects. The rights attached to the shares, in addition to those conferred on their holders by law, are set out in the Company's Articles. From time to time, the ESOT holds shares in the Company for the purposes of various share incentive plans and the rights attached to them are exercised by independent trustees, who may take into account any recommendation by the Company. As at 31 December 2024, the ESOT held 968,021 shares in the Company (2023: 1,458,404). A dividend waiver is in place in respect of all shares that may become held by the ESOT. Further details of the authorised and issued share capital during the financial year are provided in Note 17 to the accounts on page 168.

Voting rights

In a general meeting of Elementis plc, the provisions of the Companies Act 2006 apply in relation to voting rights, subject to the provisions of the Articles and to any special rights or restrictions as to voting attached to any class of shares in Elementis plc (of which there are none). Shareholders are entitled to attend and vote at any general meeting of the Company and a poll will be held on every resolution. Every member present in person or by proxy has, upon a poll, one vote for every share held. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding. Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the AGM to be held on 29 April 2025 will be set out in the Notice of Annual General Meeting.

Authority to purchase own shares

The Company did not purchase any of its ordinary shares (2023: nil) during the year. All of the Company's 5 pence ordinary shares held in treasury were issued in satisfaction of awards under the Company's share-based incentive plans during the year and no shares were held in treasury at 31 December 2024 (2023: nil).

A special resolution will be proposed at the forthcoming AGM to renew the Company's authority to purchase its own shares in the market up to a limit of 20% of its issued ordinary share capital. The maximum and minimum prices will be stated in the resolution at the date of the AGM.

The Directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. The Directors may consider holding repurchased shares pursuant to the authority conferred by this resolution as treasury shares. This will give the Company the ability to reissue treasury shares quickly and cost-effectively, and will provide the Company with additional flexibility in the management of its capital base. Any issues of treasury shares for the purposes of the Company's employee share schemes will be made within the 20% anti-dilution limit set by The Investment Association. The Directors will only exercise this authority if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally.

Employee share schemes

The Company operates a number of employee share plans, details of which are set out in Note 26 to the consolidated financial statements and on page 123 of the Directors' Remuneration report.

Substantial shareholders

In accordance with the Disclosure Guidance and Transparency Rules ("DTR"), as at 31 December 2024, the interests in voting rights over the issued share capital of the Company had been notified.

Information provided to the Company pursuant to the DTR is published on a regulatory information service and on the Company's website.

	Ordinary shares	% of issued share capital
Franklin Templeton	58,466,789	9.89
Fidelity International	44,567,564	7.54
Columbia Threadneedle	43,010,595	7.28
BlackRock	42,461,967	7.19
Vanguard Group	30,914,363	5.23
Soros Fund Management	22,861,503	3.87
Dimensional Fund Advisors	22,205,215	3.76

Between 31 December 2024 and 12 February 2025 (being the latest available register date), the Company has been notified of the following changes:

- Columbia Threadneedle Investments increased their shareholding to 45,866,136 or 7.76%
- BlackRock increased their shareholding to 44,522,166 or 7.53%

Employees

Employment policies and equal opportunities

Group policies seek to create a workplace that has an open atmosphere of trust, honesty and respect. Harassment or discrimination of any kind based on race, colour, religion, gender, age, national origin, citizenship, mental or physical disabilities, sexual orientation, veteran status, or any other similarly protected status is not tolerated. This principle applies to all aspects of employment, including recruitment and selection, training, development, promotion and retirement. Employees are free to join a trade union and participate in collective bargaining arrangements. It is also a Group policy to reasonably accommodate applicants and employees who have a disability, where practicable, and to provide training, career development and promotion, as appropriate.

It is Group policy not to discriminate on the basis of any unlawful criteria and its practices include prohibition on the use of child or forced labour. Elementis plc supports the wider fundamental human rights of its employees worldwide, as well as those of our customers and suppliers, and further details are set out in the People and Responsible business sections on pages 44 to 54.

Employee communications and involvement

The Company is committed to employee involvement throughout the business. Employees are kept informed of the performance and strategy of the Group via email. Videoconference calls are held by the CEO to employees worldwide and these serve as an informal forum for employees to ask topical questions about the Group. Further information can be found on page 24.

Engagement with other stakeholders

Details of engagement with other stakeholders and information on how the Directors have had regard to their interests in the context of principal decisions taken by the Board during the year are set out on pages 24 to 25.

R&D activities

Innovation is a core strategic priority. Our innovation expertise and capability is focused on delivering products that address our customers' needs. As at 31 December 2024, over 100 employees were engaged in global R&D activities. For further information on our approach to innovation, please refer to pages 16 to 17. During the year ended 31 December 2024, costs relating to R&D activities were $15 million (2023: $16 million).

Additional information

Going concern and viability statement

The Directors consider that the Group and the Company have adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements. The UK Corporate Governance Code requires the Directors to assess and report on the prospects of the Group over a longer period. The full viability statement and associated explanations are set out on page 75.

Audit information

Each Director of the Company on 5 March 2025, the date this Directors' report was approved, confirms that so far as they are aware, there is no relevant audit information of which the Company's auditors, Deloitte LLP, are unaware and that they have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Following recommendation by the Audit Committee, resolutions to re-appoint Deloitte LLP as auditors and to authorise the Audit Committee to fix their remuneration will be proposed at the forthcoming AGM. The remuneration of the auditors for the year ended 31 December 2025 is fully disclosed in Note 7 to the financial statements on page 160.

Annual General Meeting

The 2025 AGM will be held at 10.00am on Tuesday 29 April 2025 at the offices of A&O Shearman LLP, One Bishops Square, London, E1 6AD. Details of the resolutions to be proposed at the AGM are set out in the Notice of AGM, which has been sent to shareholders and is available on the Elementis corporate website: www.elementis.com.

Significant agreements – change of control

There are a number of significant agreements which the Company is party to that take effect, alter or terminate in the event of change of control of the Company. The Company is a guarantor under the Group's $75 million and €142 million long-term loans, and $250 million revolving credit facility ("RCF") and, in the event of a change of control, any lender among the facility syndicate, of which there are eight with commitments ranging from $41 million to $90 million, may withdraw from the facility and that lender's participation in any loans drawn down are required to be repaid.

The rules of the Company's various share incentive schemes set out the consequences of a change of control of the Company on the rights of the participants under those schemes. Under the rules of the respective schemes, participants would generally be able to exercise their options on a change of control, provided that the relevant performance conditions have been satisfied and, where relevant, options are not exchanged for new options granted by an acquiring company.

In the event of a takeover or other change of control (usually excluding an internal reorganisation), outstanding awards under the Group's incentive plans vest and become exercisable (including DSBP cash awards and LTIP awards), to the extent any performance conditions (if applicable) have been met, and subject to time pro-rating (if applicable) unless determined otherwise by the Board in its discretion, in accordance with the rules of the plans. In certain circumstances, the Board may decide (with the agreement of the acquiring company) that awards will instead be cancelled in exchange for equivalent awards over shares in the acquiring company.

Political donations

The Group made no political donations during the year (2023: $nil).

Branches

As a global Group, Elementis' interests and activities are held or operated through subsidiaries, branches, joint arrangements or associates which are established in, and subject to the laws and regulations of, many different jurisdictions.

Other information

Information about the Group's financial risk management and exposure to financial market risks are set out in Note 23 to the financial statements on pages 174 to 176.

Events after the balance sheet date

There were no significant events after the balance sheet date.

By order of the Board:

Anna Lawrence
Group General Counsel & Company Secretary

5 March 2025

Directors' responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and financial statements

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 UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ("IFRSs") as adopted by the UK. The financial statements also comply with the IFRSs as issued by the International Accounting Standards Board ("IASB").

The Directors have also chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 Reduced Disclosure Framework – Disclosure exemptions from EU-adopted IFRS for qualifying entities ("FRS 101").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for that period.

In preparing the parent company 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
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business

In preparing the Group financial statements, International Accounting Standard 1 requires that the 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 entity's financial position and financial performance
- make an assessment of the Company'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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' Remuneration report and Corporate governance statement which comply with that law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

Each of the Directors, who are appointed at the date of approval of this report, confirm that, to the best of their knowledge:

- the financial statements, which have been 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
- 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 Company's position, performance, business model and strategy

This responsibility statement was approved by the Board of Directors on 5 March 2025 and is signed on its behalf by:

Paul Waterman
CEO

Ralph Hewins
CFO

Independent Auditor's report to the members of Elementis plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Elementis plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss 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 parent 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 parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the consolidated financial statement related notes 1 to 32; and
- the parent company financial statement related notes 1 to 11.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, 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 parent 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 parent 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 parent company for the year are disclosed in note 7 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 parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of the Talc Cash Generating Unit; and • Revenue recognition. Within this report, key audit matters are identified as follows: (!) Newly identified Increased level of risk Similar level of risk
Materiality	The materiality that we used for the group financial statements was $4.0 million (2023: $3.7 million) which was determined on the basis of adjusted profit before tax ("adjusted PBT") without adjustment for amortisation of purchased intangibles arising on acquisition. See section 6.1 for more details.
Scoping	The four main components which were subject to audit procedures collectively contribute 84% of the group's revenue and 93% of the group's adjusted profit before tax and 89% of the group's net assets.
Significant changes in our approach	In the previous year we identified a key audit matter relating to Adjusting Items-transformation costs. As the majority of restructuring plans were completed during the course of 2024, this is no longer identified as a key audit matter. We have identified a new key audit matter in the current year in relation to the valuation of the Talc cash generating unit ("CGU"). This is in response to the announcement of a strategic review of the Talc business, regulatory developments around the classification of Talc as a carcinogen in the second half of 2024 and recognition of an impairment within the year.

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 parent company's ability to continue to adopt the going concern basis of accounting, included:

- evaluating the group's financing facilities including the nature of facilities, repayment terms and covenants. Further information is set out on page 75 of the annual report;
- recalculating and assessing of the amount of forecast headroom on the loan covenants to testing dates;
- evaluating the reverse stress test prepared by management and performing a sensitivity analysis to consider specific scenarios, including a reduction in revenue and associated profits;
- challenging management on the assumptions used in the cash flow model used to prepare the going concern forecast. This includes testing of clerical accuracy of the model, assessment of the historical accuracy of forecasts prepared by management and reviewing the balance sheet for items which could potentially result in a cash outflow;
- evaluating management's going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of the Talc Cash Generating Unit (!)

Key audit matter description

A strategic review of the Talc business was announced in August 2024 in light of a challenging first half of the year. Additionally, the European Chemical Agency (ECHA) unexpectedly recommended that talc should be classified as a Class 1b carcinogen, which could have an impact on the business if ratified by the European Union. This has led management to determine a further impairment against the CGU of $59.9m allocated across fixed assets and intangible assets in proportion to their carrying values. This was in addition to the impairment of $66.1m recorded in the first half of 2024.

In a change from the prior year, and in accordance with IAS 36 "Impairment of Assets", impairment testing for the Talc CGU has been on the fair value less costs to sell approach in 2024 as this has resulted in higher recoverable amount than the value in use approach.

Impairment of the Talc CGU has been identified as a key audit matter as a result of the quantitative significance of the balance, and the application of management judgement and estimation in performing the impairment reviews, specifically with respect to:

- The selection of the appropriate methodology (fair value less cost to sell or value in use) in determining recoverable amount.
- Consideration of the impact of the ECHA recommendation regarding Talc as a carcinogen on future cash flows.
- Determination of baseline cash flows including recovery rate against recent actual performance.
- Determination of observable market data including EBIT multiples used in assessment of the fair value less cost to dispose.
- Determination of the appropriate discount rate and forecast revenue growth rates used in the model.
- Quantification of disposal costs.

Note 1 to the Consolidated financial statements sets out the Group's accounting policy for testing of impairment as well as disclosure in relation to the key source of estimation uncertainty. The basis for the impairment reviews is outlined in Note 1 to the Consolidated financial statements, including details of the discount rates and growth rates used. This area of judgement areas is also referred to within the Audit Committee report on page 95.

5.1. Valuation of the Talc Cash Generating Unit continued

How the scope of our audit responded to the key audit matter	Our procedures included: • obtaining an understanding of the relevant controls relating to the impairment review process; • review of a paper prepared by management, which included the key inputs and outputs from the impairment models; • assessment of trading assumptions, including macroeconomic factors, applied in the models and in particular those that were key, such as revenue growth and operating profit margin and the ECHA carcinogen recommendation, through independent research; • evaluation of historical forecasting accuracy by comparing prior year plans to actual results achieved; • with the involvement of our valuations specialist, assessing the appropriateness of the discount rate used utilising their knowledge and expertise, as well as considering EBIT multiples in the wider industry and other observable market data to determine fair value; • evaluating the reasonableness of cost of disposal; • assessing the risk adjustments that were applied to the models, in particular regarding the risk weighting to each possible scenario; • assessing the integrity of management's impairment model through testing of the mechanical accuracy and evaluating the application of the input assumptions; • performing a sensitivity analysis on the assumptions used within the model; and • assessing the appropriateness of the disclosures, in the financial statements in respect of the impairment review performed and the impact, together with sensitivities that could cause a future impairment.
Key observations	From the work performed above we are satisfied that the fair vales less costs to sell approach used in the impairment review for the Talc CGU is appropriate. This was on the basis that the key assumptions, applied, when taken in aggregate, are within our acceptable range.

5.2. Revenue recognition

Key audit matter description	The group recognised revenue of $738.3m (2023: $713.4m) from all operations. Given the disaggregated nature of the group, the range of products, customers and markets spanning across numerous countries and sectors, understanding the revenue recognition process and the control environment underpinned our central risk assessment and the basis for our planned audit procedures. Due to the large number of revenue transactions recognised across multiple businesses, this is an area which requires a significant allocation of resources and effort in the audit. At the year end, manual adjustments are made by management for goods which have been despatched but where, under the terms of sale, the control of the goods has yet to pass to the customer; this is done because the group's systems record revenue on despatch. The accounting policy is described in Note 1 where this is also included as a critical accounting judgement. See Note 2 to the financial statements for further details for revenue recognised. This area of judgement areas is also referred to within the Audit Committee report on page 95.
How the scope of our audit responded to the key audit matter	Our procedures included: • obtained an understanding of the relevant controls over significant revenue streams; • with the support of our analytics specialists, built a bespoke analytical model to trace revenue recognised from sales orders to cash movements, identifying outliers in the revenue population for further investigation; • tested the integrity of the data utilised in the analytics, as well as the transactions recorded, through agreeing a sample to supporting documentation; and • tested manual adjustments to revenue including using analytics to test the revenue cut off adjustment.
Key observations	From the procedures performed above, we consider that revenue has been appropriately recognised in the year.

6. Our application of materiality

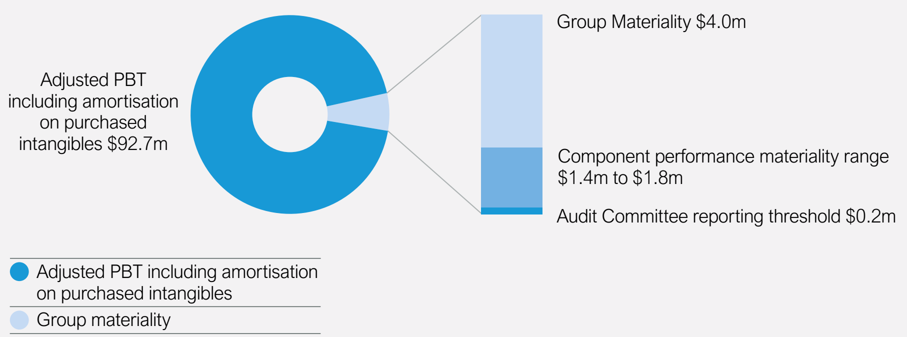
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	$4.0 million (2023: $3.7 million)	$2.0 million (2023: $1.8 million)
Basis for determining materiality	The materiality that we used for the group financial statements was $4.0 million (2023: $3.7 million) which equates to 4.3% (2023: 5%) of adjusted profit before tax without adjustment for amortisation of purchased intangibles arising on acquisition. Refer to Note 5 for further details.	A factor of 3% of net assets (2023: 3%) was used capped at 50% (2023: 50%) of group materiality.
Rationale for the benchmark applied	We have considered the users of the financial statements when selecting the appropriate benchmarks. Earnings based metrics are of interest to the analyst and investor-based communities. Adjusted profit before tax is a suitable measurement for profit orientated entities.	We have used net assets in determining materiality as it reflects the nature of the parent company as a holding company and its contribution to the group performance.

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	Parent company financial statements
Performance materiality	70% (2023: 70%) of group materiality	70% (2023: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered our past experience of the group and our risk assessment, including our assessment of the group's overall control environment and expectation of reoccurring misstatements.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of $200,000 (2023: $184,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

For 2024 our scoping of our group audit focuses on a risk-based approach by developing an appropriate audit plan for each significant account. We performed testing on specified account balances which have been determined at a group level. The majority of specified account balances fall within scope of four (FY23: four) main components:

- the Talc operation in Netherlands and Finland;
- the Specialty products operations in the US;
- the Specialty products operations in the UK; and
- the Specialty products operations in India.

All of these locations were subject to audit procedures either as audits of entire financial information or audits of specified accounts balances.

Our audit work on the four components was executed at levels of performance materiality applicable to each individual entity which were lower than Group performance materiality and ranged from $1.4 million to $1.8 million (2023: $1.2 million to $1.5 million).

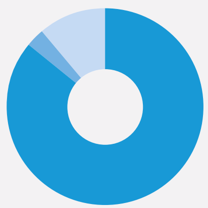
The four main components subject to audit procedures outlined above represent the principal business units within the Group's operating divisions and account for 84% (2023: 83%) of the Group's revenue and 93% (2023: 90%) of the Group's profit before tax and 89% of the Group's Net Assets (2023: 80%)

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components not subject to audit or audit of specified account balances. The parent company is located in the UK and is audited directly by the group audit team.

Revenue

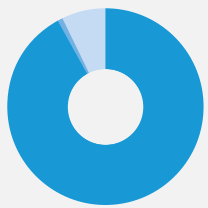
Audit of the entire financial information	84%
Specified audit procedures	0%
Review at group level	16%

Net assets



Audit of the entire financial information	86%
Specified audit procedures	3%
Review at group level	11%

Profit before tax



Audit of the entire financial information	92%
Specified audit procedures	1%
Review at group level	7%

7.2. Our consideration of the control environment

Our controls approach was principally designed to inform our risk assessment, to allow us to obtain an understanding of relevant controls in order to address the risks of material misstatement. This included controls relating to revenue recognition, goodwill and intangible impairment and head office controls relating to central balances and processes such as post-employment benefit obligations, consolidation and financial reporting, and the Group's planning and budgeting process. We also included relevant entity level controls.

The group operates a range of IT systems which underpin the financial reporting process. These vary by business and/or geography. We obtained an understanding of the general IT controls associated with those financially relevant systems. We did not seek to place reliance on controls for the purpose of our audit. The general IT control deficiencies identified in the prior year, specific to the Talc operations, primarily related to user access and segregation of duties have now been remediated.

Any findings or observations identified through understanding the controls have been reported to the Audit Committee, together with recommendations for improvement. Where control deficiencies were identified during the course of the audit, we reconsidered our risk assessment and the nature, timing and extend of our audit procedures.

7.3. Our consideration of climate-related risks

Climate change and the transition to a low carbon economy ("climate change") were considered in our audit where they have the potential to directly or indirectly impact key judgements and estimates within the financial statements. The group continues to develop its assessment of the potential impacts of climate change, as explained in the Chief Executive Officer's review within the strategic report on page 11. Management has disclosed their climate risk considerations in note 1, primarily in relation to the key judgements and estimates in the assessment of the carrying value of non-current assets and environmental provisions. Management has concluded there to be no material impact arising from climate change on the judgements and estimates made in the financial statements as noted in Note 1. The key judgements and estimates included in the financial statements incorporate actions and strategies, to the extent they have been approved and can be reliably estimated in accordance with the Group's accounting policies. With the involvement of our ESG specialists, we assessed this disclosure by performing inquiries with management and independent industry research, and we did not identify any climate related material risks of misstatement. We also considered whether information included in the climate related disclosures in the Annual Report were materially consistent with our understanding of the business and the financial statements.

7.4. Working with other auditors

The group audit was conducted by the UK group audit team supported by component teams in Finland and India. The component auditors tested specified account balances under the direction and supervision of the group audit team.

The planned programme which we designed as part of our involvement in the component auditors' work was delivered over the course of the group audit. The extent of our involvement which commenced from the planning phase included:

- Setting the scope of the component auditors' work and assessment of the component auditors' independence.
- Designing the audit procedures for all higher and significant risks areas to be addressed by the component auditors and issuing group audit instructions detailing the nature and form of the reporting required by the group engagement team.
- Holding frequent calls and meetings (including in person meetings) with the component audit teams led by the group engagement partner.
- Providing direction on enquiries made by the component auditors through online and telephone conversations.
- Reviewing of each component auditor's engagement file by a senior member of the group audit team.
- Attending local component audit close meetings virtually or in-person.
- Partner led component visits to Finland at both the planning and year-end stage of the audit.

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 parent 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 parent 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 on 4th December 2024;
- results of our enquiries of management, internal audit, the directors and the audit 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; and
  - 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 component audit teams, and relevant internal specialists, including tax, valuations, pensions, financial instruments, climate, IT and environmental specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: valuation of the Talc Cash Generating Unit. 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 framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation and tax legislation in the sector it operates in.

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 which included environmental legislation.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of the Talc Cash Generating Unit as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and environmental regulators; 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 parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 75;
- 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 75;
- the directors' statement on fair, balanced and understandable set out on page 133;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 65;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 65; and
- the section describing the work of the audit committee set out on page 92.

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board on 27 April 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 committee

Our audit opinion is consistent with the additional report to the audit 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.

Lee Welham (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

5th March 2025

Consolidated income statement

For the year ended 31 December 2024

	Note	2024 $m	2023 $m
Revenue	2	**738.3**	713.4
Cost of sales		**(400.3)**	(429.1)
Gross profit		**338.0**	284.3
Distribution costs		**(127.9)**	(108.7)
Administrative expenses		**(236.7)**	(116.7)
Operating (loss)/profit	2	**(26.6)**	58.9
Other expenses[1]	25	**(1.8)**	(2.3)
Finance income	3	**2.9**	4.4
Finance costs	4	**(24.1)**	(21.3)
(Loss)/profit before income tax		**(49.6)**	39.7
Tax	6	**1.8**	(11.5)
(Loss)/profit from continuing operations	7	**(47.8)**	28.2
(Loss)/profit from discontinued operations	32	**–**	(1.7)
(Loss)/profit for the year		**(47.8)**	26.5
Attributable to:			
Equity holders of the parent		**(47.8)**	26.5
Earnings per share			
From continuing operations			
Basic (loss)/earnings (cents)	9	**(8.1)**	4.8
Diluted (loss)/earnings (cents)	9	**(8.1)**	4.7
From continuing and discontinued operations			
Basic (loss)/earnings (cents)	9	**(8.1)**	4.5
Diluted (loss)/earnings (cents)	9	**(8.1)**	4.4

1 Other expenses comprise administration expenses for the Group's pension schemes.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 $m	2023 $m
(Loss)/profit for the year		**(47.8)**	26.5
Other comprehensive income:			
Items that will not be reclassified subsequently to profit and loss:			
Remeasurement of retirement benefit obligations	25	**(14.3)**	12.3
Deferred tax associated with retirement benefit obligations		**3.5**	(2.8)
Items relating to discontinued operations, net of tax	32	**–**	–
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations	22	**(23.9)**	(5.1)
Effective portion of change in fair value of net investment hedge	22	**6.5**	14.8
Tax associated with change in fair value of net investment hedge		**–**	(0.1)
Effective portion of changes in fair value of cash flow hedges	22	**2.3**	12.7
Fair value of cash flow hedges transferred to income statement	22	**(4.4)**	(6.3)
Tax associated with changes in cash flow hedges		**(0.4)**	(0.6)
Recycling of deferred foreign exchange losses on disposal		**–**	9.3
Exchange differences on translation of share options reserves		**0.1**	0.2
Other comprehensive (loss)/income		**(30.6)**	34.4
Total comprehensive (loss)/income for the year		**(78.4)**	60.9
Attributable to:			
Equity holders of the parent		**(78.4)**	60.9

Consolidated balance sheet

As at 31 December 2024

	Note	2024 31 December $m	2023 31 December $m
Non-current assets			
Goodwill and other intangible assets	10	585.9	650.6
Property, plant and equipment	11	338.0	423.6
Tax recoverable		–	20.0
Derivative financial assets	21	1.8	6.0
Deferred tax assets	16	7.4	19.6
Net retirement benefit surplus	25	27.6	42.1
Total non-current assets		960.7	1,161.9
Current assets			
Inventories	12	152.5	163.3
Trade and other receivables	13	93.3	101.8
Derivative financial assets	21	3.6	7.4
Tax recoverable		21.0	–
Current tax assets		11.2	11.2
Cash and cash equivalents	20	59.9	65.8
Total current assets		341.5	349.5
Assets classified as held for sale	32	6.2	–
Total assets		1,308.4	1,511.4

	Note	2024 31 December $m	2023 31 December $m
Current liabilities			
Trade and other payables	14	(108.4)	(117.9)
Derivative financial liabilities	21	(1.5)	–
Current tax liabilities		(9.8)	(13.6)
Lease liabilities	24	(5.9)	(5.9)
Provisions	15	(6.3)	(21.5)
Total current liabilities		(131.9)	(158.9)
Non-current liabilities			
Loans and borrowings	19	(219.2)	(264.7)
Retirement benefit obligations	25	(8.6)	(9.0)
Deferred tax liabilities	16	(98.1)	(138.7)
Lease liabilities	24	(28.8)	(30.3)
Provisions	15	(42.1)	(60.4)
Derivative financial liabilities	21	–	(2.1)
Total non-current liabilities		(396.8)	(505.2)
Liabilities classified as held for sale	32	(22.7)	–
Total liabilities		(551.4)	(664.1)
Net assets		757.0	847.3
Equity			
Share capital	17	52.7	52.5
Share premium		239.7	239.2
Other reserves	18	51.5	70.1
Retained earnings		413.1	485.5
Total equity attributable to holders of the parent		757.0	847.3
Total equity		757.0	847.3

The financial statements on pages 142 to 185 were approved by the Board on 5 March 2025 and signed on its behalf by:

Paul Waterman
CEO

Ralph Hewins
CFO

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Note	2024 Share capital $m	2024 Share premium $m	2024 Translation reserve $m	2024 Hedging reserve $m	2024 Other reserves $m	2024 Retained earnings $m	2024 Total equity $m	2023 Share capital $m	2023 Share premium $m	2023 Translation reserve $m	2023 Hedging reserve $m	2023 Other reserves $m	2023 Retained earnings $m	2023 Total equity $m
Balance at 1 January		52.5	239.2	(103.4)	5.9	167.6	485.5	847.3	52.3	238.7	(122.4)	(1.0)	165.5	450.8	783.9
Comprehensive income:															
(Loss)/profit for the year		–	–	–	–	–	(47.8)	(47.8)	–	–	–	–	–	26.5	26.5
Other comprehensive income:															
Exchange differences	22	–	–	(17.4)	–	0.1	–	(17.3)	–	–	9.7	–	0.2	–	9.9
Effective portion of changes in fair value of cash flow hedges	22	–	–	–	2.3	–	–	2.3	–	–	–	12.7	–	–	12.7
Fair value of cash flow hedges transferred to the income statement	22	–	–	–	(4.4)	–	–	(4.4)	–	–	–	(6.3)	–	–	(6.3)
Tax associated with changes in cash flow hedges		–	–	–	–	–	(0.4)	(0.4)	–	–	–	–	–	(0.6)	(0.6)
Tax associated with change in fair value of net investment hedge		–	–	–	–	–	–	–	–	–	–	–	–	(0.1)	(0.1)
Remeasurements of retirement benefit obligations	25	–	–	–	–	–	(14.3)	(14.3)	–	–	–	–	–	12.3	12.3
Deferred tax associated with retirement benefit obligations		–	–	–	–	–	3.5	3.5	–	–	–	–	–	(2.8)	(2.8)
Recycling of deferred foreign exchange losses on disposal		–	–	–	–	–	–	–	–	–	9.3	–	–	–	9.3
Transfer		–	–	–	–	(5.3)	5.3	–	–	–	–	–	(2.3)	2.3	–
Total other comprehensive (loss)/income		–	–	(17.4)	(2.1)	(5.2)	(5.9)	(30.6)	–	–	19.0	6.4	(2.1)	11.1	34.4
Total comprehensive (loss)/income		–	–	(17.4)	(2.1)	(5.2)	(53.7)	(78.4)	–	–	19.0	6.4	(2.1)	37.6	60.9
Transactions with owners:															
Issue of shares by the Company		0.2	0.5	–	–	–	–	0.7	0.2	0.5	–	–	–	–	0.7
Purchase of shares by Employee Share Options Trust (“ESOT”)		–	–	–	–	–	–	–	–	–	–	–	–	(1.6)	(1.6)
Dividends paid		–	–	–	–	–	(18.8)	(18.8)	–	–	–	–	–	–	–
Deferred tax on share-based payments recognised within equity		–	–	–	–	–	0.1	0.1	–	–	–	–	–	(1.3)	(1.3)
Share-based payments	26	–	–	–	–	5.7	–	5.7	–	–	–	–	4.2	–	4.2
Fair value of cash flow hedges transferred to net assets	22	–	–	–	0.4	–	–	0.4	–	–	–	0.5	–	–	0.5
Total transactions with owners		0.2	0.5	–	0.4	5.7	(18.7)	(11.9)	0.2	0.5	–	0.5	4.2	(2.9)	2.5
Balance at 31 December		52.7	239.7	(120.8)	4.2	168.1	413.1	757.0	52.5	239.2	(103.4)	5.9	167.6	485.5	847.3

Consolidated cash flow statement

For the year ended 31 December 2024

	Note	2024 $m	2023 $m
Operating activities:			
(Loss)/profit from continuing operations		**(47.8)**	28.2
Adjustments for:			
Other expenses		**1.8**	2.3
Finance income		**(2.9)**	(4.4)
Finance costs		**24.1**	21.3
Tax (credit)/charge		**(1.8)**	11.5
Depreciation and amortisation		**52.7**	55.7
Impairment of assets		**126.0**	–
(Decrease)/increase in provisions and financial liabilities		**(19.2)**	16.7
Pension payments net of current service cost	25	**(0.6)**	(3.1)
Share-based payments expense	26	**6.1**	4.4
Operating cash flow before movement in working capital		**138.4**	132.6
Decrease in inventories		**4.9**	22.5
Decrease/(increase) in trade and other receivables		**4.1**	(0.3)
Decrease in trade and other payables		**(4.7)**	(20.1)
Cash generated by operations		**142.7**	134.7
Income taxes paid		**(24.5)**	(27.3)
Interest paid		**(18.2)**	(18.1)
Net cash flow used in operating activities from discontinued operations	32	**–**	(12.5)
Net cash flow from operating activities		**100.0**	76.8

	Note	2024 $m	2023 $m
Investing activities:			
Interest received		**0.3**	0.4
Purchase of property plant and equipment	11	**(37.4)**	(38.1)
Disposal of business	32	**–**	139.2
Acquisition of intangible assets	10	**(0.4)**	(0.1)
Net cash flow used in investing activities from discontinued operations	32	**–**	(0.3)
Net cash flow used in investing activities		**(37.5)**	101.1
Financing activities:			
Issue of shares by the Company, net of repurchases of shares by ESOT		**0.5**	(1.0)
Repayment of term loans	19	**(25.0)**	(50.0)
Net movement on other loans and borrowings	28	**(9.8)**	(110.5)
Dividends paid		**(18.8)**	–
Payment of interest on lease liabilities	24	**(1.4)**	(1.3)
Payment of gross lease liabilities	24	**(5.3)**	(5.2)
Net cash flow used in financing activities from discontinued operations	32	**–**	–
Net cash flow used in financing activities		**(59.8)**	(168.0)
Net increase in cash and cash equivalents		**2.7**	9.9
Cash and cash equivalents at 1 January		**65.8**	54.9
Foreign exchange on cash and cash equivalents		**(2.7)**	1.0
Less: cash and cash equivalents classified as held for sale	32	**(5.9)**	–
Cash and cash equivalents at 31 December	20	**59.9**	65.8

Notes to the consolidated financial statements

For the year ended 31 December 2024

1. Accounting policies

Elementis plc is a public company limited by shares incorporated and domiciled in England and is the parent company of the Group. The address of its registered office is The Bindery, 5th Floor, 51-53 Hatton Garden, London, EC1N 8HN. The Group financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards. The Company has elected to prepare its parent company financial statements in accordance with FRS 101. These are presented on pages 186 to 191.

Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ("IFRS") as adopted by the UK. These financial statements also comply with IFRS as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis, except that derivative financial instruments are stated at their fair value. The preparation of financial statements requires the application of estimates and judgements that affect the reported amounts of assets and liabilities, revenues and costs, and related disclosures at the balance sheet date.

The financial statements have been prepared on a going concern basis. The rationale for adopting this basis is discussed in the Directors' report on page 132.

Reporting currency

As a consequence of the majority of the Group's sales and earnings originating in US dollars or US dollar-linked currencies, the Group has chosen the US dollar as its presentational currency. This aligns the Group's external reporting with the profile of the Group, as well as with internal management reporting. The functional currency of the parent is pounds sterling.

Critical accounting judgements and key sources of estimation uncertainty

When applying the Group's accounting policies, management must make a number of key judgements on the application of applicable accounting standards and estimates and assumptions concerning the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are based on factors considered to be relevant, including historical experience, which may differ significantly from the actual outcome. The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the amounts recognised in the financial statements within the next year are discussed below. The development of the estimates and disclosures related to each of these matters has been discussed by the Audit Committee.

Critical accounting judgements

The following is the sole critical judgement, as opposed to those involving estimations, which are dealt with separately below, that the Directors have made in the process of applying the Group's accounting policies that has significant effect on the amounts for the year ended 31 December 2024 recognised in the financial statements. Where relevant and practicable, sensitivity analyses are disclosed in the relevant notes to demonstrate the impact of changes in estimates or assumptions used.

Revenue recognition

Judgement is exercised over how to determine the timing of revenue recognition for orders where the agreed terms are delivery to the destination point. The Group has compiled shipping days based on the destination country which are used to inform the timing of revenue recognition. In compiling these shipping days, management have used past experience and carrier standard shipping days to inform their decision-making.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

A. Environmental provisions

Provisions for environmental restoration are recognised where: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be estimated reliably.

Environmental provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Due to the long time horizons over which costs are anticipated, small changes in recurring annual cash outflows can have a significant cumulative impact on the total provision required. At 31 December 2024, the carrying value of environmental provisions was $43.2m. Further details of these provisions and a sensitivity assessment are given in Note 15.

B. Valuation of a defined benefit pension obligation

The key estimates made in relation to defined benefit pensions relate to the discount rate used to determine the present value of future benefit, the rate of inflation applied to plan assets, mortality rates and rates of salary growth. At 31 December 2024 the UK scheme, the largest of the Group's retirement plans, had a surplus of $23.0m, the US pension scheme had a surplus of $4.6m, while the US post-retirement medical benefit ("PRMB") scheme and other schemes were in a net deficit position of $8.6m in aggregate. Further details of pensions and a sensitivity analysis, which has a material impact on the defined benefit obligations, are given in Note 25.

1. Accounting policies continued

C. Impairment testing of Talc Cash Generating Unit ("CGU")

During the year, the Group performed assessments as to whether the intangible and tangible fixed assets of the Talc CGU were impaired.

In the first half of 2024, the performance of the Talc business was adversely impacted by weak end market demand and strike action in Finland. These factors, along with the preparation of a new business plan for the Talc business, resulted in a reduction in the near term forecasted profitability. At 30 June 2024, a recoverable amount, based on a value in use model, was determined using a pre-tax discount rate of 10.8%. The value is use model is dependent on estimates of future cash flows, long-term growth rates and the pre-tax discount rate to be applied to the future cash flows. The carrying amount of the Talc business was higher than the recoverable amount, which gave rise to an impairment of $66.1m, of which $25.0m was recorded against intangible assets and $41.1m was recorded against property, plant and equipment. An increase in the pre-tax discount rate of 0.5% would result in an additional impairment charge of $13.9m.

In September 2024, the Risk Assessment Committee ("RAC") of the European Chemicals Agency ("ECHA") made a recommendation that talc be classified as STOT RE1 (specific target organ toxicity – repeated exposure, category 1) and Carc 1B (carcinogenicity category 1B defined as presumed to have carcinogenic potential for humans). A final decision by the European Commission has been postponed and is now expected in the second half of 2026 with the implementation currently expected in the third quarter of 2028, at the earliest. As a result, there is a high degree of uncertainty with regards to the future demand and profitability profile of the Talc business. At 31 December 2024, a recoverable amount, based on a fair value less cost of disposal model, was determined using inputs based on market evidence (Level 2), using EBIT multiples as the basis for the valuation. The carrying amount of the Talc business was higher than the recoverable amount, which gave rise to a further impairment charge of $59.9m, of which $22.1m was recorded against intangible assets and $37.8m was recorded against property, plant and equipment. A decrease in the EBIT multiples applied by 10% would result in an additional impairment charge of $13.5m.

Climate-related risks

The financial statements have been prepared with consideration of risks resulting from climate change, our ambition to reach Net Zero by 2050, and in accordance with our Task Force for Climate-related Financial Disclosures ("TCFD") disclosures.

In conjunction with our Net Zero ambition and TCFD, a review has been performed in the following areas that are deemed most at risk of being impacted by climate change:

A. Five-year forecasting model

To support the carrying value of assets, impairment of goodwill testing, going concern, and the viability statement, management prepare a five-year forecasting model. The five-year forecasting model includes actions already taken by management to work towards achieving the Group's Net Zero ambition. Specifically, for the impairment of goodwill and the carrying value of the CGUs, management considered the risks associated with: carbon pricing; customer, consumer and investor demands; raw material supply/prices; access to renewable electricity; energy prices; water scarcity; and extreme weather events. Based on that consideration, management have not made any adjustments to the five-year forecasting model.

B. Useful economic lives of property, plant and equipment, right-of-use assets and intangible assets

Management have reviewed the useful economic life of the Group's non-current assets with respect to the physical risk resulting from extreme weather events and our Net Zero ambition and have concluded that the current economic useful lives are in line with all current and foreseeable plans.

C. Environmental provisions

Management have considered the Group's legal, regulatory and social obligations in determining the estimate of costs associated with the closure and remediation of our sites. A provision has been recognised where a reliable estimate of the costs required for mining closure is available (see Note 15). Where a reliable estimate is not available, a contingent liability has been disclosed (see Note 30).

After detailed consideration of the aforementioned climate risks, management are comfortable that no adjustments are required to the carrying value of non-current assets and liabilities for the year ended 31 December 2024.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition costs are accounted for as an expense in the period incurred.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A full list of the Group's subsidiaries is shown in Note 6 of the parent company financial statements.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

1. Accounting policies continued

Foreign currency

A. Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at exchange rates ruling at the dates the fair value was determined.

B. Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at the average rates of exchange ruling for the relevant period. Exchange differences arising since 1 January 2004 on translation are taken to the translation reserve. They are recognised in the income statement upon disposal of the foreign operation. The Group may hedge a portion of the translation of its overseas net assets through US dollar and euro borrowings. From 1 January 2005, the Group has elected to apply net investment hedge accounting for these transactions where possible. Where hedging is applied, the effective portion of the gain or loss on an instrument used to hedge a net investment is recognised in equity. Any ineffective portion of the hedge is recognised in the income statement.

Intangible assets

A. Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

B. Research and development

Expenditure on pure research is recognised in the income statement as an expense as incurred. Under IAS 38, expenditure on development where research findings are applied to a plan or design for the production of new or substantially improved products and processes is capitalised if the product or process will give rise to future economic benefits and where the cost of the capitalised asset can be measured reliably. Expenditure capitalised is stated as the cost of materials, direct labour and an appropriate proportion of overheads less accumulated amortisation. The length of development lifecycles, broad nature of much of the research undertaken and uncertainty until a late stage as to the ultimate commercial viability of a potential product can mean that the measurement criteria of IAS 38 regarding the probability of future economic benefits and the reliability of allocating costs may not be met, in which case expenditure is expensed as incurred.

C. Customer relationships, brands and other intangible assets

Customer relationships, brands and other intangible assets are stated at cost or when arising in a business combination, estimated fair value, less accumulated amortisation.

D. Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets through the administrative expenses line item, unless such lives are indefinite. Goodwill is systematically tested for impairment each year. Other intangible assets, comprising customer lists, customer relationships, manufacturing processes and procedures, trademarks, non-compete clauses and patents are amortised over their estimated useful lives, which range from 4 to 23 years.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Freehold land is not depreciated. Leasehold property is depreciated over the period of the lease. Freehold buildings, plant and machinery, fixtures, fittings and equipment are depreciated over their estimated useful lives on a straight-line basis. Depreciation methods, useful lives and residual values are assessed at the reporting date. No depreciation is charged on assets under construction until the asset is available for use.

Depreciation is charged on a straight-line basis over the estimated useful economic lives of the assets as follows:

Buildings	10–50 years
Plant and machinery	2–20 years
Fixtures, fittings and equipment	2–20 years
Right-of-use assets	Shorter of the useful economic life of the asset and the lease term

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within it will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Management regularly considers whether there are any indicators of impairment to carrying values of property, plant and equipment. Impairment reviews are based on risk-adjusted discounted cash flow projections. Significant judgement is applied to the assumptions underlying these projections, which include estimated discount rates, growth rates, future selling prices and direct costs. Changes to these assumptions could have a material impact on the financial position of the Group and on the result for the year.

Impairment of non-current non-financial assets

The carrying amount of non-current assets other than deferred tax is compared with the asset's recoverable amount at each balance sheet date where there is an indication of impairment. For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

Annually the Group carries out impairment tests of its goodwill and other indefinite life intangible assets, which requires an estimate to be made of the value in use of its CGUs. These value in use calculations are dependent on estimates of future cash flows and long-term growth rates of the CGUs. Further details of these estimates are given in Note 10.

1. Accounting policies continued

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset(s). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less estimated costs of completion and selling expenses. Cost, which is based on a weighted average, includes expenditure incurred in acquiring stock and bringing it to its existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads attributable to manufacture, based on normal operating capacity.

Trade and other receivables

Trade receivables and other receivables are due for payment within one year and are thus classified as current. They are non-interest-bearing and are stated at their nominal amount, which is the original invoiced amount, less allowance for expected future credit losses. Estimates of future expected credit losses are informed by historical experience and management's expectations of future economic factors; further information on expected credit loss impairment is given in the impairment of financial assets accounting policy. Individual trade receivables are written off when management deem them to be no longer collectable.

Impairment of financial assets – expected credit losses

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on payment profiles and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information in relation to macroeconomic factors that could affect the ability of customers to settle receivables.

The Group usually considers a trade receivable in default when contractual payments are 120 days past due. In certain cases, the Group may also consider a trade receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A trade receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

Trade and other payables

Trade payables are non-interest-bearing borrowings and are initially measured at fair value and subsequently carried at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Borrowings

Borrowings are initially measured at cost, which is equal to the fair value at inception, and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds, after net of transaction costs, and the settlement or redemption of borrowings is recognised over the terms of the borrowings using the effective interest rate method.

Pension and other post-retirement benefits

In respect of the Group's defined benefit schemes, the Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The liability discount rate is the yield at the balance sheet date on AA credit-rated bonds that have maturity dates approximating to the terms of the Group's obligations. Pension and post-retirement liabilities are calculated by qualified actuaries using the projected unit credit method.

Following the introduction of the revised IAS 19, Employee Benefits' standard, the net interest on the defined benefit liability consists of the interest cost on the defined benefit obligation and the interest income on plan assets, both calculated by reference to the discount rate used to measure the defined benefit obligation at the start of the period.

The Group recognises actuarial gains and losses in the period in which they occur through the statement of comprehensive income. The Group also operates a small number of defined contribution schemes and the contributions payable during the year are recognised as incurred. Due to the size of the Group's pension scheme assets and liabilities, relatively small changes in the assumptions can have a significant impact on the expense recorded in the income statement and on the pension liability recorded in the balance sheet.

Leases

A lease liability is recognised when the Group obtains control of the right-of-use asset that is the subject of the lease. The lease liability is subsequently measured using the effective interest method, with interest charged to finance costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

1. Accounting policies continued

At inception, the Group evaluates whether it is reasonably certain that any option to extend a lease term will be exercised or likewise whether any option to terminate the lease will be exercised. The Group continues to evaluate the likelihood of exercising such options throughout the initial lease term. When the Group is committed to extending or terminating the lease, having considered the alternative options available, and where appropriate lessor consent to the extension or termination has been obtained, the Group will consider the option to be reasonably certain to be exercised. When an option is reasonably certain to be exercised, the right-of-use asset and lease liabilities recognised are adjusted to reflect the extended or curtailed lease term.

Leases, which at inception have a term of less than 12 months or relate to low-value assets, are not recognised on the balance sheet. Payments made under such leases are recognised as an expense in the income statement on a straight-line basis over the period of the lease.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated. Provisions for environmental issues are judgemental by their nature, particularly when considering the size and timing of remediation spending, and are more difficult to estimate when they relate to sites no longer directly controlled by the Group.

Self-insurance provisions relate to personal injury and other claims from former employees or third parties and represent the aggregate of outstanding claims plus a projection of losses incurred but not yet reported which together make up the full liability recognised as a provision. Insurance recoveries are recognised as a separate reimbursement asset.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and commodity swap contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. The Group does not hold or issue derivative financial instruments for speculative trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Due to the requirement to assess the effectiveness of hedging instruments, changes in market conditions can result in the recognition of unrealised gains or losses on hedging instruments in the income statement.

Derivative financial instruments are recognised initially at fair value and are shown within derivative financial assets if they are in an asset position or within derivative financial liabilities if they are in a liability position. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

A. Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit and loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains or losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset.

B. Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in a fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement.

The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged, even if it is normally carried at amortised cost, and any gains or losses on remeasurement are recognised immediately in the income statement, even if those gains would normally be recognised directly in reserves.

C. Hedges of a net investment in a foreign operation

The Group designates the foreign exchange gain or loss on a proportion of the Group's euro and US dollar denominated borrowings as a hedge of the Group's net investment in foreign operations. As such the foreign exchange gain or loss on those borrowings is recognised in other comprehensive income and accumulated in equity until such time as the operations are disposed of, at which point the corresponding amounts are recycled to profit or loss.

Share capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity. When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Shares repurchased by the Company are classified as treasury shares and are presented as a deduction from total equity.

Own shares held by ESOT

Transactions of the Group-sponsored ESOT are included in the consolidated financial statements. In particular, the ESOT's purchases of shares in the Company are charged directly to equity.

1. Accounting policies continued

Non-current assets held for sale and discontinued operations

A non-current asset, or a group of assets containing a non-current asset (a disposal group), is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale within one year is highly probable. On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographic area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned, or that meets the criteria to be classified as held for sale.

Revenue

Revenue is recognised upon transfer of promised goods to customers (the performance obligation) in an amount that reflects the consideration the Company expects to receive in exchange for those goods. This may occur, depending on the individual customer relationship, when the product has been transferred to a freight carrier, when the customer has received the product or, for consignment stock held at customers' premises, when usage reports for the relevant period have been compiled.

All revenue is from contracts with customers and pertains to the sale of specialty chemicals products. Selling prices are agreed in advance and hence are directly observable.

The Group's payment terms offered to customers are within a certain number of days of receipt of invoice and standard contracts do not include a significant financing component. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Provisions for returns, trade discounts and rebates are recognised as a reduction in revenue at the later of when revenue is recognised for the transfer of the related goods and the entity pays or promises to pay the consideration. The promise to pay rebates is contractually agreed in advance and thus the point of transferring the goods to the customer is deemed to be the later of the two circumstances. Rebates and discounts are estimated using historical data and experiences with the customers. Returns from customers are negligible.

Operating profit

Operating profit includes net profits realised on the sale of tangible fixed assets, current and long-term assets and liabilities, but excludes gains and losses on the disposal of businesses.

Other expenses

Other expenses are administration costs incurred and paid by the Group's pension schemes, which relate primarily to former employees of legacy businesses.

Finance income and finance costs

Finance income comprises interest income on funds invested and changes in the fair value of financial instruments at fair value taken to the income statement. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, lease liabilities, unwinding of the discount on provisions, dividends on preference shares classified as debt, foreign currency gains/losses and changes in the value of financial instruments at fair value taken to the income statement. All borrowing costs are recognised in the income statement using the effective interest method.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group is required to estimate the income tax in each of the jurisdictions in which it operates. This requires an estimation of current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. The Group operates in a number of countries in the world and is subject to many tax jurisdictions and rules. As a consequence the Group is subject to tax audits, which by their nature are often complex and can require several years to conclude. Management's judgement is required to determine the total provision for income tax. Amounts are accrued based on management's interpretation of country-specific tax law and likelihood of settlement. However, the actual tax liabilities could differ from the position and in such events an adjustment would be required in the subsequent period which could have a material impact. Tax benefits are not recognised unless it is probable that the tax positions are sustainable. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation. This evaluation requires judgements to be made including the forecast of future taxable income.

1. Accounting policies continued

Share-based payments

The fair value of equity-settled share options, cash-settled shadow options and LTIP awards granted to employees is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options/awards. The fair value of the options/awards granted is measured using a binomial model, taking into account the terms and conditions upon which the options/awards were granted. The amount recognised as an employee expense is adjusted to reflect the actual number of share options/awards that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Short-term employee benefits

Short-term employee benefits, such as salaries, paid absences, and other benefits including any related payroll taxes are accounted for on an accrual basis over the period which employees have provided services. Bonuses are recognised to the extent that the Group has a present obligation to its employees that can be measured reliably and are accounted for in accordance with the requirements of IAS 19, 'Employee benefits'. All expenses relating to employee benefits (other than pension costs) are recognised in the income statement within wages and salaries, or social security costs.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions associated with the grants have been complied with and the grants will be received. Grants compensating for expenses incurred are recognised as a deduction of the related expenses in the consolidated income statement on a systematic basis in the same periods in which the expenses are incurred.

Alternative performance measures

In the analysis of the Group's operating results, earnings per share and cash flows, information is presented to provide readers with additional performance indicators that are prepared on a non-statutory basis. This presentation is regularly reviewed by management to identify items that are unusual and other items relevant to an understanding of the Group's performance and long-term trends with reference to their materiality and nature. This additional information is not uniformly defined by all companies and may not be comparable with similarly titled measures and disclosures by other organisations. The non-statutory disclosures should not be viewed in isolation or as an alternative to the equivalent statutory measure. Information for separate presentation is considered as follows:

- Material costs or reversals arising from a significant restructuring of the Group's operations are presented separately
- Disposal of entities or investments in associates or joint ventures or impairment of related assets are presented separately
- Other matters arising due to the Group's acquisition, such as adjustments to contingent consideration, payment of retention bonuses, acquisition costs and fair value adjustments for acquired assets made in accordance with IFRS 13 are separately disclosed in aggregate
- If a change in an accounting estimate for provisions, including environmental provisions, results in a material gain or loss, that is presented separately
- Other items the Directors may deem to be unusual as a result of their size and/or nature

1. Accounting policies continued

Adoption of new and revised standards

In the current year, the Group has applied a number of amendments to IFRSs issued by the IASB that are mandatorily effective for accounting periods that began on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

International Accounting Standards (IAS/IFRSs) and Interpretations (IFRICs):	UK Endorsement status	Effective date
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	Endorsed	1 January 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	Endorsed	1 January 2024
Amendments to IAS 1: Non-Current Liabilities with Covenants	Endorsed	1 January 2024
Amendment to IAS 7 and IFRS 7: Supplier finance	Endorsed	1 January 2024

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised international accounting standards (“IAS”/“IFRSs”) and interpretations (“IFRICs”) that have been issued but are not effective for periods starting on 1 January 2024 but will be effective for later periods:

International Accounting Standards (IAS/IFRSs) and Interpretations (IFRICs) not yet endorsed for use in the EU or UK:	UK Endorsement status	Effective for annual reporting periods beginning on or after
IFRS S1: General requirements for disclosure of sustainability-related financial information	Not yet endorsed	1 January 2024
IFRS S2: Climate-related disclosures	Not yet endorsed	1 January 2024
Amendments to IAS 21: Lack of Exchangeability	Endorsed	1 January 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments	Not yet endorsed	1 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to: • IFRS 1 First-time Adoption of International Financial Reporting Standards • IFRS 7 Financial Instruments: Disclosures and it’s accompanying Guidance on implementing IFRS 7 • IFRS 9 Financial Instruments • IFRS 10 Consolidated Financial Statements • IAS 7 Statement of Cash flows	Not yet endorsed	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	Not yet endorsed	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Not yet endorsed	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet endorsed	To be determined

2. Operating segments

Business segments

The Group has determined its operating segments on the basis of those used for management, internal reporting purposes and the allocation of strategic resources. The key measure used for review of the performance of the operating segments is adjusted operating profit. In accordance with the provisions of IFRS 8, the Group's chief operating decision-maker is the Board of Directors.

The two reportable segments, Performance Specialties and Personal Care, each have distinct product groupings and separate management structures. Segment results, assets and liabilities include items directly attributable to a segment and those that may be reasonably allocated from corporate activities. Presentation of the segmental results is on a basis consistent with those used for reporting Group results. The principal activities of the reportable segments are as follows:

Performance Specialties

Which consists of:

- **Coatings:** Production of rheological modifiers and additives for decorative and industrial coatings
- **Talc:** Production and supply of talc for use in plastics, coatings, technical ceramics and the paper sectors

Personal Care

Production of rheological modifiers and compounded products, including active ingredients for AP antiperspirants, for supply to personal care manufacturers.

Segmental analysis for the year ended 31 December

	2024							2023						
	Coatings $m	*Talc $m*	Performance Specialties totals $m	Personal Care $m	Segment totals $m	Central costs $m	Total $m	*Coatings $m*	*Talc $m*	Performance Specialties totals $m	Personal Care $m	Segment totals $m	Central costs $m	Total $m
Revenue from external customers	*386.4*	*134.5*	520.9	217.4	738.3	–	738.3	*367.6*	*136.5*	504.1	209.3	713.4	–	713.4
Adjusted operating profit/(loss)	*78.4*	*8.0*	86.4	61.6	148.0	(19.2)	128.8	*56.1*	*14.0*	70.1	50.3	120.4	(16.5)	103.9
Adjusting items (see Note 5)	*(4.9)*	*(132.3)*	(137.2)	(12.3)	(149.5)	(5.9)	(155.4)	*(0.9)*	*(5.4)*	(6.3)	(7.1)	(13.4)	(31.6)	(45.0)
Operating(loss)/profit	*73.5*	*(124.3)*	(50.8)	49.3	(1.5)	(25.1)	(26.6)	*55.2*	*8.6*	63.8	43.2	107.0	(48.1)	58.9
Other expenses							(1.8)							(2.3)
Finance income							2.9							4.4
Finance expense							(24.1)							(21.3)
Tax							1.8							(11.5)
Loss from discontinued operations							–							(1.7)
(Loss)/profit for the year							(47.8)							26.5

2. Operating segments continued

	2024					2023				
	Personal Care and Coatings[1] $m	Talc $m	Segment totals $m	Central costs $m	Total $m	Personal Care, and Coatings[1] $m	Talc $m	Segment totals $m	Central costs $m	Total $m
Fixed assets	742.5	163.0	905.5	18.5	924.0	763.0	295.4	1,058.4	15.8	1,074.2
Inventories	126.7	25.7	152.4	0.1	152.5	135.8	27.4	163.2	0.1	163.3
Trade and other receivables	70.4	16.5	87.2	6.3	93.2	77.4	19.8	97.2	4.6	101.8
Other tax recoverable	–	–	–	21.0	21.0	–	–	–	20.0	20.0
Derivatives	–	–	–	5.4	5.4	–	–	–	13.4	13.4
Tax assets	–	–	–	18.6	18.6	–	–	–	30.8	30.8
Retirement benefit surplus	–	–	–	27.6	27.6	–	–	–	42.1	42.1
Cash and cash equivalents	–	–	–	59.9	59.9	–	–	–	65.8	65.8
Segment assets	939.6	205.2	1,144.8	157.4	1,302.2	976.2	342.6	1,318.8	192.6	1,511.4
Assets classified as held for sale					6.2					–
Total assets					1,308.4					1,511.4
Trade and other payables	(89.1)	(20.5)	(109.6)	1.2	(108.4)	(74.1)	(22.5)	(96.6)	(21.3)	(117.9)
Operating provisions	(2.9)	(39.9)	(42.8)	(5.6)	(48.4)	(32.3)	(36.6)	(68.9)	(13.0)	(81.9)
Lease liabilities	(21.7)	(7.3)	(29.0)	(5.7)	(34.7)	(23.9)	(9.4)	(33.3)	(2.9)	(36.2)
Bank overdrafts and loans	–	–	–	(219.2)	(219.2)	–	–	–	(264.7)	(264.7)
Current tax liabilities	–	–	–	(9.8)	(9.8)	–	–	–	(13.6)	(13.6)
Retirement benefit obligations	–	–	–	(8.6)	(8.6)	–	–	–	(9.0)	(9.0)
Deferred tax liabilities	–	–	–	(98.1)	(98.1)	–	–	–	(138.7)	(138.7)
Financial liabilities	–	–	–	(1.5)	(1.5)	–	–	–	(2.1)	(2.1)
Segment liabilities	(113.7)	(67.7)	(181.4)	(347.3)	(528.7)	(130.3)	(68.5)	(198.8)	(465.3)	(664.1)
Liabilities classified as held for sale					(22.7)					–
Total liabilities					(551.4)					(664.1)
Net assets	825.9	137.5	963.4	(189.9)	757.0	845.9	274.1	1,120.0	(272.7)	847.3
Capital additions	16.0	28.4	44.4	6.1	50.5	13.6	51.6	65.2	6.5	71.7
Depreciation and amortisation	(28.3)	(20.3)	(48.6)	(3.0)	(51.6)	(27.8)	(24.5)	(52.3)	(2.6)	(54.9)

1 Due to the shared nature of the production facilities for the Personal Care segment and the Coatings business, a split of assets and liabilities by segment is not available and the cost to determine such a split would be prohibitive, therefore the assets and liabilities are shown in aggregate for these segments.

Analysis by geography

	2024					2023				
	North America $m	United Kingdom $m	Rest of Europe $m	Rest of the World $m	Total $m	North America $m	United Kingdom $m	Rest of Europe $m	Rest of the World $m	Total $m
Revenue from external customers	207.1	27.2	263.0	241.0	738.3	231.8	24.8	263.4	193.4	713.4
Fixed assets	638.2	29.7	186.3	69.8	924.0	652.5	30.6	316.7	74.4	1,074.2
Capital additions	8.4	1.5	35.3	5.3	50.5	10.0	4.9	51.6	5.2	71.7
Depreciation and amortisation	(21.9)	(1.8)	(23.4)	(4.5)	(51.6)	(22.9)	(1.6)	(26.4)	(4.0)	(54.9)

Revenue is based on the location of the customer. The Group's largest customer accounts for 8.2% (2023: 8.5%) of revenue ($60.6m) (2023: $60.3m).

3. Finance income

	2024 $m	2023 $m
Interest on bank deposits	0.3	0.5
Pension and other post-retirement liabilities	1.4	1.0
Fair value movement on derivatives	–	1.5
Interest on EU state aid receivable	1.2	1.4
Total finance income	2.9	4.4

4. Finance costs

	2024 $m	2023 $m
Interest on bank loans	20.3	17.5
Unwind of discount on provisions	2.4	1.4
Interest on lease liabilities	1.4	1.3
Fair value movement on derivatives	–	1.1
Total finance costs	24.1	21.3

5. Adjusting items

	2024 $m	2023 $m
Business transformation	11.0	26.1
Environmental provisions		
Increase in provisions due to additional remediation work identified	4.0	6.6
Decrease in provisions due to change in discount rate	(2.2)	(0.4)
Impairment of assets	126.0	–
Settlement of Brazil customs matter	3.0	–
Saint Louis fire	1.3	–
Amortisation of intangibles arising on acquisition	12.3	12.7
	155.4	45.0
Unrealised mark to market of derivative financial instruments	–	1.1
Unwind of discount on restructuring provision	0.4	–
Interest on EU state aid receivable	(1.2)	(1.4)
Tax credit in relation to adjusting items	(26.8)	(8.4)
	127.8	36.3

A number of items have been recorded under 'adjusting items' by virtue of their size and/or one-time nature, in line with our accounting policy in Note 1, in order to provide additional useful analysis of the Group's results. The Group considers the adjusted results to be an important measure used to monitor how the segments are performing as they achieve consistency and comparability between reporting periods. The net impact of these items on the Group profit before tax for the year is a debit of $154.6m (2023: $44.7m). The items fall into a number of categories, as summarised below:

Business transformation – In March 2024, the Group announced the closure of its Middletown plant. Costs of $1.6m associated with the closure of the site were classified as an adjusting item, including charges of $0.7m relating to the restructuring provision and $0.9m of other costs. The plant was fully closed by 31 December 2024.

In March 2024, the Group announced the sale of the Eaglescliffe site. Costs of $0.2m associated with disposal activities were classified as an adjusting item. The transaction is conditional on regulatory approval.

In August 2024, the Group announced a strategic review of the Talc business, to establish whether the full potential of the Talc business can best be delivered as part of the Group, or via a divestment. Costs of $3.5m have been incurred and recognised as an adjusting item in relation to the strategic review. The review is expected to be completed in 2025.

In the year, the Group commenced a data transformation programme to develop a new internal data analytics platform, to deliver a unified, global view of our data, leveraging advance analytical technology, and primed for future integration with GenAI. Costs of $2.1m were recognised in 2024 as an adjusting item, and the new platform is expected to be fully implemented in 2026.

In September 2023, the Fit for the Future strategic review restructuring programme was announced, for which costs of $2.8m were recognised in 2024 (2023: $25.4m), reflecting $3.4m of additional costs and a credit of $0.6m in relation to the revaluation of the restructuring provision. In addition, a charge of $0.4m has been recognised within finance costs in relation to the unwind of discount for the provision. Total estimated costs for the programme are $29.7m, of which $23.7m has been incurred since 2023. The programme is expected to be completed in 2025.

In November 2020, the closure of the Charleston plant was announced. Costs of $0.5m (2023: $0.7m) associated with the closure of the site are classified as an adjusting item and the site is planned to be disposed of in the future. Since November 2020, $23.9m has been incurred in relation to the closure of the site.

Environmental provisions – The Group's environmental provision is calculated on a discounted cash flow basis, reflecting the time period over which spending is estimated to take place. The movement in the provision relates to changes in discount rates which have resulted in a reduction of $2.2m to the liability (2023: $0.4m), and extra remediation work identified in the year which has resulted in a $4.0m increase to the liability (2023: $6.6m). As these costs relate to non-operational facilities, they are classified as adjusting items.

Impairment of assets – In the first half of 2024, Talc performance was adversely impacted by continued weak end market demand and strike action in Finland. Accordingly, a new business plan was prepared for the Talc business which resulted in an impairment of assets of $66.1m.

5. Adjusting items continued

In September 2024, the RAC of ECHA made a recommendation that talc be classified as STOT RE1 and Carc 1B. A final decision by the European Commission is expected in the second half of 2026. As a result, there is a high degree of uncertainty with regards to the future demand and profitability profile of the Talc business, which gave rise to a further impairment of $59.9m, in the second half of 2024.

Settlement of Brazil customs matter – In August 2022 the Brazilian tax authorities opened a tax audit into the Group's Brazilian entity. The audit was focused on the customs classification code used since 2017 for one of the entity's imported raw materials. In 2024, the Group agreed a settlement with the Brazilian tax authorities in relation to this customs matter, of which $3.0m has been recognised as an adjusting item.

St Louis fire – In November 2024, items of property, plant and equipment were damaged as a result of a fire at the St Louis plant. Of the total costs of $1.3m, $0.7m relates to items of property, plant and equipment which were written off.

Amortisation of intangibles arising on acquisition – Amortisation of $12.3m (2023: $12.7m) represents the charge in respect of the Group's acquired intangible assets. As in previous years, these are included in adjusting items as they are a non-cash charge arising from historical investment activities.

Unrealised mark to market of derivatives – The unrealised movements in the mark-to-market valuation of financial instruments that are not in hedging relationships are treated as adjusting items as they are unrealised non-cash fair value adjustments that will not affect the cash flows of the Group.

Interest on EU state aid receivable – Finance income of $1.2m (2023: $1.4m) has been recognised in respect of interest due to the Group.

Tax on adjusting items – This is the net impact of tax relating to the adjusting items listed above.

To support comparability with the financial statements as presented in 2024, a reconciliation to the adjusted consolidated income statement is shown below.

	2024			2023		
	Profit and loss $m	Adjusting items $m	Adjusted profit and loss $m	Profit and loss $m	Adjusting items $m	Adjusted profit and loss $m
Revenue	738.3	–	738.3	713.4	–	713.4
Cost of sales	(400.3)	–	(400.3)	(429.1)	–	(429.1)
Gross profit	338.0	–	338.0	284.3	–	284.3
Distribution costs	(127.9)	–	(127.9)	(108.7)	–	(108.7)
Administrative expenses	(236.7)	155.4	(81.3)	(116.7)	45.0	(71.7)
Operating (loss)/profit	(26.6)	155.4	128.8	58.9	45.0	103.9
Other expenses	(1.8)	–	(1.8)	(2.3)	–	(2.3)
Finance income	2.9	(1.2)	1.7	4.4	(1.4)	3.0
Finance costs	(24.1)	0.4	(23.7)	(21.3)	1.1	(20.2)
(Loss)/profit before income tax	(49.6)	154.6	105.0	39.7	44.7	84.4
Tax	1.8	(26.8)	(25.0)	(11.5)	(8.4)	(19.9)
(Loss)/profit from continuing operations	(47.8)	127.8	80.0	28.2	36.3	64.5
Earnings per share						
From continuing operations						
Basic earnings (cents)	(8.1)	21.7	13.6	4.8	6.2	11.0
Diluted earnings (cents)	(8.1)	21.4	13.3	4.7	6.1	10.8

5. Adjusting items continued

To support comparability with the financial statements as presented in 2024, a reconciliation from operating profit/(loss) to adjusted operating profit/(loss) by segment is shown below for each year.

	2024							2023						
	Coatings $m	*Talc $m*	Performance Specialties totals $m	Personal Care $m	Segment totals $m	Central costs $m	Total $m	*Coatings $m*	*Talc $m*	Performance Specialties totals $m	Personal Care $m	Segment totals $m	Central costs $m	Total $m
Operating(loss)/profit	*73.5*	*(124.3)*	(50.8)	49.3	(1.5)	(25.1)	(26.6)	*55.2*	8.6	63.8	43.2	107.0	(48.1)	58.9
Adjusting items:														
Business transformation	*0.5*	*2.2*	2.7	4.2	6.9	4.1	11.0	*0.7*	–	0.7	–	0.7	25.4	26.1
Increase in environmental provisions due to additional remediation work identified	*–*	*–*	–	–	–	4.0	4.0	*–*	–	–	–	–	6.6	6.6
Decrease in environmental provisions due to change in discount rate	*–*	*–*	–	–	–	(2.2)	(2.2)	*–*	–	–	–	–	(0.4)	(0.4)
Impairment of assets	*–*	*126.0*	126.0	–	126.0	–	126.0	*–*	–	–	–	–	–	–
Settlement of Brazil customs matter	*3.0*	*–*	3.0	–	3.0	–	3.0	*–*	–	–	–	–	–	–
St Louis fire	*1.3*	*–*	*1.3*	–	*1.3*	–	*1.3*	*–*	–	–	–	–	–	–
Amortisation of intangibles arising on acquisition	*0.1*	*4.1*	4.2	8.1	12.3	–	12.3	*0.2*	5.4	5.6	7.1	12.7	–	12.7
Adjusted operating profit/(loss)	*78.4*	*8.0*	86.4	61.6	148.0	(19.2)	128.8	*56.1*	14.0	70.1	50.3	120.4	(16.5)	103.9

6. Income tax expense

	2024 $m	2023 $m
Current tax:		
UK corporation tax	**12.9**	6.2
Overseas corporation tax	**7.6**	8.7
Adjustments in respect of prior years:		
United Kingdom	**0.7**	(0.7)
Overseas	**0.2**	(3.0)
Total current tax	**21.4**	11.2
Deferred tax:		
United Kingdom	**6.0**	(0.2)
Overseas	**(28.8)**	(1.6)
Adjustment in respect of prior years:		
United Kingdom	**–**	–
Overseas	**(0.4)**	2.1
Total deferred tax	**(23.2)**	0.3
Income tax (credit)/expense for the year	**(1.8)**	11.5
Comprising:		
Income tax (credit)/expense for the year	**(1.8)**	11.5
Adjusting items[1]:		
Overseas taxation on adjusting items	**(27.0)**	(4.0)
UK taxation on adjusting items	**0.2**	(4.4)
Taxation on adjusting items	**(26.8)**	(8.4)
Income tax expense for the year after adjusting items	**25.0**	19.9

1 See Note 5 for details of adjusting items.

The tax charge on profits represents an effective rate of 3.6% (2023: 29.0%) and an effective tax rate after adjusting items of 23.8% (2023: 23.5%).

The tax impact of the adjusting items outlined within Note 5 and within the consolidated income statement relates to the following:

	2024		2023	
	Gross $m	Tax impact $m	Gross $m	Tax impact $m
Business transformation	**11.0**	**2.4**	26.1	5.2
Environmental provisions	**1.8**	**–**	6.2	1.3
Impairment of assets	**126.0**	**27.2**	–	–
Settlement of Brazil customs matter	**3.0**	**–**	–	–
Mark to market of derivative financial instruments	**–**	**–**	1.1	0.2
Interest on EU state aid receivable	**(1.2)**	**(0.3)**	(1.4)	(0.4)
Amortisation of intangibles arising on acquisition	**12.3**	**2.8**	12.7	2.1
St Louis fire	**1.3**	**0.3**		
Unwind of discount on restructuring provision	**0.4**	**0.1**	–	–
Derecognition of deferred tax asset regarding Eaglescliffe	**–**	**(5.7)**	–	–
Tax credit	**154.6**	**26.8**	44.7	8.4

The Group is international and has operations across a range of jurisdictions. Accordingly, tax charges of the Group in future periods will be affected by the profitability of operations in different jurisdictions and changes to tax rates and regulations in the jurisdictions within which the Group has operations. The Group's adjusted effective tax rate in 2024 is broadly in line with the prior year. The medium-term expectation for the Group's adjusted effective tax rate is around 26%.

On 20 December 2021 the OECD published its Global Anti-Base Erosion Model Rules (Pillar Two). The report provided a model for a coordinated system of taxation that imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate, determined on a jurisdictional basis, is below the minimum tax rate of 15%. The UK enacted legislation to enshrine this into domestic law in July 2023. The Group is below the revenue threshold for the legislation to apply and therefore there is no impact on the financial statements.

6. Income tax expense continued

The total charge for the year can be reconciled to the accounting profit as follows:

	2024 $m	2024 %	2023 $m	2023 %
(Loss)/profit before tax	**(49.6)**		39.7	
Tax at 25.0% (2023: 23.5%)	**(12.4)**	**25.0**	9.4	23.5
Difference in overseas effective tax rates	**3.4**	**(6.8)**	1.9	4.9
Income not taxable	**(2.8)**	**5.6**	–	–
Expenses not deductible for tax purposes	**3.2**	**(6.5)**	7.1	17.9
Adjustments in respect of prior years	**0.4**	**(0.8)**	(1.5)	(3.7)
Tax rate changes	**–**	**–**	–	–
Tax associated with disposal of discontinued operations	**–**	**–**	(12.8)	(32.2)
Movement in unrecognised deferred tax[1]	**6.4**	**(12.9)**	7.4	18.6
Total (credit)/charge and effective tax rate for the year	**(1.8)**	**3.6**	11.5	29.0

1 The movement in unrecognised deferred tax relates to the derecognition of the deferred tax asset in respect of the Eaglescliffe environmental provision ahead of the expected disposal of the Eaglescliffe site to Flacks Group.

7. (Loss)/profit from continuing operations

Loss from continuing operations of $47.8m (2023: profit of $28.2m) has been arrived at after charging/(crediting):

	2024 $m	2023 $m
Employee costs (see Note 8)	**130.9**	131.2
Net foreign exchange losses	**0.2**	(0.6)
Research and development costs	**9.6**	7.8
Depreciation of property, plant and equipment	**38.8**	41.6
Amortisation of intangible assets	**12.8**	13.3
Total depreciation and amortisation expense	**51.6**	54.9
Impairment of assets	**126.0**	–
Loss on disposal of property, plant & equipment	**0.9**	0.8
Write-off of inventory	**7.8**	4.6
Cost of inventories recognised as expense	**284.5**	295.9
Fees payable to company's auditors and its associates:		
Audit of company	**1.2**	1.2
Audit of subsidiaries	**0.9**	0.9
Audit-related services – interim review	**0.3**	0.3
CSRD metric readiness services	**0.1**	–

8. Employees

Employee costs:

	2024 $m	2023 $m
Wages and salaries	**108.6**	110.4
Social security costs	**9.0**	9.0
Pension costs	**7.2**	7.4
Share-based payment costs	**6.1**	4.4
Total employee costs	**130.9**	131.2

Average number of FTE employees[1]:

	2024 Number	2023 Number
Personal Care and Coatings	**1,178**	1,031
Talc	**259**	228
Central	**49**	19
Total	**1,486**	1,278

1 Full-time equivalent includes contractors.

8. Employees continued

The aggregate amount of Directors' remuneration (salary, bonus and benefits) is shown in the Remuneration Report on page 118:

- The aggregate amount of gains made by Directors on exercise of share options was $nil (2023: $nil)
- The remuneration of the highest paid Director was $3.9m (2023: $3.4m)
- Payments have been made to a defined contribution pension scheme on behalf of 1 Director (2023: 1 Director). For the highest-paid Director, pension contributions of $0.2m (2023: $0.2m) were made

9. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following:

Earnings:

	2024 $m	2023 $m
Adjusted earnings	**80.0**	64.5
Adjusting items net of tax	**(127.8)**	(36.3)
(Loss)/earnings for the purpose of basic earnings per share	**(47.8)**	28.2
(Loss)/earnings from discontinued operations	**–**	(1.7)
(Loss)/earnings from continuing and discontinued operations	**(47.8)**	26.5

Number of shares:

	2024 m	2023 m
Weighted average number of shares for the purpose of basic earnings per share	**588.9**	585.7
Effect of dilutive share options	**11.9**	11.2
Weighted average number of shares for the purpose of diluted earnings per share	**600.8**	596.9

The dilutive (loss)/earnings per share calculation for 2024, does not include the impact of the 11.9m dilutive share options, as the inclusion of these potential shares would have an anti-dilutive impact on the diluted loss per share from continuing operations; it would decrease the diluted loss per share from continuing operations.

Earnings per share:

	2024 cents	2023 cents
Earnings per share from continuing operations:		
Basic (loss)/earnings	**(8.1)**	4.8
Diluted (loss)/earnings	**(8.1)**	4.7
Basic earnings after adjusting items	**13.6**	11.0
Diluted earnings after adjusting items	**13.3**	10.8
Earnings per share from discontinued operations:		
Basic (loss)/earnings from discontinued operations	**–**	(0.3)
Diluted (loss)/earnings from discontinued operations	**–**	(0.3)
Earnings per share from continuing and discontinued operations:		
Basic (loss)/earnings from continuing and discontinued operations	**(8.1)**	4.5
Diluted (loss)/earnings from continuing and discontinued operations	**(8.1)**	4.4

10. Goodwill and other intangible assets

	Goodwill $m	Brand $m	Customer lists $m	Other intangible assets $m	Total $m
Cost:					
At 1 January 2023	699.4	25.3	163.2	98.9	986.8
Exchange differences	12.8	0.1	1.8	2.5	17.2
Additions	–	–	–	0.1	0.1
At 31 December 2023	**712.2**	**25.4**	**165.0**	**101.5**	**1,004.1**
Exchange differences	**(5.7)**	**(1.1)**	**(3.3)**	**(4.1)**	**(14.2)**
Additions	**–**	**–**	**–**	**0.3**	**0.3**
At 31 December 2024	**706.5**	**24.3**	**161.7**	**97.7**	**990.2**
Amortisation and impairment:					
At 1 January 2023	218.5	2.5	46.5	59.1	326.6
Exchange differences	11.4	–	1.5	0.7	13.6
Charge for the year	–	–	8.6	4.7	13.3
Impairment	–	–	–	–	–
At 31 December 2023	**229.9**	**2.5**	**56.6**	**64.5**	**353.5**
Exchange differences	**(3.6)**	**(0.1)**	**(2.2)**	**(3.2)**	**(9.1)**
Charge for the year	**–**	**–**	**8.2**	**4.6**	**12.8**
Impairment	**–**	**–**	**23.1**	**24.0**	**47.1**
At 31 December 2024	**226.3**	**2.4**	**85.7**	**89.9**	**404.3**
Carrying amount:					
At 31 December 2024	**480.2**	**21.9**	**76.0**	**7.8**	**585.9**
At 31 December 2023	482.3	22.9	108.4	37.0	650.6
At 1 January 2023	480.9	22.8	116.7	39.8	660.2

During 2024, cumulative impairment losses in the Talc business in relation to customer lists and other intangible assets of $23.1m and $24.0m were recognised. These impairment losses have been included within administrative expenses in the consolidated income statement. See Key Sources of Estimation Uncertainty for further information.

10. Goodwill and other intangible assets continued

The brand intangibles represent the value ascribed to the trading name and reputation of the Deuchem, Fancor, Watercryl, Hi-Mar and SummitReheis acquisitions. The Group, with the exception of SummitReheis, considers these to have significant and ongoing value to the business that will be maintained and it is therefore considered appropriate to assign these assets an indefinite useful life. The brand relating to SummitReheis has been amortised over a period of three years, and is fully amortised.

The carrying amount of brand intangibles with an indefinite useful life is $21.9m (2023: $22.9m). Brand intangibles with an indefinite useful life are tested annually for impairment as part of the annual goodwill impairment test and have been allocated to the Personal Care and Coatings CGUs.

The net book value of customer lists includes $76.0m (2023: $82.6m) in relation to the acquisition of SummitReheis, which have remaining lives of between 2 and 17 years (2023: between 3 and 18 years), and $nil (2023: $25.9m) in relation to the acquisition of Mondo Minerals, which have no remaining useful life (2023: 10 years).

Included within other intangible assets above are technology-related intangible assets of $0.7m (2023: $28.3m) arising from the acquisition of Mondo Minerals, which have remaining useful lives of 9 years (2023: 10 years), and know-how-related intangible assets of $2.6m (2023: $4.5m), which have remaining useful lives of between 2 and 3 years (2023: 3 and 4 years).

The remaining intangible assets comprise the value ascribed to customer lists, patents and non-compete clauses, which are being amortised over periods of 4 to 23 years.

Goodwill and brand intangibles with an indefinite useful life impairment testing

Goodwill and brand intangibles with an indefinite useful life are allocated to the Group's CGUs as follows:

	2024 $m	2023 $m
Personal Care	**295.5**	296.6
Coatings	**206.5**	208.6
At 31 December	**502.0**	505.2

The Group tests annually for impairment at 31 October, or more frequently, if there are events or circumstances that indicate that the carrying amount may not be recoverable.

Basis of the recoverable amount

The recoverable amounts of the Group's CGUs are determined from value in use calculations which use cash flow projections based on financial budgets approved by the Directors covering a five-year period.

Management's judgement in estimating the cash flows of a CGU

The key assumptions for the value in use calculations are expected changes to sales volumes, selling prices and direct costs during the forecast period, growth rates used to extrapolate beyond the forecast period and the discount rates applied to the resulting cash flows. Changes in sales volumes, selling prices and direct costs are based on past practices and expectations of future changes in the market. A five-year forecasting model is used for all CGUs.

Growth rates

Cash flows for periods beyond the forecast period are extrapolated based on estimated long-term growth rates. The rates do not exceed the average long-term growth rate for the relevant products or markets.

Discount rates

Management estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

Personal Care

The recoverable amount of the CGU was calculated using forecast cash flows based on budgets and plans for 2025 to 2029, a pre-tax discount rate of 12.0% (2023: 12.8%) and a long-term growth rate of 3.0% (2023: 5.0%). The recoverable amount exceeded the carrying value of the CGU by $361.7m (2023: $211.7m). The Directors do not consider that any reasonably possible changes to the key assumptions would reduce the recoverable amount to its carrying value.

Coatings

The recoverable amount of the CGU was calculated using forecast cash flows based on budgets and plans for 2024 to 2029, a pre-tax discount rate of 11.3% (2023: 12.4%) and a long-term growth rate of 3.0% (2023: 3.0%). The recoverable amount exceeded the carrying value of the CGU by $701.1m (2023: $402.1m). The Directors do not consider that any reasonably possible changes to the key assumptions would reduce the recoverable amount to its carrying value.

11. Property, plant and equipment

	Land and buildings $m	Plant and machinery $m	Fixtures, fittings and equipment $m	Under construction $m	Right-of-use assets: Land and buildings $m	Right-of-use assets: Plant and machinery $m	Right-of-use assets: Fixtures, fittings and equipment $m	Total $m
Cost:								
At 1 January 2023	89.7	510.6	32.1	32.9	55.3	4.2	2.8	727.6
Additions	1.5	62.3	0.1	2.7	4.1	0.3	0.7	71.7
Exchange differences	1.8	13.3	0.1	0.2	0.5	0.1	0.2	16.2
Disposals	(0.8)	(6.4)	(0.3)	–	(5.5)	(2.3)	(1.9)	(17.2)
Reclassifications	7.9	15.1	0.5	(23.5)	–	–	–	–
At 31 December 2023	**100.1**	**594.9**	**32.5**	**12.3**	**54.4**	**2.3**	**1.8**	**798.3**
Additions	**1.8**	**19.1**	**–**	**24.0**	**3.9**	**0.9**	**–**	**49.7**
Exchange differences	**(2.5)**	**(26.8)**	**(0.5)**	**–**	**(1.2)**	**0.2**	**(0.3)**	**(31.1)**
Disposals	**(0.2)**	**(2.3)**	**(0.3)**	**–**	**(1.2)**	**(1.2)**	**(0.8)**	**(6.0)**
Reclassifications	**0.9**	**20.0**	**1.0**	**(21.9)**	**–**	**–**	**–**	**–**
At 31 December 2024	**100.1**	**604.9**	**32.7**	**14.4**	**55.9**	**2.2**	**0.7**	**810.9**
Accumulated depreciation and impairment losses:								
At 1 January 2023	40.5	246.0	23.3	–	26.2	3.0	2.2	341.2
Charge for the year	2.1	33.0	1.2	–	4.1	0.9	0.3	41.6
Exchange differences	1.2	6.1	0.1	–	0.3	0.1	–	7.8
Disposals	(0.8)	(6.1)	(0.2)	–	(4.9)	(2.3)	(1.6)	(15.9)
Impairment	–	–	–	–	–	–	–	–
Reclassifications	–	1.0	(1.0)	–	–	–	–	–
At 31 December 2023	**43.0**	**280.0**	**23.4**	**–**	**25.7**	**1.7**	**0.9**	**374.7**
Charge for the year	**3.5**	**27.3**	**2.9**	**–**	**4.4**	**0.4**	**0.3**	**38.8**
Exchange differences	**(0.1)**	**(13.6)**	**(0.5)**	**–**	**(0.2)**	**–**	**(0.1)**	**(14.5)**
Disposals	**–**	**(1.6)**	**(0.3)**	**–**	**(1.2)**	**(1.2)**	**(0.7)**	**(5.0)**
Impairment	**0.8**	**78.1**	**–**	**–**	**–**	**–**	**–**	**78.9**
Reclassifications	**–**	**0.8**	**(0.8)**	**–**	**–**	**–**	**–**	**–**
At 31 December 2024	**47.2**	**371.0**	**24.7**	**–**	**28.7**	**0.9**	**0.4**	**472.9**
Net book value:								
At 31 December 2024	**52.9**	**233.9**	**8.0**	**14.4**	**27.2**	**1.3**	**0.3**	**338.0**
At 31 December 2023	57.1	314.9	9.1	12.3	28.7	0.6	0.9	423.6
At 1 January 2023	49.2	264.6	8.8	32.9	29.1	1.2	0.6	386.4

11. Property, plant and equipment continued

During 2024, cumulative impairment losses in the Talc business in relation to plant and machinery and land and buildings of $78.1m and $0.8m were recognised. These impairment losses have been included in administrative expenses in the consolidated income statement. See Key Sources of Estimation Uncertainty for further information.

Additions for the year included $7.5m (2023: $28.4m) related to the non-cash rehabilitation and closure provisions (see Note 15).

Group capital expenditure contracted but not provided for in these financial statements amounted to $nil (2023: $nil).

In 2024 and 2023, the Group reclassified items of property, plant and equipment from under construction to their relevant categories upon the assets becoming available for use.

12. Inventories

	2024 $m	2023 $m
Raw materials and consumables	**34.2**	43.9
Work in progress	**10.4**	7.2
Finished goods and goods purchased for resale	**107.9**	112.2
At 31 December	**152.5**	163.3

Inventories are disclosed net of provisions for obsolescence of $6.7m (2023: $6.1m).

13. Trade and other receivables

	2024 $m	2023 $m
Trade receivables	**78.1**	80.1
Other receivables	**6.8**	13.5
Prepayments	**8.4**	8.2
At 31 December	**93.3**	101.8

14. Trade and other payables

	2024 $m	2023 $m
Trade payables	**52.3**	60.5
Other payables	**7.4**	14.2
Accruals	**48.7**	43.2
At 31 December	**108.4**	117.9

The Group entered into supplier financing arrangements with US Bank. At the end of the period, the net balance outstanding on the US Bank facility was $1.1m (2023: $0.8m).

15. Provisions

	Environmental $m	Self-insurance $m	Restructuring $m	Other $m	Total $m
At 1 January 2024	60.5	0.5	20.1	0.8	81.9
Increase/(decrease) in provisions	6.3	(0.3)	0.1	0.2	6.3
Unused amounts reversed	–	–	–	(0.6)	(0.6)
Unwinding of discount	1.6	–	0.4	–	2.0
Utilised during the year	(1.9)	–	(16.3)	–	(18.2)
Currency translation differences	(2.5)	–	0.4	(0.1)	(2.2)
Transferred to liabilities held for sale	(20.8)	–	–	–	(20.8)
At 31 December 2024	43.2	0.2	4.7	0.3	48.4
Due within 1 year	1.1	0.2	4.7	0.3	6.3
Due after 1 year	42.1	–	–	–	42.1

Environmental provisions include restoration provisions relating to manufacturing and distribution sites, including certain sites no longer owned by the Group, as well as rehabilitation and closure provisions related to the mining activities of the Talc business.

Restoration provisions have been derived using a discounted cash flow methodology and reflect the extent to which it is probable that expenditure will be incurred over the next 25 years. The level of these provisions are based on management's best estimate of the most likely outcome for each individual exposure. These provisions are discounted using discount rates which reflect market assessments and the risks specific to the liabilities. The discount rates used were 4.8% in the US and 3.3% in Canada.

Rehabilitation and closure provisions have been derived using a discounted cash flow methodology and reflect management's best estimate of the current obligation for restoration and closure of mining sites in Finland, excluding passive mines, in line with latest best practice guidelines and Finnish mining regulatory guidelines. The provisions will not be utilised until the mines are closed. The provisions are discounted using discount rates which reflect market assessments and the risks specific to the liabilities. The discount rate used was 2.9%.

The following table shows the timeframes over which undiscounted costs in relation to all environmental provisions are expected to be incurred:

	1-10 years $m	11-20 years $m	20-25 years $m	25+ years $m	Total $m
Environmental provisions	24.1	21.4	8.2	13.4	67.1

Additional environmental provisions of $7.7m were recognised due to extra remediation and rehabilitation work identified during the year, which was offset by a reduction of $1.4m due to changes in the discount rates used. A credit of $1.2m is included within adjusting items, with $7.5m included as an addition to property, plant and equipment (see Note 11). If the cost estimates on which the provisions are based were to change by 10%, which is reasonably possible, the provisions recognised would increase by approximately $4.1m.

Whilst a range of outcomes is possible, the Directors believe that the reasonably possible range for the environmental provision is from $49.5m to $42.2m.

Self-insurance provisions relate to personal injury and other claims from former employees or third parties and represent the aggregate of outstanding claims plus a projection of losses incurred but not yet reported which together make up the full liability recognised as a provision. Insurance recoveries are recognised as a separate reimbursement asset. The self-insurance provisions are expected to be utilised within one year.

Restructuring provisions relate to costs of adjusting headcount and other costs of restructuring where a need to do so has been identified by management. An overall increase in the restructuring provisions of $0.1m was recognised during the year, including additional restructuring provisions of $0.7m related to the Middletown plant closure, which was announced in 2024, and a decrease of $0.6m related to the Fit for the Future programme, which was announced in 2023. These changes in the restructuring provisions are included within adjusting items (see Note 5). The restructuring provisions are based on management's best estimate of the cash outflow required to settle the obligation. If the cost estimates on which the additional restructuring provisions are based were to change by 10%, which is reasonably possible, the provision recognised would increase by approximately $nil.

16. Deferred tax

	Retirement benefit plans $m	Accelerated tax depreciation $m	Amortisation of US goodwill $m	Other intangible assets $m	Other temporary differences $m	Unrelieved tax losses $m	Total $m
At 1 January 2023	(6.1)	(34.3)	(63.0)	(27.9)	15.2	9.6	(106.5)
Credit/(charge) to the income statement	(0.5)	(4.8)	0.2	2.0	0.8	(6.1)	(8.4)
Credit to other comprehensive income	(2.8)	–	–	–	(0.6)	–	(3.4)
Credit to retained earnings	–	–	–	–	(1.4)	–	(1.4)
Disposal	–	3.2	–	–	–	–	3.2
Currency translation differences	(0.3)	(3.7)	–	(0.7)	2.4	(0.3)	(2.6)
At 31 December 2023	**(9.7)**	**(39.6)**	**(62.8)**	**(26.6)**	**16.4**	**3.2**	**(119.1)**
Credit/(charge) to the income statement	**0.2**	**18.7**	**0.3**	**15.2**	**(11.2)**	**–**	**23.2**
Credit/(charge) to other comprehensive income	**3.5**	**–**	**–**	**–**	**(0.6)**	**–**	**2.9**
Credit to retained earnings	**–**	**–**	**–**	**–**	**0.2**	**–**	**0.2**
Disposal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Currency translation differences	**0.2**	**1.4**	**–**	**1.1**	**(0.3)**	**(0.3)**	**2.1**
At 31 December 2024	**(5.8)**	**(19.5)**	**(62.5)**	**(10.3)**	**4.5**	**2.9**	**(90.7)**
Deferred tax assets	**–**	**–**	**–**	**–**	**4.5**	**2.9**	**7.4**
Deferred tax liabilities	**(5.8)**	**(19.5)**	**(62.5)**	**(10.3)**	**–**	**–**	**(98.1)**

Deferred tax assets have been recognised to the extent that it is considered more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted. Where this is not the case, deferred tax assets have not been recognised. Future taxable profits have been modelled using the Group's five year financial shape.

Deferred tax liabilities are reduced for any deferred tax assets which exist within a jurisdiction where consolidated tax returns are filed and where tax assets and liabilities may be netted.

At the balance sheet date, the aggregate amount of the temporary differences in relation to the investment in subsidiaries for which deferred tax liabilities have not been recognised was $31.8m (2023: $30.9m). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and the Group considers that it is probable that such differences will not reverse in the foreseeable future. As at the balance sheet date, the Group had an unrecognised deferred tax asset of $nil (gross $nil) (2023: $4.5m (gross $21.4m)) in relation to restricted US interest deductions, an unrecognised deferred tax asset of $4.9m (gross $24.6m) (2023: $4.9m (gross $24.6m)) in relation to restricted Finnish interest deductions and an unrecognised deferred tax asset of $9.3m (gross $28.2m) (2023: $11.1m (gross $33.7m)) in respect of German net operating losses.

17. Share capital

	2024 $m	2023 $m
At 1 January	**52.5**	52.3
Issue of shares	**0.2**	0.2
At 31 December	**52.7**	52.5

At 31 December 2024, the Group held 968,021 (2023: 1,458,404) Elementis plc shares through the ESOT with a value of $1.7m (2023: $2.5m). These shares are held to settle share options and awards granted to employees. Refer to Note 26 for further details.

18. Other reserves

	Capital redemption reserve $m	Translation reserve $m	Hedging reserve $m	Share options reserve $m	Total $m
At 1 January 2023	158.8	(122.4)	(1.0)	6.7	42.1
Share-based payments	–	–	–	4.2	4.2
Exchange differences	–	9.7	–	0.2	9.9
Fair value of cash flow hedges transferred to the income statement	–	–	(6.3)	–	(6.3)
Effective portion of changes in fair value of cash flow hedges	–	–	12.7	–	12.7
Fair value of cash flow hedges transferred to net assets	–	–	0.5	–	0.5
Recycle deferred foreign exchange losses on disposal	–	9.3	–	–	9.3
Transfer	–	–	–	(2.3)	(2.3)
At 31 December 2023	**158.8**	**(103.4)**	**5.9**	**8.8**	**70.1**
Share-based payments	**–**	**–**	**–**	**5.7**	**5.7**
Exchange differences	**–**	**(17.4)**	**–**	**0.1**	**(17.3)**
Fair value of cash flow hedges transferred to the income statement	**–**	**–**	**(4.4)**	**–**	**(4.4)**
Effective portion of changes in fair value of cash flow hedges	**–**	**–**	**2.3**	**–**	**2.3**
Fair value of cash flow hedges transferred to net assets	**–**	**–**	**0.4**	**–**	**0.4**
Recycle deferred foreign exchange losses on disposal	**–**	**–**	**–**	**–**	**–**
Transfer	**–**	**–**	**–**	**(5.3)**	**(5.3)**
At 31 December 2024	**158.8**	**(120.8)**	**4.2**	**9.3**	**51.5**

The Company can redeem shares by repaying the market value to the shareholder, whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

18. Other reserves continued

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

The share options reserve comprises amounts accumulated in equity in respect of share options and awards granted to employees. The transfers from the share options reserve to retained earnings is as a result of the exercise and expiry of share options and awards during the year.

19. Borrowings

	2024 $m	2023 $m
Bank loans	**222.9**	267.8
Unamortised syndicate loan fees	**(3.7)**	(3.1)
Short-term borrowings	**–**	–
Carrying value of borrowings at 31 December	**219.2**	264.7
The borrowings are repayable as follows:		
Within one year	**–**	–
Within two to four years	**222.9**	267.8
In the fifth year	**–**	–
	222.9	267.8

The weighted average interest rates paid were as follows:

	2024 %	2023 %
Bank loans	**5.9**	5.8

Group borrowings were denominated as follows:

	2024 $m	2023 $m
US dollar	**75.0**	110.0
Euro	**147.9**	157.8
Total bank loans	**222.9**	267.8

The Group's bank loans include term loans that mature in June 2026.

The US dollar borrowings comprised of a fully drawn $75.0m term loan (2023: $100.0m) and $nil of RCF drawings (2023: $10.0m). The euro borrowings comprised a fully drawn €142.9m term loan (2023: €142.9m) and €nil of RCF drawings (2023: €nil).

The RCF and term loans are governed by the Group's bank syndicate facilities agreement, under which certain Group entities act as guarantors. The guarantors to the facilities agreement are required to constitute at least 75% of the Group's total fixed assets plus current assets less current liabilities and 75% of the Group's profits before interest expense and tax.

Each guarantor irrevocably and unconditionally jointly and severally guarantees the punctual performance under the Group's bank syndicate facilities agreement. There are no fixed or floating charges over assets.

20. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2024 $m	2023 $m
Cash at bank and on hand at 31 December	**59.9**	65.8

21. Financial instruments

		2024						2023					
		Held at fair value		Held at amortised cost				Held at fair value		Held at amortised cost			
At 31 December:	Note	Through profit and loss $m	Derivatives used for hedging $m	Assets $m	Liabilities $m	Total book value $m	Total fair value $m	Through profit and loss $m	Derivatives used for hedging $m	Assets $m	Liabilities $m	Total book value $m	Total fair value $m
Current:													
Trade and other receivables	13	–	–	84.9	–	84.9	84.9	–	–	93.6	–	93.6	93.6
Derivative financial assets	22	–	3.6	–	–	3.6	3.6	–	7.4	–	–	7.4	7.4
Cash and cash equivalents	20	–	–	59.9	–	59.9	59.9	–	–	65.8	–	65.8	65.8
Non-current:													
Derivative financial assets	22	–	1.8	–	–	1.8	1.8	–	6.0	–	–	6.0	6.0
Financial assets		–	5.4	144.8	–	150.2	150.2	–	13.4	159.4	–	172.8	172.8
Current:													
Bank overdrafts and loans	19	–	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	14	–	–	–	(108.4)	(108.4)	(108.4)	–	–	–	(117.9)	(117.9)	(117.9)
Derivative financial liabilities	22	–	(1.5)	–	–	(1.5)	(1.5)	–	–	–	–	–	–
Lease liabilities	24	–	–	–	(5.9)	(5.9)	(5.9)	–	–	–	(5.9)	(5.9)	(5.9)
Non-current:													
Loans and borrowings[1]	19	–	–	–	(219.2)	(219.2)	(222.9)	–	–	–	(264.7)	(264.7)	(267.8)
Lease liabilities	24	–	–	–	(28.8)	(28.8)	(28.8)	–	–	–	(30.3)	(30.3)	(30.3)
Derivative financial liabilities	22	–	–	–	–	–	–	–	(2.1)	–	–	(2.1)	(2.1)
Financial liabilities		–	(1.5)	–	(362.3)	(363.8)	(367.5)	–	(2.1)	–	(418.8)	(420.9)	(424.0)
Total		–	3.9	144.8	(362.3)	(213.6)	(217.3)	–	11.3	159.4	(418.8)	(248.1)	(251.2)

1 The total book value of loans and borrowings are shown net of facility fees of $3.7m (2023: $3.1m).

21. Financial instruments continued

Fair values measurement and hierarchy

Basis for determining fair values

The Group measures fair values in respect of financial instruments in accordance with IFRS 13, using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly or indirectly.

Level 3: Valuation techniques using significant unobservable inputs. This category includes contingent consideration.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

The Group assesses that the fair values of cash and cash equivalents, trade and other receivables, trade and other payables, and the current portion of floating rate bank and other borrowings, approximate to book values due to the short maturity periods of these financial instruments. For trade and other receivables, allowances are made within their book value for credit risk.

Derivatives (Level 2)

Fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Loans and borrowings (Level 2)

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The following table shows amounts recognised in profit or loss in relation to financial assets and liabilities within the scope of IFRS 9:

	2024 $m	2023 $m
Recognised in profit or loss		
Revenue – fair value of cash flow hedges transferred from equity to the income statement	6.2	0.4
Interest income on bank deposits held at amortised cost	0.3	0.5
Fair value movement on derivatives	–	1.5
Financial income	0.3	2.0
Interest on bank loans	(18.6)	(23.4)
Fair value of cash flow hedges transferred from equity to the income statement	(1.8)	5.9
Fair value movement on derivatives	–	(1.1)
Interest on lease liabilities	(1.4)	(1.3)
Financial costs	(21.8)	(19.9)

The following table shows amounts recognised directly in equity in relation to financial assets and liabilities within the scope of IFRS 9:

	2024 $m	2023 $m
Recognised directly in equity		
Effective portion of changes in fair value of cash flow hedge	2.3	12.7
Fair value of cash flow hedges transferred to income statement	(4.4)	(6.3)
Fair value of cash flow hedges transferred to net assets	0.4	0.5
Effective portion of change in fair value of net investment hedge	6.5	14.8
Foreign currency translation differences for foreign operations	(23.9)	(5.1)
Recycle deferred foreign exchange losses on disposal of subsidiary	–	9.3
Recognised in:		
Hedging reserve	(1.7)	6.9
Translation reserve	(17.4)	19.0

22. Derivative financial instruments and hedging activities

	2024				2023			
	Contract or underlying principal amount		Fair value		Contract or underlying principal amount		Fair value	
At 31 December:	Assets	Liabilities	Assets $m	Liabilities $m	Assets	Liabilities	Assets $m	Liabilities $m
Current:								
Interest rate swaps – cash flow hedges	–	€142m	–	(1.4)	$100m	–	2.0	–
Interest rate swaps	$25m	–	0.2	–	$50m	–	0.6	–
Nickel swaps – cash flow hedges	270MT	–	3.2	–	324MT	–	4.4	–
Aluminium swaps – cash flow hedges	800MT	2,000MT	0.1	(0.1)	2,460MT	–	0.4	–
Aluminium swaps	2,460MT	–	0.1	–	–	–	–	–
Total			3.6	(1.5)			7.4	–
Non-current:								
Interest rate swaps – cash flow hedges	–	–	–	–	–	€142m	–	(2.1)
Nickel swaps – cash flow hedges	133MT	–	1.8	–	576MT	–	6.0	–
Total			5.4	(1.5)			13.4	(2.1)

Hedging activities

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk, commodity price risk and interest rate risk.

The Group's risk management strategy is explained in Note 23.

Derivatives designated as hedging instruments

Commodity price risk

The Group enters into commodity swap contracts to reduce the volatility attributable to price fluctuations of aluminium and nickel. To the extent they continue to meet the criteria for hedge accounting, the commodity forward contracts are accounted for as cash flow hedges. The weighted average strike price on outstanding aluminium hedges was $2,565.4 per metric ton ("MT") (2023: $2,266.6 per MT) and the weighted average strike price on outstanding nickel hedges was $29,213.1 per MT (2023: $30,931.4 per MT).

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity swap contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). During the year ended 31 December 2024, the group recognised a gain of $2.9m (2023: $0.6m) within revenue in the consolidated income statement as a result of the sale of selected nickel hedges. For all other commodity hedges, as all critical terms matched during the year, hedge ineffectiveness was immaterial. The hedge ratio is 1:1.

Interest rate risk

The Group enters into interest rate swaps to swap a portion of the interest arising from the Group's bank borrowings from floating to fixed. Interest payments are highly probable, the hedged risk is the change in the market interest rate. The hedged items are the interest rate cash flows on €142.0m of EUR denominated debt. The interest rate swaps for the USD denominated debt matured in 2024. The Group's total borrowings are shown in Note 19 to the financial statements.

The principal terms (notional, reset date, tenor) of the hedged items and the hedged instruments have been matched along with the contractual interest cash flows, therefore creating an exact offset for these transactions resulting in a net fixed interest payable. The interest rate swaps and the hedged items are matched (equal and opposite terms of interest rate, date and maturity); this results in a designated hedge ratio of 1:1 or 100%.

Hedge ineffectiveness can arise from:

- Changes in timing of the hedged item
- A reduction in the amount of the hedged item considered to be highly probable
- A change in the credit risk of Elementis or the counterparty to the derivative contract
- Foreign currency basis spreads

22. Derivative financial instruments and hedging activities continued

The effect of cash flow hedges in the consolidated income statement and the consolidated statement of other comprehensive income ("OCI") is as follows:

	Total hedging (loss)/gain recognised in OCI $m	Amount reclassified from OCI to profit or loss $m	Amount reclassified from OCI to the balance sheet $m	Line item in the profit or loss statement or balance sheet $m
2024				
Interest rate swaps – cash flow hedges	**(2.2)**	**(1.8)**	**–**	**Finance costs**
Nickel forward contracts – cash flow hedges	**(0.9)**	**6.2**	**–**	**Revenue**
Aluminium forward contracts – cash flow hedges	**0.8**	**–**	**(0.4)**	**Inventory**
2023				
Interest rate swaps – cash flow hedges	2.2	5.9	–	Finance costs
Nickel forward contracts – cash flow hedges	(15.0)	0.4	–	Revenue
Aluminium forward contracts – cash flow hedges	0.1	–	(0.5)	Inventory

Amounts reclassified from other comprehensive income to profit or loss are due to the hedged item affecting profit or loss in the period. There were no instances of non-occurrence of hedged cash flows in either the current or comparative period.

Hedge of net investments in foreign operations

The Group seeks to denominate the currency of its borrowings in euros and US dollars in order to match the currency of its cash flows, earnings and assets which are principally denominated in those currencies.

The euro and US dollar borrowings in Elementis Holdings Limited are designated as net investment hedges, as the Company's functional currency is pounds sterling. The Group does not undertake derivative transactions to hedge the foreign currency translation exposures.

The Group analyses the euro and US dollar net assets by subsidiary, and the foreign currency borrowings in the name of Elementis Holdings Limited are allocated against certain tranches of net assets. The critical terms of the euro and US dollar borrowings and their corresponding hedged items are therefore the same.

The Group performs a qualitative assessment of effectiveness and it is expected that the value of the euro and US dollar borrowings in pounds sterling and the value of the corresponding hedged items in pounds sterling will systematically move in the opposite direction in response to movements in the underlying exchange rates.

The main source of ineffectiveness in these hedging relationships is the impact of a decline in the carrying value of the hedged item compared with the euro and US dollar borrowings, with the result that the value of the hedged item is less than the value of hedging instrument.

Foreign currency revaluation on the euro and US dollar borrowings in the name of Elementis Holdings Limited are recorded in other comprehensive income and deferred in the foreign currency translation reserve on the balance sheet as long as the hedge is effective. Any ineffectiveness is recognised in the income statement for that year.

The impact of the hedged items on the statement of comprehensive income is as follows:

Year ended 31 December	**2024 Foreign currency translation reserve $m**	2023 Foreign currency translation reserve $m
Net investment in foreign subsidiaries	**(23.9)**	(5.1)

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	Cash flow hedge reserve $m	Foreign currency translation reserve $m
At 1 January 2023	(1.0)	(122.4)
Effective portion of changes in fair value arising from:		
Derivative cash flow hedging instruments	12.7	–
Amount reclassified to profit or loss	(6.3)	–
Amount reclassified to net assets	0.5	–
Recycling of deferred foreign exchange losses on disposal of subsidiary	–	9.3
Foreign currency revaluation of the net foreign operations	–	(5.1)
Foreign currency revaluation of borrowings	–	14.8
At 31 December 2023	**5.9**	**(103.4)**
Effective portion of changes in fair value arising from:		
Derivative cash flow hedging instruments	**2.3**	**–**
Amount reclassified to profit or loss	**(4.4)**	**–**
Amount reclassified to net assets	**0.4**	**–**
Recycling of deferred foreign exchange losses on disposal of subsidiary	**–**	**–**
Foreign currency revaluation of the net foreign operations	**–**	**(23.9)**
Foreign currency revaluation of borrowings	**–**	**6.5**
At 31 December 2024	**4.2**	**(120.8)**

23. Financial risk management

Risk management objectives

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less influence on credit risk. No single customer accounts for a significant proportion of the Group's revenue.

Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Board of Directors. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group applies the IFRS 9 simplified approach in establishing an allowance for expected credit losses ("ECLs"). The Group therefore does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. A provision matrix is used to calculate lifetime ECLs which takes into account the Group's historical credit loss experience adjusted for historical conditions that are not relevant to future cash flows and forward-looking factors specific to the debtor and economic environment.

Investments

The Group limits its exposure to credit risk through a treasury policy that imposes graduated limits on the amount of funds that can be deposited with counterparties by reference to the counterparties' credit ratings, as defined by S&P Global Ratings or Moody's. Management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2024 $m	2023 $m
Trade receivables	**78.1**	80.1
Cash and cash equivalents	**59.9**	65.8
At 31 December	**138.0**	145.9

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount	
	2024 $m	2023 $m
North America	**21.9**	26.0
Europe	**30.7**	32.4
Rest of the World	**25.5**	21.7
At 31 December	**78.1**	80.1

Expected credit losses

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	2024			2023		
	Gross $m	**Expected credit loss rate**	**Expected credit loss $m**	Gross $m	Expected credit loss rate	Expected credit loss $m
Not past due	**66.6**	**0.0%**	**–**	71.0	0.1%	–
Past due 0-30 days	**9.6**	**0.4%**	**–**	7.5	0.0%	–
Past due 31-120 days	**1.0**	**18.7%**	**(0.3)**	1.8	13.2%	(0.3)
Past due > 121 days	**0.9**	**80.1%**	**(0.7)**	0.7	97.1%	(0.6)
Total	**78.1**		**(1.0)**	81.0		(0.9)

23. Financial risk management continued

The movement in the allowance for expected credit losses during the year was as follows:

	2024 $m	2023 $m
At 1 January	**0.9**	1.5
Additional/(released to income statement) – administrative expenses	**0.1**	(0.6)
Amounts written off	**–**	–
At 31 December	**1.0**	0.9

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's funding policy is to have committed borrowings in place to cover at least 125% of the maximum forecast net borrowings for the next 12-month period.

The committed facilities at 31 December were as follows:

	2024			2023		
	Total committed facilities $m	Undrawn committed facilities $m	Drawn committed facilities $m	Total committed facilities $m	Undrawn committed facilities $m	Drawn committed facilities $m
US dollar term loan	**75.0**	**–**	**75.0**	100.0	–	100.0
Euro term loan	**147.9**	**–**	**147.9**	157.8	–	157.8
RCF	**250.0**	**250.0**	**–**	375.0	365.0	10.0
Lines of credit	**16.3**	**12.0**	**4.2**	22.9	22.9	–
Total	**489.2**	**262.0**	**227.1**	657.7	387.9	267.8
of which expires after more than 1 year		**260.0**			303.4	

In addition, some suppliers have access to utilise the Group's supplier finance programmes, which are provided by Santander and US Bank. There is no cost to the Group for providing these programmes as the cost is borne by the suppliers. These programmes allow suppliers to choose whether they want to accelerate the payment of their invoices, by the financing banks, at a low interest cost. The amounts outstanding to the banks are presented within trade and other payables, and the cash flows are presented with cash flows from operating activities. At the end of the period, the total facility with Santander was $14.5m (2023 $15.5m), with the net balance outstanding of $nil (2023: $nil); and the total facility with US Bank was $3.5m (2023: $3.5m), with the net balance outstanding of $1.1m (2023: $0.8m).

Exposure to liquidity risk

The maturity analyses for financial liabilities showing the anticipated remaining contractual undiscounted cash flows, including future interest payments, at current-year exchange rates and assuming floating interest rates remain at the latest fixing rates, are:

	31 December 2024				
	Within 1 year $m	1 to 2 years $m	2 to 5 years $m	After 5 years $m	Total $m
Non-derivative financial liabilities:					
Bank overdrafts	**–**	**–**	**–**	**–**	**–**
Secured bank loan	**11.9**	**228.2**	**–**	**–**	**240.1**
Trade and other payables	**108.4**	**–**	**–**	**–**	**108.4**
Lease liabilities	**5.9**	**4.9**	**11.9**	**18.2**	**40.9**
Total	**126.2**	**233.1**	**11.9**	**18.2**	**389.4**
Derivative financial liabilities:					
Interest rate swaps	**1.9**	**–**	**–**	**–**	**1.9**
Commodity swap contracts	**(3.4)**	**(2.1)**	**–**	**–**	**(5.5)**
Total	**(1.5)**	**(2.1)**	**–**	**–**	**(3.6)**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

The Group uses derivatives in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board.

23. Financial risk management continued

Market risk – currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a foreign currency other than the respective functional currencies of Group entities, primarily the US dollar and the euro. The Group hedges up to 100% of current and forecast trade receivables and trade payables denominated in a foreign currency. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily US dollar, but also euro and pounds sterling. This provides an economic hedge in instances where hedging derivatives are not entered into. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group's net investment in overseas subsidiaries creates exposure to foreign exchange fluctuations. The risk is hedged by US dollar and euro denominated drawdowns under the syndicated facility designated as the hedged item in net investment hedge relationships. This mitigates the currency risk arising from the retranslation of a subsidiary's net assets into pounds sterling, the functional currency of the ultimate parent Elementis plc.

Currency risk sensitivity analysis

The following table illustrates the effect on the income statement and items that are recognised directly in equity that would result from a 10% strengthening of the US dollar against the following currencies, before the effect of tax. The analysis covers only financial assets and liabilities held at the balance sheet date and assumes that all other variables, in particular interest rates, remain constant.

	2024		2023	
	Income statement $m	**Equity $m**	Income statement $m	Equity $m
Gain from US dollar strengthening 10% against euro	**0.4**	**0.4**	0.4	0.9
Gain/(loss) from US dollar strengthening 10% against sterling	**0.1**	**(8.2)**	0.2	(12.0)

Market risk – interest rate

The Group's policy is to borrow at both fixed and floating interest rates and to use interest rate swaps to generate the required interest profile. These interest swaps are designated within cash flow hedging relationships with the interest payments on the borrowings they are hedging. The risk being hedged is the exposure of the Group to market rate volatility on a portion of the core Group debt. The Group policy does not require that a specific proportion of the Group's borrowings are at fixed rates of interest.

Interest rate sensitivity analysis

A change of 100 basis points ("bps") (1%) in interest rates would have impacted profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2024		2023	
	100bps increase $m	**100bps decrease $m**	100bps increase $m	100bps decrease $m
Variable rate instruments – gain/(loss)	**0.2**	**(0.2)**	0.7	(0.7)

Market risk – commodity price risk

The Group is exposed to movements in the prices of commodities it purchases and sells, such as aluminium and nickel. The volatility in the prices of these commodities has led to the decision to enter into commodity swap contracts. The swap contracts do not result in physical delivery, but are designated as cash flow hedges to offset the effect of price changes.

Commodity price sensitivity analysis

In 2024 and 2023 the Group's aluminium purchases were fully hedged and all aluminium swap derivatives achieved hedge accounting; there was no impact on profit or loss and no sensitivity is presented.

Other market price risk

Equity price risk arises from equity securities held within the Group's defined benefit pension obligations. In respect of the US schemes, management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Group's investment strategy is to maximise investment returns, without excessive risk-taking, in order to meet partially the Group's unfunded benefit obligations; management is assisted by external advisers in this regard. In respect of the UK scheme, the investment strategy is set by the trustees and the Board is kept informed.

23. Financial risk management continued

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, sustain future development of the business and maximise shareholder value. The capital structure of the Group consists of debt (see Note 19), cash and cash equivalents (see Note 20) and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings (see Statement of changes in equity).

The Group utilises a mix of debt funding sources including term loans and RCFs from the Group's syndicated borrowing facility with differing maturities to ensure continuity and provide flexibility. The Group is subject to two financial covenants which apply to the Group's syndicated borrowing facilities. Following the refinancing on 29 May 2024, the Group is required to maintain a ratio of net debt/EBITDA (post IFRS 16) of less than 3.50x and a minimum net interest cover of 3.0x (in relation to earnings before net interest expense and tax). The post IFRS 16 net debt/EBITDA ratio stood at 1.1x at 31 December 2024 (2023: 1.6x) and the Directors anticipate the strong cash generation of the Group will continue to drive a deleveraging profile going forward. Net interest cover at 31 December 2024 was 7.1x (2023: 6.2x).

The Board monitors the adjusted ROCE, both including and excluding goodwill, as defined on page 193.

The dividend policy is set out in the Chair's statement on page 4.

24. Leases

Group as lessee

The Group has lease contracts for various items of property, plant, machinery, vehicles and other equipment used in its operations. Disclosures in relation to right-of-use assets are included within Note 11 – Property, plant and equipment.

The Group also has certain leases with lease terms of 12 months or less and leases of low-value assets to which the Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions.

The weighted average incremental borrowing rate applied to lease liabilities is 5.8% (2023: 3.0%).

The following are the amounts recognised in profit or loss:

	2024 $m	2023 $m
Depreciation expense on right-of-use assets	**5.3**	5.3
Interest expense on lease liabilities	**1.4**	1.3
Expense related to short-term leases and low-value assets	**0.3**	0.3
Expense relating to variable lease payments not included in lease liabilities	**1.0**	0.5

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024 $m	2023 $m
At 1 January	**36.2**	36.3
Additions	**4.8**	5.1
Disposals	**–**	(0.6)
Interest expense	**1.4**	1.3
Payments	**(6.7)**	(6.5)
Foreign exchange movements	**(1.0)**	0.6
At 31 December	**34.7**	36.2

The maturity analysis of lease liabilities is as follows:

	2024 $m	2023 $m
Within one year	**5.9**	5.9
In the second to fifth years inclusive	**16.7**	17.5
After five years	**12.1**	12.8
At 31 December	**34.7**	36.2

At 31 December 2024 there were no leases that had not yet commenced to which the Group had committed.

25. Retirement benefit obligations

The Group has a number of contributory and non-contributory post-retirement benefit plans providing retirement benefits for the majority of employees and Executive Directors. At 31 December 2024, the main schemes in the UK and US were of the defined benefit type, the benefit being based on number of years of service and either the employee's final remuneration or the employee's average remuneration during a period of years before retirement. The assets of these schemes are held in separate trustee-administered funds or are unfunded but provided for on the Group balance sheet.

The UK defined benefit scheme had a surplus under IAS 19 of $23.0m (2023: $38.7m). In addition, the US defined benefit scheme also had a surplus under IAS 19 of $4.6m (2023: $3.4m). In accordance with the requirements of IFRIC 14, management have concluded that the unconditional right to a refund of any surplus under any winding up of the plan provides sufficient evidence that an asset ceiling does not exist and as such the full surplus has been recognised.

In addition the Group operates an unfunded post-retirement medical benefit ("PRMB") scheme in the US. The entitlement to these benefits is usually based on the employee remaining in service until retirement age and completion of a minimum service period.

Other employee benefit schemes included in the table overleaf relate to two unfunded pension schemes, a long-term service award scheme in Germany and a special benefits programme for a small number of former employees of the Eaglescliffe plant. The Group also acquired two further unfunded pension schemes and two long-term service award schemes, all in Germany, as part of the SummitReheis acquisition in 2017. These are included within this category.

The Group also operates a small number of defined contribution schemes, and the contributions payable during the year are recognised as incurred. The pension charge for the defined contribution pension schemes for the year is $6.5m (2023: $6.7m).

Employer contributions in 2024 were $nil (2023: $1.8m) to the UK scheme and $1.0m (2023: $1.4m) to US schemes. Top-up contributions to the UK scheme in 2025 will be $nil based on the 2023 triennial valuation.

The Group is aware of a case involving Virgin Media and NTL Pension Trustee and the decision on 24 July 2024, upholding the High Court's ruling in the Virgin Media v NTL Pension Trustees II court case relating to section 37 and contracted-out defined benefit scheme amendments. The Trustees to the scheme have considered the implications of this case for the UK scheme, and have concluded that no additional liabilities are required as a result of this ruling. This is because the ruling does not apply to the UK scheme, which was not contracted out over the relevant period.

Net defined benefit liability

The net liability was as follows:

	UK pension scheme $m	US pension schemes $m	US PRMB scheme $m	Other $m	Total $m
2024					
Total market value of assets	**414.0**	**88.5**	**–**	**–**	**502.5**
Present value of scheme liabilities	**(391.0)**	**(83.9)**	**(3.4)**	**(5.2)**	**(483.5)**
Net asset/(liability) recognised in the balance sheet	**23.0**	**4.6**	**(3.4)**	**(5.2)**	**19.0**
2023					
Total market value of assets	483.6	93.8	–	–	577.4
Present value of scheme liabilities	(444.9)	(90.4)	(3.4)	(5.6)	(544.3)
Net asset/(liability) recognised in the balance sheet	38.7	3.4	(3.4)	(5.6)	33.1

Plan assets

Plan assets for the schemes comprise:

	UK pension scheme $m	US pension schemes $m	US PRMB scheme $m	Other schemes $m	Total $m
Equities	**60.0**	**4.8**	**–**	**–**	**64.8**
Bonds[1]	**297.9**	**72.1**	**–**	**–**	**370.4**
Cash/liquidity funds	**56.1**	**11.6**	**–**	**–**	**67.3**
At 31 December 2024	**414.0**	**88.5**	**–**	**–**	**502.5**
Equities	100.8	22.4	–	–	123.2
Bonds[1]	339.4	58.6	–	–	398.0
Cash/liquidity funds	43.4	12.8	–	–	56.2
At 31 December 2023	483.6	93.8	–	–	577.4

1 Including LDI repurchase agreement liabilities.

To reduce volatility risk, a liability-driven investment ("LDI") strategy forms part of the Trustees' management of the UK defined benefit scheme's assets, including government bonds, corporate bonds and derivatives. The bond assets category in the table above includes gross assets of $298.3m (2023: $587.0m) and associated repurchase agreement liabilities of $nil (2023: $247.6m). Repurchase agreements are entered into with counterparties to better offset the scheme's exposure to interest and inflation rates, whilst remaining invested in assets of a similar risk profile. Interest rate and inflation rate derivatives are also employed to complement the use of fixed and index-linked bonds in matching the profile of the scheme's liabilities.

25. Retirement benefit obligations continued

All equities, bonds and liquidity funds have quoted prices in active markets. Other assets include insured annuities, an insurance fund and various swap products.

Within the UK pension scheme, the current asset allocation is approximately 57% in a liability matching fund consisting of gilts (fixed interest and index linked), bonds, cash and swaps, 23% in a buy and maintain fund, and 20% in an investment fund that includes various equity and equity-like funds. The aim of the trustees is to manage the risk relative to the liabilities associated with the scheme's investments through a combination of diversification, inflation protection and hedging of risk (currency, interest rate and inflation risk). The US scheme currently has approximately 5% of its asset value invested in a range of equity funds designed to target higher returns and thus reduce the pension deficit, with the balance invested in fixed-income bonds and cash. The strategy is that as the deficit reduces, a greater proportion of investments will be made into liability matching funds.

Fair value of plan assets

Changes in the fair value of plan assets for the schemes are as follows:

	UK pension scheme $m	US pension schemes $m	US PRMB scheme $m	Other schemes $m	Total $m
At 1 January 2023	462.8	91.6	–	–	554.4
Expected return	23.3	4.4	–	–	27.7
Running costs	(1.9)	(0.4)	–	–	(2.3)
Actuarial gains	9.7	4.3	–	–	14.0
Contributions by employer	1.8	0.9	–	–	2.7
Benefits paid	(39.2)	(7.0)	–	–	(46.2)
Exchange differences	27.1	–	–	–	27.1
At 31 December 2023	**483.6**	**93.8**	**–**	**–**	**577.4**
Expected return	**20.7**	**4.3**	**–**	**–**	**25.0**
Running costs	**(1.4)**	**(0.4)**	**–**	**–**	**(1.8)**
Actuarial losses	**(46.2)**	**(2.2)**	**–**	**–**	**(48.4)**
Contributions by employer	**–**	**0.4**	**–**	**–**	**0.4**
Benefits paid	**(34.9)**	**(7.4)**	**–**	**–**	**(42.3)**
Exchange differences	**(7.8)**	**–**	**–**	**–**	**(7.8)**
At 31 December 2024	**414.0**	**88.5**	**–**	**–**	**502.5**

Defined benefit obligation

Changes in the present value of the defined benefit obligation for the schemes are as follows:

	UK pension scheme $m	US pension schemes $m	US PRMB scheme $m	Other schemes $m	Total $m
At 1 January 2023	(436.4)	(91.6)	(3.5)	(5.4)	(536.9)
Service cost	(0.1)	(0.3)	–	(0.1)	(0.5)
Past service cost	–	–	–	–	–
Interest cost	(21.9)	(4.4)	(0.2)	(0.1)	(26.6)
Actuarial gains/(losses)					
– demographic assumptions	12.2	–	–	0.1	12.3
– financial assumptions	(9.5)	(1.9)	(0.2)	(0.1)	(11.7)
– experience adjustments	(3.0)	0.8	–	–	(2.2)
Benefits paid	39.2	7.0	0.5	0.4	47.1
Exchange differences	(25.4)	–	–	(0.4)	(25.8)
At 31 December 2023	**(444.9)**	**(90.4)**	**(3.4)**	**(5.6)**	**(544.3)**
Service cost	**(0.1)**	**(0.3)**	**–**	**(0.1)**	**(0.5)**
Past service cost	**–**	**–**	**–**	**–**	**–**
Interest cost	**(19.0)**	**(4.2)**	**(0.2)**	**(0.2)**	**(23.6)**
Actuarial gains/(losses)					
– demographic assumptions	**8.5**	**–**	**–**	**–**	**8.5**
– financial assumptions	**26.8**	**4.1**	**(0.4)**	**–**	**30.5**
– experience adjustments	**(4.4)**	**(0.5)**	**–**	**–**	**(4.9)**
Benefits paid	**34.9**	**7.4**	**0.6**	**0.3**	**43.2**
Exchange differences	**7.2**	**–**	**–**	**0.4**	**7.6**
At 31 December 2024	**(391.0)**	**(83.9)**	**(3.4)**	**(5.2)**	**(483.5)**

Recognised in profit and loss

	2024 $m	2023 $m
Current service cost	**(0.5)**	(0.5)
Running costs	**(1.8)**	(2.3)
Net interest income	**1.4**	1.1
Total	**(0.9)**	(1.7)

25. Retirement benefit obligations continued

Recognised in statement of other comprehensive income

	2024 $m	2023 $m
Return on plan assets excluding interest income	**(48.4)**	14.0
Actuarial gains arising from demographic assumptions	**8.5**	12.3
Actuarial gains/(losses) from financial assumptions	**30.5**	(11.7)
Actuarial losses arising from experience adjustment	**(4.9)**	(2.2)
Exchange differences	**(0.2)**	1.3
Total	**(14.5)**	13.7

Actuarial assumptions

A full actuarial valuation was carried out as at 30 September 2023 for the UK scheme and as at 31 December 2015 for the US schemes.

The principal assumptions used by the actuaries for the major schemes have been updated by the actuaries at the balance sheet date and were as follows:

	UK %	US %
2024		
Rate of increase in salaries	**4.3**	**3.0**
Rate of increase in pensions in payment	**3.1**	**N/A**
Discount rate	**5.4**	**5.4**
Inflation	**3.3**	**2.4**
2023		
Rate of increase in salaries	4.2	3.0
Rate of increase in pensions in payment	3.1	N/A
Discount rate	4.5	5.1
Inflation	3.2	2.4

The assumed life expectancies on retirement are:

	UK		US	
	2024 years	2023 years	2024 years	2023 years
Retiring at 31 December				
Males	**21**	21	**21**	21
Females	**23**	24	**23**	22
Retiring in 20 years				
Males	**22**	23	**21**	21
Females	**25**	25	**23**	23

The main assumptions for the PRMB scheme are a discount rate of 5.4% (2023: 4.8%) per annum and a health care cost trend of 6.8% (2023: 6.9%) per annum for claims pre age 65, reducing to 4.0% per annum by 2033 (2023: 4.1%). Actuarial valuations of retirement benefit plans in other jurisdictions have either not been updated for IAS 19 purposes or have been disclosed separately because of the costs involved and the considerably smaller scheme sizes and numbers of employees involved.

At 31 December 2024, the weighted average duration of the defined benefit obligations for the major schemes was as follows:

UK: 9 years

US: 8 years

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on UK scheme	Impact on US scheme
Discount rate	**Increased/decreased by 0.5%**	**Decreased/ increased by 4%**	**Decreased/ increased by 4%**
Rate of inflation	**Increased/decreased by 0.5%**	**Increased/ decreased by 3%**	**Increased/ decreased by 0%**
Rate of salary growth	**Increased/decreased by 0.5%**	**Increased/ decreased by 0%**	**Increased/ decreased by 0%**
Rate of mortality	**Increased by 1 year**	**Increased by 4%**	**Increased by 3%**

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. These sensitivities have been calculated to show the movement of the defined obligation following a change in a particular assumption in isolation, assuming no other changes in market conditions.

26. Share-based payments

The Group maintains a number of active share option and award plans and schemes for its employees. These are as follows:

Savings-related options

Options are granted under the tax-advantaged Save As You Earn ("SAYE") share option scheme in the UK. The SAYE allows UK-based eligible employees to acquire options over the Company's shares at a discount of up to 20% of their market value at the date of grant. Options are normally exercisable during the six-month period following either the third or fifth anniversary of the start of the relevant savings contract. Savings contracts are subject to the statutory savings limit of £500 per month.

US-based employees can enter into a similar share-save scheme. Employees can enter into two-year savings contracts saving up to a maximum of $2,000 per month, allowing eligible employees to acquire options over the Company's shares at a discount of up to 15% of their market value at the date of grant.

Long-term incentive plan ("LTIP") awards

The LTIP is a discretionary employee share scheme for Executive Directors and senior managers. The vesting of the awards are subject to performance conditions over a three-year period at the discretion of the Remuneration Committee. The performance conditions of the LTIP are detailed in the Remuneration Report on pages 121 and 122. As approved at the 2018 AGM, restricted shares (i.e. shares that vest based on time only) are awarded to participants below Board level. Shadow LTIPs are in place for senior managers based in China and Malaysia.

Deferred share bonus plan ("DSBP") awards

The DSBP operates exclusively for the Executive Directors. Under this scheme, 50% of any cash bonus payable is awarded in shares and deferred for two years. There are no other performance conditions other than continued employment.

Legacy schemes

Prior to the introduction of the LTIP for senior managers, certain employees participated in the Executive Share Option Scheme ("ESOS"). The ESOS, except for outstanding awards which will run their course, has been discontinued. The Company operated a shadow ESOS for a number of senior managers, who were employed or based in China or Malaysia.

Share-based payment awards were valued (as shown in the table below) using the binomial option pricing model. The weighted fair value per award granted and the weighted average assumptions used in the calculations are as follows:

	2024	2023
Fair value per option (pence)	133.5	104.2
Expected volatility (%)	31.0	38.0
Risk-free rate (%)	2.1	4.7
Expected dividend yield (%)	3.9	2.4

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of $6.1m for continuing operations (2023: $4.4m), with $6.1m recognised for total operations (2023: $4.4m) related to share-based payment transactions during the year.

At 31 December 2024, the following options/awards to subscribe for ordinary shares were outstanding:

Year of grant	Exercise price (p)[1]	Exercisable From	Exercisable To	At 1 January 2024 '000	Granted '000	Exercised '000	Expired '000	At 31 December 2024 '000
UK savings-related share option scheme								
2021	117.00	01/11/24	01/05/25	19	–	(7)	(3)	9
2022	88.00	01/11/25	01/05/26	130	–	(1)	(21)	108
2022	88.00	01/11/27	01/15/28	–	–	–	–	–
2023	91.00	01/11/26	01/05/27	315	–	(1)	(22)	292
2023	91.00	01/11/28	01/05/29	49	–	–	–	49
2024	126.00	01/11/27	01/05/28	–	131	–	–	131
				513	131	(9)	(46)	589
US savings-related share option scheme								
2020	63.11	16/09/22	16/12/22	107	–	–	(107)	–
2022	92.31	15/09/24	15/12/24	594	–	(350)	(126)	118
2023	94.86	15/09/25	15/12/26	211	–	–	(16)	195
2024	140.25	15/09/26	15/12/27	–	233	–	–	233
				912	233	(350)	(249)	546

26. Share-based payments continued

Year of grant	Exercise price (p)[1]	Exercisable From	Exercisable To	At 1 January 2024 '000	Granted '000	Exercised '000	Expired '000	At 31 December 2024 '000
Executive share option schemes/awards granted under the LTIP[7]								
2015	Nil	27/04/18	27/04/25	7	–	–	–	7
2016	218.17	04/04/19	04/04/26	21	–	–	–	21
2017[3]	Nil	07/03/17	07/03/27	92	–	–	–	92
2017[5]	Nil	07/03/19	07/03/27	7	–	–	–	7
2017[6]	Nil	07/03/20	07/03/27	17	–	–	–	17
2017[2]	264.66	03/04/20	03/04/27	31	–	–	–	31
2018[5]	Nil	05/03/20	05/03/28	73	–	–	–	73
2019[5]	Nil	06/03/21	06/03/29	49	–	–	–	49
2020[5]	Nil	05/03/23	05/03/30	76	–	–	–	76
2020[4,7]	Nil	07/04/23	07/04/30	7	–	–	–	7
2020[4,7]	Nil	07/04/23	07/04/23	55	–	(24)	–	31
2020[4,7]	Nil	03/08/23	03/08/23	33	–	(9)	–	24
2020[4,7]	Nil	30/12/23	30/12/23	30	–	(21)	–	9
2021[7]	Nil	06/04/24	06/04/31	2,548	–	(1,354)	(1,172)	22
2021[7]	Nil	06/04/24	06/04/31	1,289	–	(1,196)	(36)	57
2021	Nil	06/04/24	16/08/31	20	–	–	(20)	–
2021	Nil	06/04/24	01/09/31	9	–	(9)	–	–
2021	Nil	06/04/24	13/09/31	18	–	(18)	–	–
2021[7]	Nil	06/04/24	01/10/31	133	–	(101)	(6)	26
2021	Nil	06/04/24	13/12/31	70	–	(70)	–	–
2022[7]	Nil	05/03/25	05/03/32	213	–	–	–	213
2022[5]	Nil	05/03/25	05/03/32	490	–	(490)	–	–
2022[4,7]	Nil	04/04/25	04/04/32	2,912	–	–	(77)	2,835
2022[4,7]	Nil	04/04/25	04/04/25	1,106	–	–	(77)	1,029
2022[7]	Nil	04/04/25	04/04/25	450	–	(5)	(1)	444
2022[7]	Nil	04/04/25	04/04/25	120	–	–	(39)	81
2022	Nil	06/04/24	06/04/24	16	–	(16)	–	–
2022	Nil	04/04/25	04/04/25	12	–	–	–	12
2022	Nil	04/04/25	04/04/25	18	–	–	–	18
2023[5]	Nil	08/03/26	08/03/33	374	–	–	–	374
2023[8]	Nil	08/03/26	08/03/33	148	–	–	–	148
2023[4,7]	Nil	04/04/26	04/04/33	3,183	–	–	(99)	3,084
2023[4,7]	Nil	04/04/26	04/04/26	1,248	–	–	(99)	1,149
2023	Nil	21/06/25	21/06/25	20	–	–	–	20
2023	Nil	24/07/25	24/07/25	14	–	–	–	14
2023[7]	Nil	03/04/25	03/04/25	320	–	(5)	(27)	288
2024[8]	Nil	08/03/27	08/03/34	–	138	–	–	138
2024[5]	Nil	08/03/27	08/03/34	–	324	–	–	324
2024[4,7]	Nil	08/04/27	08/04/34	–	2,568	–	(14)	2,554
2024[7]	Nil	08/04/27	08/04/27	–	972	–	(14)	958
2024	Nil	08/04/26	08/04/26	–	27	–	–	27
2024[7]	Nil	08/04/26	08/04/26	–	148	–	–	148
2024[7]	Nil	07/10/27	07/10/27	–	155	–	–	155
				15,229	4,332	(3,318)	(1,681)	14,562

1 Where necessary option prices were adjusted by a factor of 1.092715 to reflect the dilutive effects of the 2018 Rights Issue.
2 These options include cash-settled shadow executive options granted to a number of executives on the same basis as the executive options (with the same performance conditions and exercise provisions). These shadow options are included in the calculation of the total expenses recognised by the Group related to share-based payments. The closing balance of the 2011, 2012 and 2017 options shown above include no shadow options.
3 Awards made as one-off agreements that borrow from the terms of the LTIP.
4 These options include cash-settled shadow LTIPs granted to a number of executives on the same basis as the LTIP (with the same performance conditions and exercise provisions). These shadow LTIPs are included in the calculation of the total expenses recognised by the Group related to share-based payments.
5 Conditional share award under the DSBP.
6 Awards made as one-off agreements under the DSBP (nil cost options).
7 The closing balance of 2020, 2021, 2022, 2023 and 2024 LTIPs shown above include approximately 71,032, 105,385, 282,174, 113,154 and 165,439 shadow LTIPs respectively.
8 Conditional share award under the DSBP (nil cost award, structured as restricted share units).

26. Share-based payments continued

The weighted average remaining contractual life of the above shares outstanding at 31 December 2024 was 5.6 years (2023: 5.6 years).

The weighted average exercise prices of options disclosed in the previous table were as follows:

	2024 Average exercise price (p)	2023 Average exercise price (p)
At 1 January	**8.6**	9.6
Granted	**10.5**	8.9
Exercised	**10.4**	12.3
Expired	**12.3**	10.0
At 31 December	**8.6**	8.6
Exercisable at 31 December	**38.3**	31.8

The weighted average share price at the date of exercise of share options exercised during the year was 10.6 pence (2023: 12.3 pence).

The number of exercisable options outstanding as at 31 December 2024 was 667,924 (2023: 676,151).

27. Related-party transactions

The Company is a guarantor to the UK pension scheme under which it guarantees all current and future obligations of UK subsidiaries currently participating in the pension scheme to make payments to the scheme, up to a specified maximum amount. The maximum amount of the guarantee is that which is needed (at the time the guarantee is called on) to bring the scheme's funding level up to 105% of its liabilities, calculated in accordance with section 179 of the Pensions Act 2004. This is also sometimes known as a Pension Protection Fund ("PPF") guarantee, as having such a guarantee in place reduces the annual PPF levy on the scheme.

The Group consists of the parent company, Elementis plc, being the ultimate parent company of the Group, incorporated in the United Kingdom and its subsidiaries and associates. In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings, the country of incorporation and the effective percentage of equity owned as at 31 December 2024 is disclosed in Note 6 to the parent company financial statements.

The remuneration of key management personnel of the Group, which is defined as the Board of Directors, is shown below:

	2024 $m	2023 $m
Salaries and short-term employee benefits	**4.1**	3.6
Post-employment benefits	**0.3**	0.3
Other long-term benefits	**0.3**	0.4
Share-based payments	**1.8**	1.3
Total	**6.5**	5.6

Full details of all elements of the remuneration of Directors is set out in the Directors' Remuneration report on pages 101 to 129.

28. Movement in net borrowings

	2024 $m	2023 $m
Change in net cash resulting from cash flows:		
Increase/(decrease) in cash and cash equivalents	**(3.2)**	9.9
Decrease in borrowings repayable within one year	**–**	2.5
Decrease in borrowings repayable after one year	**34.8**	158.0
	31.6	170.4
Currency translation differences	**7.3**	(5.6)
Decrease in net borrowings	**38.9**	164.8
Held for sale cash	**5.9**	–
Net borrowings at 1 January	**(202.0)**	(366.8)
Net borrowings at 31 December	**(157.2)**	(202.0)

28. Movement in net borrowings continued

	Bank and other borrowings $m	Lease liabilities $m	Total financing liabilities $m	Cash and cash equivalents $m	Net debt and lease liabilities $m
At 1 January 2023	(421.7)	(36.3)	(458.0)	54.9	(403.1)
Exchange rate adjustments	(6.6)	(0.7)	(7.3)	1.0	(6.3)
Cash flows from financing activities	160.5	6.5	167.0	9.9	176.9
Other movements	–	(5.0)	(5.0)	–	(5.0)
At 31 December 2023	**(267.8)**	**(35.5)**	**(303.3)**	**65.8**	**(237.5)**
Exchange rate adjustments	**10.1**	**0.8**	**10.9**	**(2.7)**	**8.2**
Cash flows from financing activities	**34.8**	**6.7**	**41.5**	**2.7**	**44.2**
Other movements	**–**	**(6.4)**	**(6.4)**	**–**	**(6.4)**
Transferred to held for sale	**–**	**–**	**–**	**(5.9)**	**(5.9)**
At 31 December 2024	**(222.9)**	**(34.4)**	**(257.3)**	**59.9**	**(197.4)**

Included in the net movement of other loans and borrowings of $9.6m (2023: $110.5m) are total drawdowns of $86.6m (2023: $122.3m) and total repayments of $96.2m (2023: 232.8m).

29. Dividends

An interim dividend of 1.1 cents per share (2023: nil cents per share) was paid on 27 September 2024 and the Group is proposing a final dividend for the year of 2.9 cents per share (2023: 2.1 cents per share). The total dividend for the year is 4.0 cents per share (2023: 2.1 cents per share).

The amount payable for the final dividend, based on the anticipated number of qualifying ordinary shares registered on the record date is $17.1m.

The payment of this dividend will not have any tax consequences for the Group.

30. Contingent liabilities

As is the case with other chemical companies, the Group occasionally receives notice of litigation relating to regulatory and legal matters. A provision is recognised when the Group believes it has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where it is deemed that an obligation is merely possible and that the probability of a material outflow is not remote, the Group would disclose a contingent liability.

The Group has not received any notice of litigation relating to events arising prior to the balance sheet date that is expected to lead to a material exposure.

During 2021, HM Revenue and Customs ("HMRC") opened a tax audit into the 2019 tax returns of certain UK Group entities, focused specifically on the tax-efficient financing structure set up in 2014. The Group has been working constructively with HMRC and is hopeful of bringing these matters to a conclusion during 2025. At this stage management have concluded that there is a possible obligation but that any such obligation cannot be measured with sufficient reliability.

During 2022, the Group terminated a distribution agreement with one of its distributors. The distributor has brought a claim for compensation as a result of the termination. This matter has now proceeded to arbitration and management have concluded at this stage that the obligation cannot be measured with sufficient reliability.

During Q4 2023, an environmental incident occurred at the Eaglescliffe site, which, following investigation during H1 2024, is likely to require additional remediation work at the site and could result in a fine from the relevant supervisory body. Under the terms of the sale and purchase agreement with Flacks Group, signed in March 2024, Flacks Group are responsible for the cost of any remediation and associated fine. As the transaction has not yet completed, Elementis have disclosed the event. Management have concluded at this stage that the obligation cannot be measured with sufficient reliability.

As part of ongoing submission of mining closure plans to the Finnish Safety and Chemicals Agency, the Group has noted that further costs associated with activities for the closure and termination of mining activities will be incurred. The Group has recognised a provision where a reliable estimate of the costs required for mining closure is available. A reliable estimate of future costs is not available for all sites as the work to determine these costs and the future mining closure plan is still in progress. A contingent liability is therefore disclosed in respect of these costs.

31. Events after the balance sheet date

There were no significant events after the balance sheet date.

32. Business exits

2024 business exits

On 6 March 2024, the Group entered into an agreement to sell its former Chromium manufacturing site at Eaglescliffe to Flacks Group for negative purchase consideration of £11.5m ($14.5m). The completion of the transaction is conditional on regulatory approval. Whilst the transaction is still awaiting regulatory approval, Elementis and the Flacks Group are committed to the sale and therefore the site was classified as held for sale as of 30 June 2024.

32. Business exits continued

Net assets classified as held for sale at 31 December 2024 were as follows:

	2024 $m
Trade and other receivables	**0.3**
Cash and bank balances	**5.9**
Total assets	**6.2**
Trade and other payables	**(0.7)**
Provisions	**(22.0)**
Tax liabilities	**–**
Total liabilities	**(22.7)**
Net assets	**(16.5)**

2023 business exits

On 29 November 2022, the Group entered into a share purchase agreement to sell the Chromium business to Yildirim Group for an enterprise value of $170m. At 30 November 2022, the completion of the sale within the next 12 months was deemed to be highly probable and as such the Chromium business met the criteria to be classified as a held for sale asset and a discontinued operation.

The sale completed on 31 January 2023, and Elementis received gross cash proceeds of $139.2m ($127.2m net of total disposal transaction costs).

The results of the discontinued operation, which have been included in the consolidated income statement within 'Profit from discontinued operations', were as follows:

	2023 $m
Revenue	14.4
Expenses	(14.2)
Calculated gain on sale of Chromium business	26.6
Disposal transaction costs	(6.4)
Recycling of deferred foreign exchange losses on sale of business	(9.3)
Profit before income tax	11.1
Tax	(12.8)
Loss from discontinued operations	(1.7)

Revenue includes $nil (2023: $nil) related to inter-segment sales.

A reconciliation of the reported operating profit/loss from discontinued operations to adjusted operating profit/loss from discontinued operations is provided below:

	2023 $m
Operating profit	11.1
Adjusting items:	
Calculated gain on sale of Chromium business	(26.6)
Disposal transaction costs	6.4
Recycling of deferred foreign exchange losses on sale of business	9.3
Adjusted operating profit	0.2

Details of assets and liabilities at the date of disposal are provided in the following table:

	2023 $m
Intangible assets	1.0
Property, plant and equipment	70.2
Inventories	69.1
Trade and other receivables	20.7
Total assets	161.0
Trade and other payables	(23.2)
Provisions	(19.7)
Pensions	(2.2)
Tax liabilities	(3.2)
Lease liabilities	(0.1)
Total liabilities	(48.4)
Net assets disposed	112.6
Gross cash proceeds	139.2
Calculated gain on sale of Chromium business	26.6

Company balance sheet

At 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investments	6	790.5	786.0
Debtors	7	12.7	12.7
Total non-current assets		803.2	798.7
Debtors	7	–	–
Creditors: amounts falling due within one year			
Creditors	8	–	–
Net current liabilities		–	–
Total assets less current liabilities		803.2	798.7
Creditors: amounts falling due after more than one year			
Amounts due to subsidiary undertakings		(203.5)	(191.3)
Net assets		599.7	607.4
Capital and reserves			
Called-up share capital	9	29.5	29.4
Share premium account		178.0	177.7
Capital redemption reserve	9	83.3	83.3
Other reserves		250.5	250.5
Share option reserve	9	33.4	28.9
Profit and loss account		25.0	37.6
Equity shareholders' funds		599.7	607.4

The Company recognised a loss for the financial year ended 31 December 2024 of £2.5m (2023: £0.4m).

The financial statements of Elementis plc, registered number 3299608, on pages 186 to 191 were approved by the Board on 5 March 2025 and signed on its behalf by:

Paul Waterman
CEO

Ralph Hewins
CFO

Company statement of changes in equity

for the year ended 31 December 2024

	2024							2023						
	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Share options reserve £m	Retained earnings £m	Total £m	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Share options reserve £m	Retained earnings £m	Total £m
Balance at 1 January	29.4	177.7	83.3	250.5	28.9	37.6	607.4	29.2	177.3	83.3	250.5	25.6	38.0	603.9
Comprehensive income														
Loss for the year	–	–	–	–	–	(2.5)	(2.5)	–	–	–	–	–	(0.4)	(0.4)
Total other comprehensive loss	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive loss	–	–	–	–	–	(2.5)	(2.5)	–	–	–	–	–	(0.4)	(0.4)
Transactions with owners														
Issue of shares by the Company	0.1	0.3	–	–	–	–	0.4	0.2	0.4	–	–	–	–	0.6
Share-based payments	–	–	–	–	4.5	–	4.5	–	–	–	–	3.3	–	3.3
Dividends received	–	–	–	–	–	4.7	4.7	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	(14.8)	(14.8)	–	–	–	–	–	–	–
Transfer	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total transactions with owners	0.1	0.3	–	–	4.5	(10.1)	(5.2)	0.2	0.4	–	–	3.3	(0.4)	3.5
Balance at 31 December	29.5	178.0	83.3	250.5	33.4	25.0	599.7	29.4	177.7	83.3	250.5	28.9	37.6	607.4

The Company's distributable reserves amount to £25.0m (2023: £37.6m) at the end of the period. The Company regularly reviews its distributable reserves and makes dividend recapitalisations as and when necessary to ensure it can make all expected dividend payments. The Company has sufficient subsidiary reserves to enable such recapitalisations in 2025 and beyond.

For more information on the dividend declared and the dividend per share, please see Note 29 of the Group financial statements.

Notes to the company financial statements of Elementis plc

for the year ended 31 December 2024

1. General information

Elementis plc is a public company limited by shares and is incorporated and domiciled in England. The address of its registered office is The Bindery, 5th Floor, 51-53 Hatton Garden, London, EC1N 8HN. The principal activity of the Company is to act as the ultimate holding company of the Elementis Group of companies.

2. Basis of preparation

The Company's financial statements have been prepared under the historical cost convention, in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 – 'Reduced Disclosure Framework – Disclosure exemptions from EU adopted IFRS for qualifying entities' (FRS 101), and with the Companies Act 2006. The Company has presented its results under FRS 101.

As a qualifying entity whose results are consolidated in the Elementis plc consolidated financial statements on pages 142 to 185, the Company has taken advantage of the exemption under FRS 101 from preparing a statement of cash flows and associated notes, the effects of new but not yet effective IFRSs, disclosures in respect of transactions and the capital management of wholly owned subsidiaries and key management personnel compensation disclosures.

As the consolidated financial statements include equivalent disclosures, the Company has also taken the disclosure exemptions under FRS 101 in respect of certain requirements of IAS 1, IAS 7 statement of cash flows, IAS 8 accounting policies, IAS 24 related party disclosures, IAS 36 impairment of assets, group settled share-based payments under IFRS 2 share based payment, IFRS 3 business combinations, IFRS 5 non-current assets held for sale and discontinued operations, disclosures required by IFRS 7 financial instruments disclosures and by IFRS 13 fair value measurement, IFRS 15 revenue from contracts with customers and IFRS 16 leases.

By virtue of section 408 of the Companies Act 2006, the Company is exempt from presenting an income statement and disclosing employee numbers and staff costs.

As a consequence of the majority of the Company's assets, liabilities and expenses originating in pounds sterling, the Company has chosen pounds sterling as its reporting currency.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 101 in these financial statements.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Investments

Investments in subsidiaries are included in the balance sheet at cost less accumulated impairment losses.

Potential indicators of impairment, including the market capitalisation of the group dropping below the net assets of Elementis plc, have been considered. The recoverable amounts of cash-generating units as determined for the impairment testing of goodwill also support the recoverable amounts of the parent Company's investments.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company.

Pensions and other post-retirement benefits

The Company participates in the Elementis Group defined benefit pension scheme. The assets of the scheme are held separately from those of the Company. Details of the latest valuation carried out in September 2023 can be found in Note 25 to the Group financial statements. Following the introduction of the revised reporting standard, any surplus or deficit in the Elementis Group defined benefit pension scheme is to be reported in the financial statements of Elementis UK Limited, which employs the majority of active members of the scheme and is responsible for making deficit contributions under the current funding plan.

Taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. There were no significant judgements or estimates necessary in 2024.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Share-based payments

The fair value of share options granted to employees is recognised as an expense with a corresponding increase in equity. Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises in its individual financial statements an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its subsidiaries' financial statements, with the corresponding credit being recognised directly in equity. The fair value is measured at the grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

3. Summary of significant accounting policies continued

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

a. They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company.

b. Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that the definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

4. Profit for the financial year attributable to shareholders

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. A loss of £2.5m (2023: £0.4m loss) is dealt with in the financial statements of the Company.

5. Directors' remuneration

Details of Directors' remuneration for the Company are included in the Directors' Remuneration report within the Elementis plc Annual Report and Accounts on pages 101 to 129.

6. Investments

	Unlisted shares at cost £m	Unlisted loans £m	Capital contributions £m	Total £m
Cost at 1 January 2024	**0.1**	**759.0**	**26.9**	**786.0**
Additions	**–**	**–**	**4.5**	**4.5**
Net book value at 31 December 2024	**0.1**	**759.0**	**31.4**	**790.5**
Net book value at 31 December 2023	0.1	759.0	26.9	786.0

The investment in unlisted loans is with Elementis Holdings Limited, an indirect wholly owned subsidiary. The investments in unlisted shares are in Elementis Group BV, Elementis Export Sales Inc, and Elementis Overseas Investments Limited, all wholly owned subsidiaries. Capital contributions relate to share-based payment awards made to employees of subsidiary companies.

The trading subsidiaries and associates of Elementis plc, all of which are wholly owned, excluding Alembic Manufacturing Limited, in which the Group holds a 25% interest, are as follows:

Subsidiary undertakings		Country of incorporation and operation
Alembic Manufacturing Limited	Personal Care products	United Kingdom[1]
Deuchem Co., Limited	Additives and resins	Taiwan[2]
Deuchem (Shanghai) Chemical Co. Limited	Additives and resins	People's Republic of China[3]
Elementis (Shanghai) New Material Co. Limited	Additives and resins	People's Republic of China[3]
Elementis Minerals BV	Talc products	Netherlands[5]
Elementis Specialties (Anji) Limited	Organoclays	People's Republic of China[6]
Elementis Specialties do Brasil Quimica Ltda	Coatings additives	Brazil[7]
Elementis Specialties Inc	Rheological additives, colourants, waxes, other specialty additives	United States of America[4]
Elementis SRL Inc	Personal Care products	United States of America[4]
Elementis UK Limited trading as: Elementis Specialties	Rheological additives, colourants, waxes, other specialty additives	United Kingdom[8]
Elementis Pharma GmbH	Personal Care products	Germany[9]
Mondo Minerals Deutschland GmbH	Talc products	Germany[10]
Elementis Minerals Nickel Oy	Talc products	Finland[11]
Mondo Trading (Beijing) Company Limited	Talc products	People's Republic of China[12]

1 Registered office: Unit 6 Wimbourne Buildings, Atlantic Way, Barry Docks, Barry, South Glamorgan CF63 3RA, UK.
2 Registered office: 92, Kuang-Fu North Road, Hsinchu Industrial Park, Hukou, Hsinchu Taiwan, ROC.
3 Registered office: 99 Lianyang Road, Songjiang Industrial Zone, Shanghai, China.
4 Registered office: 1209 Orange Street, Wilmington, Delaware, 19801, US.
5 Registered office: Kajuitweg 8, 1041 AR, Amsterdam, Netherlands.
6 Registered office: Huibutai, Majiadu Village, Dipu Town, Anji County, Huzhou City, Zhejiang Province, China.
7 Registered office: Rodovia Nelson Leopoldino, SP 375, Km 13,8, s/n, Bairro Rural, Palmital, São Paulo, Brazil.
8 Registered office: The Bindery, 5th Floor, 51-53 Hatton Garden, London EC1N 8HN, UK.
9 Registered office: Giulinistr. 2, 67065 Ludwigshafen, Germany.
10 Registered office: Friedrichsallee 14, 42117, Wuppertal, Germany.
11 Registered office: Talkkitie 7, 83500, Outokumpu, Finland.
12 Registered office: Nan Zhugan Hutong no.6, floor 9, 01-007, Dongcheng District, 100010, Beijing, China.

6. Investments continued

Non-trading and dormant subsidiaries of Elementis plc, all of which are wholly owned within the Group, are as follows:

Subsidiary undertakings		Country of incorporation and operation
Agrichrome Limited	Non-trading	United Kingdom[1]
Elementis America Shared Services Inc	Dormant	United States of America[2]
Elementis Catalysts Inc	Dormant	United States of America[2]
Elementis Chemicals Inc	Dormant	United States of America[2]
Elementis Eaglescliffe Limited	Non-Trading	United Kingdom[1]
Elementis Export Sales Inc	Non-trading	United States of America[2]
Elementis Finance (Europe) Limited	Non-trading	United Kingdom[1]
Elementis Finance (Germany) Limited	Non-trading	United Kingdom[1]
Elementis Finance (Ireland) Limited	Non-trading	Ireland[3]
Elementis Finance (Jersey) Limited	Non-trading	Jersey[4]
Elementis Finance (US) Limited	Non-trading	United Kingdom[1]
Elementis Germany GmbH	Non-trading	Germany[5]
Elementis Germany Limited	Dormant	United Kingdom[1]
Elementis Global LLC	Non-trading	United States of America[2]
Elementis GmbH	Non-trading	Germany[5]
Elementis Group (Finance) Limited	Non-trading	United Kingdom[1]
Elementis Group BV	Non-trading	Netherlands[6]
Elementis Group Limited	Dormant	United Kingdom[1]
Elementis Holdings Limited	Non-trading	United Kingdom[1]
Elementis London Limited*	Dormant	United Kingdom[1]
Elementis Minerals Holding BV	Non-trading	Netherlands[6]
Elementis Nederlands BV	Non-trading	Netherlands[6]
Elementis NZ Limited	Non-trading	New Zealand[7]
Elementis Overseas Investments Limited	Non-trading	United Kingdom[1]
Elementis Pigments Inc	Dormant	United States of America[2]
Elementis Portugal, Unipessoal Lda	Non-trading	Portugal[8]
Elementis S.E.A. (Malaysia) Sdn Bhd	Non-trading	Malaysia[9]
Elementis Securities Limited	Non-trading	United Kingdom[1]
Elementis Services GmbH	Non-trading	Germany[5]
Elementis Specialties (India) Private Limited	Non-trading	India[10]
Elementis US Holdings Inc	Non-trading	United States of America[2]
Elementis US Limited	Non-trading	United Kingdom[1]
H & C Lumber Inc	Dormant	United States of America[2]
Harcros Chemicals Canada Inc	Dormant	Canada[11]
Iron Oxides S.A. de CV	Dormant	Mexico[12]
Mondo Minerals International BV	Dormant	Netherlands[6]
Reheis Inc	Non-trading	United States of America[2]
SRLH Holdings Inc	Non-trading	United States of America[2]
SRL International Holdings LLC	Non-trading	United States of America[2]
Talc Holding Finance Oy	Non-trading	Finland[13]
Talc Holding Oy	Non-trading	Finland[13]
WBS Carbons Acquisitions Corp	Non-trading	United States of America[2]

1 Registered office: The Bindery, 5th Floor, 51-53 Hatton Garden, London EC1N 8HN, UK.
2 Registered office: 1209 Orange Street, Wilmington, Delaware, 19801, US.
3 Registered office: 8th Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.
4 Registered office: 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG.
5 Registered office: Stolberger Str.370, 50933, Köln, Germany.
6 Registered office: Kajuitweg 8, 1041 AR, Amsterdam, Netherlands.
7 Registered office: KPMG, PO Box 1584, 18 Viaduct Harbour Avenue, Maritime Square, Auckland, New Zealand.
8 Registered office: c/o Avenida da Boavista, Numbero 3265 – 2.8 Porto, 4100-137 Porto, Portugal.
9 Registered office: 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.
10 Registered office: Unit-B, Ground Floor, Jaswanti Landmark, Mehra Industrial Estate, L.B.S. Marg, Vikhroli (W), Mumbai 400079, India.
11 Registered office: C/o Stewart McKelvey Stirling Scales,44 Chipman Hill, Suite 1000 ON E2L 4S6, Canada.
12 Registered office: Calle San Ignacio N 105, 22106 Tijuana, Baja California Mexico.
13 Registered office: Kajaanintie 54, 88620, Korholanmaki, Finland.

Notes:

- Other than Elementis Export Sales Inc, Elementis Group BV and Elementis Overseas Investments Ltd, none of the undertakings is held directly by the Company. Equity capital is in ordinary shares and voting rights equate to equity ownership
- All undertakings listed above have accounting periods ending 31 December, with the exception of Elementis Eaglescliffe Limited, for which the relevant date is 31 July
- Undertakings operating in the United Kingdom are incorporated in England and Wales. In the case of corporate undertakings not in the United Kingdom, their country of operation is also their country of incorporation
- All undertakings listed above have been included in the consolidated financial statements of the Group for the year

7. Debtors

	2024 £m	2023 £m
Debtors: Amount falling due after more than one year		
Group relief receivable	12.7	12.7
Debtors: Amount falling due within one year		
Group relief receivable	–	–

8. Creditors: Amount falling due within one year

	2024 £m	2023 £m
Accruals	–	–

The intercompany payable balances represent long term interest free lending to other UK Group companies.

9. Share capital and reserves

	2024 Number '000	2024 £m	2023 Number '000	2023 £m
Called-up allotted and fully paid:				
Ordinary shares of 5 pence each				
At 1 January	587,824	29.4	584,017	29.2
Issue of shares	3,126	0.1	3,807	0.2
At 31 December	590,950	29.5	587,824	29.4

During the year a total of 3,125,736 ordinary shares with an aggregate nominal value of £157,839 were allotted and issued in accordance with the Group's share options and award plans and schemes to various employees, as well as shares that were redeemed for cash at subscription prices between 92 pence and 117 pence on the exercise of options under the Group's share option schemes. The total subscription monies received by the Company for these shares was £0.3m.

The Company can redeem shares by repaying the market value to the shareholder, whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

The share options reserve comprises amounts accumulated in equity in respect of share options and awards granted to employees.

Details of the share-based payments in the year are set out in Note 26 to the Elementis plc consolidated financial statements.

10. Related-party transactions

The Company, which is the ultimate parent company of the Elementis Group, is a guarantor to the Elementis Group defined benefit pension scheme under which it guarantees all current and future obligations of UK subsidiaries currently participating in the pension scheme to make payments to the scheme, up to a specified maximum amount. The maximum amount of the guarantee is that which is needed (at the time the guarantee is called on) to bring the scheme's funding level up to 105% of its liabilities, calculated in accordance with section 179 of the Pensions Act 2004. This is also sometimes known as a PPF guarantee, as having such a guarantee in place reduces the annual PPF levy on the scheme. Details of the UK pension schemes in the year are set out in Note 25 to the Elementis plc consolidated financial statements.

11. UK-registered subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2024. Unless otherwise stated, the undertakings listed below are all 100% owned, either directly or indirectly, by Elementis plc. The Company will guarantee the debts and liabilities of the UK subsidiaries listed below at the balance sheet date in accordance with section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

Name	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)	Company Number
Agrichrome Limited	100	–	2228826
Elementis Finance (Germany) Limited	100	–	5531634
Elementis Finance (US) Limited	100	–	9303101
Elementis Germany Limited	100	–	48664
Elementis Group (Finance) Limited	100	–	9303017
Elementis Group Limited	100	–	4048541
Elementis Overseas Investments Limited	100	–	8008981
Elementis Securities Limited	100	–	597303
Elementis US Limited	100	–	8005226
Elementis Finance (Europe) Limited	100	–	11717371

Alternative performance measures and unaudited information

Alternative performance measures

A reconciliation from reported profit for the year to adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) is provided to support understanding of the summarised cash flow included within the Finance Report on pages 56 to 61.

	2024 $m	2023 $m
(Loss)/profit for the year	**(47.8)**	26.5
Adjustments for:		
Loss from discontinued operations	**–**	1.7
Finance income	**(2.9)**	(4.4)
Finance costs and other expenses	**25.9**	23.5
Tax charge	**(1.8)**	11.5
Depreciation and amortisation	**51.1**	54.7
Excluding intangibles arising on acquisition	**(12.3)**	(12.7)
Adjusting items before finance costs and depreciation	**155.4**	45.0
Adjusted EBITDA	**167.6**	145.8

There are also a number of key performance indicators ("KPIs") on pages 22 to 23; the reconciliations to these are given below.

Constant Currency

Constant currency is calculated by applying the prior year average local currency to USD translation rates to translate revenue and adjusted operating profit. Constant currency rates are determined as the reported rates excluding the impact of changes in the average translation exchange rates during the period.

Adjusted operating cash flow

Adjusted operating cash flow is defined as the net cash flow from operating activities less net capital expenditure but excluding income taxes paid or received, interest paid or received, movement in provisions and financial liabilities, pension contributions net of current service cost, share-based payment expense and adjusting items.

	2024 $m	2023 $m
Net cash flow from operating activities	**100.0**	76.8
Less:		
Net cash flow used in operating activities from discontinued operations	**–**	12.4
Capital expenditure	**(37.8)**	(38.2)
Add:		
Income tax paid or received	**24.5**	27.3
Interest paid or received	**18.2**	18.1
Decrease/(increase) in provisions and financial liabilities	**19.2**	(16.7)
Pension contributions net of current service cost	**0.6**	3.1
Share-based payments expense	**(6.1)**	(4.4)
Adjusting items – non-cash	**(17.7)**	21.3
Adjusting items – cash	**33.3**	10.0
Adjusted operating cash flow	**134.2**	109.7

Adjusted operating cash conversion

Adjusted operating cash conversion is defined as adjusted operating cash flow divided by adjusted operating profit.

	2024 $m	2023 $m
Adjusted operating profit	**128.8**	103.9
Adjusted operating cash flow	**134.2**	109.7
Adjusted operating cash conversion	**104%**	106%

Free cash flow

Free cash flow is defined as adjusted operating cash flow (as defined above), less pension contributions net of current service cost, net interest paid, income tax paid, cash flow relating to adjusting items and other, which includes share-based payments, movement in provisions and derivatives, and payment of lease liabilities.

Contribution margin

The Group's contribution margin is defined as sales less all variable costs, divided by sales, and expressed as a percentage.

	2024 $m	2023 $m
Revenue	738.4	713.4
Variable costs	(367.0)	(361.2)
Non-variable costs	(33.2)	(67.9)
Cost of sales	(400.2)	(429.1)

Adjusted group profit before tax

Adjusted group profit before tax is defined as the adjusted profit for the year plus the tax on adjusting items.

Adjusted return on operating capital employed

Adjusted return on capital employed ("ROCE") is defined as adjusted operating profit from total operations divided by operating capital employed, expressed as a percentage. Operating capital employed comprises fixed assets (excluding goodwill but including tax recoverable), working capital and operating provisions. Operating provisions include self-insurance and environmental provisions but exclude retirement benefit obligations.

	2024 $m	2023 $m
Adjusted operating profit	128.8	103.9
Fixed assets excluding goodwill	464.7	612.0
Working capital	137.4	147.2
Operating provisions	(48.4)	(81.9)
Operating capital employed	553.7	677.3
Adjusted return on capital employed %	23%	15%

Average trade working capital to sales ratio

The trade working capital to sales ratio is defined as the 12 month average trade working capital divided by sales, expressed as a percentage. Trade working capital comprises inventories, trade receivables (net of provisions) and trade payables. It specifically excludes repayments, capital or interest related receivables or payables, changes due to currency movements and items classified as other receivables and other payables.

Adjusted operating profit/operating margin

Adjusted operating profit is the profit derived from the normal operations of the business. Adjusted operating margin is the ratio of adjusted operating profit to sales.

Net debt

Net debt is defined as borrowings less cash and cash equivalents, including any restricted or held for sale cash and cash equivalents. Pre-IFRS 16 Net debt does not include lease liabilities.

Unaudited information

To support a full understanding of the performance of the Group, the information below provides the calculations of net debt/EBITDA.

	2024 $m	2023 $m
Revenue	738.3	713.4
Adjusted operating profit	128.8	103.9
Adjusted operating margin	17.4%	14.6%
Net Debt/EBITDA pre-IFRS 16		
Adjusted EBITDA	167.6	146.2
IFRS 16 adjustment	(6.7)	(6.5)
Adjusted EBITDA pre-IFRS 16	160.9	139.7
Net Debt[1]	157.2	202.0
Net Debt/EBITDA[2] pre-IFRS 16	1.0	1.4
Net Debt/EBITDA post-IFRS 16		
Adjusted EBITDA	167.6	146.2
Net Debt[1]	157.2	202.0
IFRS 16 lease liabilities	34.5	35.6
Net Debt including lease liabilities	191.7	237.6
Net Debt/EBITDA[2] post-IFRS 16	1.1	1.6

1 See Note 28. Net debt excludes lease liabilities.
2 Net Debt/EBITDA, where EBITDA is the adjusted EBITDA on continuing operations of the Group.

Five-year record

	2024 $m	2023 $m	2022 $m	2021 $m	2020 $m
Turnover:					
Continuing operations	738.3	713.4	736.4	709.4	612.4
Discontinued operations	–	14.4	185.0	170.7	146.9
Total operations	738.3	727.8	921.4	880.1	759.3
Adjusted operating profit:					
Total operations	128.8	104.1	123.7	106.6	81.6
Discontinued operations	–	0.2	23.2	18.6	10.4
Continuing operations	128.8	103.9	100.5	88.0	71.2
Adjusting items before interest	(155.4)	(45.0)	(142.3)	(76.1)	(106.5)
Operating (loss)/profit	(26.6)	58.9	(41.8)	11.9	(35.3)
Other expenses	(1.8)	(2.3)	(1.3)	(3.7)	(1.2)
Net interest payable	(21.2)	(16.9)	(11.7)	(15.7)	(37.6)
(Loss)/profit before tax	(49.6)	39.7	(54.8)	(7.5)	(74.1)
Tax	1.8	(11.5)	(7.8)	(0.4)	3.1
(Loss)/profit from continuing operations	(47.8)	28.2	(62.6)	(7.9)	(71.0)
(Loss)/profit from discontinued operations	–	(1.7)	11.5	10.4	4.0
(Loss)/profit attributable to equity holders of the parent	(47.8)	26.5	(51.1)	2.5	(67.0)

	2024 $m	2023 $m	2022 $m	2021 $m	2020 $m
Continuing operations:					
Basic (loss)/earnings per ordinary share (cents)	(8.1)	4.8	(10.7)	(1.4)	(12.2)
Basic earnings per ordinary share after adjusting items (cents)	13.6	11.0	11.1	8.4	5.5
Diluted (loss)/earnings per ordinary share (cents)	(8.0)	4.7	(10.7)	(1.4)	(12.2)
Diluted earnings per ordinary share after adjusting items (cents)	13.3	10.8	10.9	7.3	5.4
Continuing and discontinued operations:					
Basic (loss)/earnings per ordinary share (cents)	(8.1)	4.5	(8.8)	0.4	(11.5)
Basic earnings per ordinary share after adjusting items (cents)	13.6	11.0	14.2	10.7	6.6
Diluted (loss)/earnings per ordinary share (cents)	(8.1)	4.4	(8.8)	0.4	(11.3)
Diluted earnings per ordinary share after adjusting items (cents)	13.3	10.8	13.9	10.6	6.5
Dividend per ordinary share (cents)	4.0	2.1	–	–	–
Interest cover[1] (times)	7.1	6.2	6.6	4.8	3.7
Equity attributable to holders of the parent	797.7	847.3	783.9	901.0	860.4
Net debt	(157.2)	(202.0)	(366.8)	(401.0)	(408.1)
Weighted average number of ordinary shares in issue during the year (million)	588.9	585.7	582.6	581.0	580.1
Weighted average number of ordinary and potential ordinary shares in issue during the year (million)	600.8	596.9	592.3	588.8	593.7

1 Ratio of operating profit after adjusting items to interest on net borrowings.

Notes on ESG reporting methodologies

Greenhouse gas

Scope 1 and 2 GHG emissions are calculated with reference to the GHG Protocol Corporate Standard (2015 revision). We report in tonnes of CO_2 equivalent (CO_2e) and include all gases in the GHG Protocol. We do not include any purchased offsets in our GHG inventory.

We take an operational control approach to defining our GHG and energy organisational boundary. This approach is consistent with our financial statements. This means our equity ownerships are excluded from our combined Scope 1 and 2 footprint but are included in Scope 3 Category 15 (Investments). Data from new facilities are included from the date we take control.

Scope 1: Includes emissions from combustion of fuels for energy, heat and vehicles, process emissions from our chemical manufacturing, refrigerants and direct land use change at our mines. Fuels and refrigerants use consumption invoices from suppliers. We use DEFRA emission factors for Scope 1 fuels globally. Factors include the contribution from CH_4 and N_2O. The GWP used for specific refrigerants is per the GHG Protocol summary of IPCC AR6.

Biomass: CO_2 from biomass is reported outside of the Scopes. CH_4 and N_2O emissions from biomass are included in our Scope 1. We assume diesel fuels contain biomass, and use the appropriate DEFRA factors to remove this CO_2 from our Scope 1 and include it in the biomass reporting number.

Scope 2: Our Scope 2 emissions include all emissions caused by creating the electricity and steam, using invoices issued by our suppliers. We use IEA emissions factors for location-based Scope 2 emissions, except in the UK where we use DEFRA factors. Scope 2 (market-based) emissions include power purchases associated with a Renewable Energy Certificate (REC) or Guarantee of Origin (GO). Where a site does not have such a contract, we use residual mix factors from the Association of Issuing Bodies (AIB) for European sites, and location-based factors for remaining sites.

Intensity: Expressed per tonne of production output as this is a common intensity metric for our industry sector, and per million US dollars of revenue.

Scope 3: For Categories 1 (purchased raw materials and packaging), 2, 3, 4 (finished goods and intersite shipments), 5, 6, and 9, we use primary activity data combined with suitable emission factors sourced from various databases (such as Ecoinvent and others). For the other parts of Scope 3, we make some assumptions to transform primary data further before applying suitable emission factors from databases. Our intention is to increase the use of supplier-provided emissions data over time. For further details about our Scope 3 calculation methodology, see the separate document on our website.

Climate risk assessment: Long term carbon and energy price assumptions that we use are averages of the following NGFS model datasets: GCAM 6.0 NGFS, MESSAGEix-GLOBIOM 1.1-M-R12 and REMIND-MAGPIE 3.2-4.6 for CP, DT and NZ scenarios. For energy cost trends, we combine NGFS data with an assumed 1.5% per annum growth in our energy demand. For carbon costs, we combine NGFS data with our combined Scope 1 & 2 CO_2e emissions, either increasing at 1.5% per annum (i.e. a scenario where we do not decarbonise further) and contrast with a scenario where our combined Scope 1 & 2 CO_2e emissions reduce in line with the IPCC 1.5C Net Zero pathway.

Water and waste

Water withdrawal data uses invoices from our water suppliers, or our own meter readings where we abstract water directly from the environment. Waste data uses invoices from our waste handling suppliers. Where invoices are not available, estimates from the local teams are used.

Approach to estimation

Where estimation is necessary and invoices exist from a prior data period, this prior period is used to estimate the KPI, adjusting for major changes in the site situation (e.g. a change in office headcount). Where there is no invoiced consumption data from a prior period (for example, waste from some of our offices), the local team make a calculation based on known facts such as headcount and local waste treatment statistics.

Baseline year

Our baseline year for Scope 1, Scope 2, energy, water and waste targets is 2019. Baseline data is recalculated and restated if a major change occurs (such as when we divested our Chromium business in 2022). We have not yet set a target or baseline year for Scope 3, but will do so as part of our validated SBT (due in H1 2025). Prior year Scope 3 numbers are not currently recalculated due to resource constraints, but will be when we set a target and baseline year.

Approach to restatements

On occasion, data from a previously reported period needs to be corrected, for example due to the availability of updated data or methodological improvements. Where this occurs, we will restate prior year data if the impact is greater than 5% of the previously reported total, and optionally at lower impact levels if it helps within a specific context.

Safety metrics

We use the US Occupational Safety and Health Administration definition for a recordable injury: A work-related accident or illness that results in one or more of: death; loss of consciousness; absence of more than one day; medical treatment beyond first aid; restricted work or transfer to another job.

TRIR is the number of recordable cases multiplied by 200,000 divided by total hours worked by all employees (including directly supervised contracted / temporary employees) over a calendar year. An LTA is a work-related injury or illness that requires greater than three days away from work (excluding the day of the incident).

A Tier 1 or Tier 2 PSE involves loss of primary containment with consequence. It is an unplanned or uncontrolled release of any material from a process. Tier 1 has a higher magnitude of consequence than Tier 2, as defined in the American Petroleum Institute Recommended Practice 754. A Tier 1 or Tier 2 environmental incident is a release of materials at a level in breach of our permit limits that requires notification to the authorities. Tier 1 has a higher magnitude of consequence, either in impact or in remediation costs.

A contractor is defined as a third party contracted to undertake work on behalf of the Company or to provide a specific service. A contractor recordable injury is a work-related accident that meets the definition of a recordable injury and occurs to a contractor while working at an Elementis site. We exclude contractors from the TRIR calculation, separately tracking the number of contractor recordable injuries.

Environmental data

Global GHG metric[1]	Scope 2 basis	% change in year	2024	2023[2]	2022	2021	2019 (baseline)
Scope 1 (tonne CO_2e)		16.8	48,889	41,861	47,666	49,060	58,469
Scope 2 (tonne CO_2e)	Market	19.8	28,020	23,394	19,401	26,183	99,957
	Location	9.6	48,897	44,623	42,956	53,447	64,457
Total Scope 1 and 2 (tonne CO_2e)	Market	17.9	76,908	65,255	67,067	75,243	158,426
	Location	13.1	97,785	86,484	90,622	102,507	122,926
GHG intensity (total Scope 1 and 2 tonne CO_2e/tonne production)	Market	12.4	0.18	0.16	0.13	0.12	0.26
	Location	7.8	0.22	0.21	0.18	0.17	0.20
GHG intensity (total Scope 1 and 2 tonne CO_2e/$m revenue)	Market	14.0	104	91	91	106	225
	Location	9.4	133	121	123	145	175
Outside of scopes – GHG from biomass (tonne CO_2e)		-20.3	3,069	3,850	4,011	5,165	6,301

Scope 3 GHG emissions by category (tonne CO_2e)		% change in year	2024	2023[3]
Purchased goods and services		-12.3	338,743	386,217
Capital goods		38.4	21,231	15,338
Fuel and energy related		0.6	21,051	20,916
Upstream transportation		51.7	131,141	86,449
Waste generated		36.8	5,981	4,371
Business travel		-39.6	2,789	4,621
Employee commuting		40.0	1050	750
Upstream leased assets		367.0	892	191
Total upstream Scope 3 emissions		*0.8*	*522,878*	*518,853*
Downstream transportation		-59.3	6,620	16,257
Processing of sold products		2.0	37,436	36,699
Use of sold products	Not calculated, not relevant	–	–	–
Product end-of-life		0.8	31,949	31,698
Downstream leased assets		-20.4	254	319
Franchises	Not applicable	–	–	–
Investments		1.1	96	95
Total downstream Scope 3 emissions		*-10.2*	*76,356*	*85,068*
Total Scope 3 emissions		-0.8	599,233	603,921
Total Scope 1, 2 (market based), 3 emissions		1.0	676,141	669,176
Total Scope 1, 2 (location based), 3 emissions		1.0	697,019	690,405

1 For more information on our calculation approach, see page 195 and our non-financial data reporting methodology document on our website.
2 Restated due to additional data and end of year reconciliation of late invoices.
3 Category 10 added to 2023 footprint. Contributions from hotel stays (category 6) and working from home (category 7) were removed from 2023 data as these are optional - they are also excluded from 2024 data.

Global energy metric	% change in year	2024	2023[1]	2022	2021	2019 (baseline)
Total energy (GWh)	14.4	492.6	430.5	480.7	518.4	598.4
Energy from fuels (GWh)	16.0	270.7	233.3	259.5	266.2	318.3
Energy from fuels (GJ)	16.0	974,694	840,014	934,364	958,322	1,145,924
Purchased energy (GWh)	12.5	221.8	197.1	221.2	252.2	280.1
Purchased electricity certified renewable/low carbon (%)	0	77	77	77	72	0
Total energy intensity (GWh/tonne produced)	9.1	0.0011	0.0010	0.0009	0.0009	0.0010
Energy from fuels intensity (GJ from fuels/tonne produced)	10.7	2.23	2.02	1.82	1.57	1.90

UK only GHG and energy metrics		2024 % of global	2024	2023	2022	2021	2019 (baseline)
Scope 1 (tonne CO_2e)		36.9	7,323	5,350	7,726	7,740	7,735
Scope 2 (tonne CO_2e)	Market	-59.3	396	973	321	2,712	3,026
	Location	22.7	1,879	1,532	1,737	2,062	2,031
Total Scope 1 and 2 (tonne CO_2e)	Market	22.1	7,719	6,323	8,047	10,452	10,761
	Location	33.7	9,202	6,882	9,463	9,802	9,766
GHG intensity (total Scope 1 and 2 tonne CO_2e/tonne production)	Market	-7.3	0.44	0.48	0.42	0.52	0.56
	Location	1.6	0.53	0.52	0.50	0.49	0.51
Total energy (GWh)[2]		34.2	49.1	36.6	51.3	51.4	50.4
Total energy intensity (GWh/tonne produced)		1.9	0.0028	0.0028	0.0027	0.0026	0.0026

Production volume (tonne)	% change in year	2024	2023	2022	2021	2019 (baseline)
Global total	4.8	436,936	416,738	513,300	611,533	601,753
UK only	31.7	17,449	13,253	19,056	19,926	19,233

1 Restated due to additional data and end of year reconciliation of late invoices.
2 1 GWh = 1 million kilowatt hours (kWh). Total 2024 UK energy was 49,099,678 kWh.

Water metric	% change in year	2024	2023	2022	2021	2019 (baseline)
Total water withdrawal (m³)	19.6	1,568,215	1,310,825	1,573,678	1,700,117	2,254,182
Total water withdrawal intensity (m³/tonne produced)	14.1	3.59	3.15	3.07	2.78	3.75
Water withdrawn from high water stress areas (m³)[1]	10.4	207,609	188,033	205,248	308,809	223,422
Water withdrawn from high water stress areas intensity (m³/tonne produced)	-19.0	4.93	6.10	4.1	5.2	6.4

1 Based on WRI Aqueduct tool.

Water metric (m³)		All locations	Water-stressed locations
Water withdrawal by source	Ground	321,139	73,639
	Surface	231,667	109,145
	Third party	1,015,409	24,825
Total water withdrawn		1,568,215	207,609
Water discharge by destination	Ground	0	0
	Surface	1,397,728	102,729
	Third party	905,374	7,620
Total water discharged		2,303,101	110,349
Total water consumed		-734,886	97,260

Treatment method of waste (tonne)	Hazardous waste	Non-hazardous waste	Total
Landfilled	386	10,745	11,132
Incinerated	1,214	213	1,427
Recycled	9	832	841
Reused	0	5,804	5,804
Total	1,610	17,594	19,204

Emission to water (tonne)	2024
Total organic Carbon (TOC)	0.463
Metals (Nickel, Arsenic, Zinc)	0.295
Nitrogen	0.068
Phosphorus	0.005
Total emissions to water	0.831

Emission to air (tonne)	2024	2023	2022
Sulfur oxides	0.3	0.5	24.0
Nitrogen oxides	31.4	19.5	29.6
Volatile organic compounds	70.4	65.6	48.8
Hazardous air pollutants	4.6	6.3	4.1
Carbon Monoxide	17.8	13.4	3.1
Particulate matter (PM_{10})	1.0	1.7	2.5
Dust	9.1	1.0	3.9
Ammonia	0.2	–	–
Total emissions to air	134.8	108.1	116

Waste sent for third-party treatment	% change in year	2024	2023	2022	2021	2019 (baseline)
Mass of hazardous waste (tonne)	26.2	1,610	1,276	750	293	–
Mass of non-hazardous waste (tonne)	23.3	17,594	14,269	16,728	18,842	–
Total waste (tonne)	23.5	19,204	15,545	17,478	19,135	21,297
Total waste intensity (tonne generated/tonne produced)	17.8	0.044	0.037	0.034	0.031	0.035

Shareholder services

The Company's Registrar is Equiniti Limited.

Equiniti provide a range of services to shareholders.

Extensive information including many answers to frequently asked questions can be found online.

Use the QR code to register for FREE at www.shareview.co.uk

Equiniti's registered address is:

Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Enquiries concerning shares or shareholdings, such as the loss of a share certificate, consolidation of share certificates, amalgamation of holdings or dividend payments, should be addressed to the Company's registrars:

Equiniti Limited

Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Telephone: +44 (0) 371 384 2379
Facsimile: 0371 384 2100 or + 44 190 369 8403
Website: www.shareview.co.uk

For deaf or speech-impaired customers, Equiniti welcome calls via Relay UK. Please see www.relayuk.bt.com for more information.

In any correspondence with the registrars, please refer to Elementis plc and state clearly the registered name and address of the shareholder. Please notify the registrars promptly of any change of address.

Website

Our website (www.elementis.com) provides the following information:

- Company news and information
- Details of our strategy
- The Company's approach to sustainability and innovation
- A dedicated Investors section which contains up-to-date information for shareholders, including:
  - Share price and index chart information
  - Financial results
  - History of dividend payment dates and amounts
  - Access to current and historical shareholder documents such as the Annual Report and Accounts

Share dealing services

Equiniti provides a share dealing service that enables shares to be bought or sold by UK shareholders by telephone or over the internet. For telephone share dealing, please call +44 (0) 345 603 7037 between 8.30am and 4.30pm (lines are open until 6.00pm for enquiries). For internet share dealing, please visit: www.shareview.co.uk/dealing

Electronic communications

Shareholders can elect to receive shareholder documents electronically by registering with Shareview at www.shareview.co.uk. This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent an email notification to say when shareholder documents are available on our website and you will be provided with a link to that information. When registering, you will need your shareholder reference number, which can be found on your share certificate or proxy form. Please contact Equiniti if you require any assistance or further information.

Duplicate documents

If you have more than one account on the share register and receive duplicate documentation from us as a result, please contact Equiniti to request that your accounts be combined.

Share fraud

Share or investment scams are often run from 'boiler rooms' where fraudsters cold call investors offering them worthless, overpriced or even non-existent shares, or offer to buy their shares in a company at a higher price than the market value. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free reports about the company. Even seasoned investors have been caught out by such fraudsters. The FCA has some helpful information: www.fca.org.uk/scamsmart

Report a scam

If you are contacted by a cold caller, you should inform the Secretariat (company.secretariat@elementis.com) and also the FCA by using its share fraud reporting form at www.fca.org.uk/scams or by calling its Consumer Helpline on +44 (0) 800 111 6768.

If you have already paid money to a share fraudster, please contact Action Fraud on +44 (0) 300 123 2040 or www.actionfraud.police.uk

Corporate information

Financial calendar (provisional)

29 April 2025	Annual General Meeting
29 April 2025	Q1 Trading Update
31 July 2025	Interim Results 2025
October 2025	Q3 Trading Update
31 December 2025	Financial Year End
January 2026	Q4 Trading Update

The financial calendar is updated on a regular basis throughout the year. Please refer to our website www.elementis.com for up-to-date details.

Annual General Meeting

The Annual General Meeting of Elementis plc will be held on 29 April 2025 at 10.00am at the offices of A&O Shearman LLP, One Bishops Square, London, E1 6AD. Shareholders will also be able to attend the meeting online.

The Notice of Meeting is included in a separate document.

Company Secretary

Anna Lawrence

Registered number

03299608

Registered office

The Bindery
5th Floor
51-53 Hatton Garden
London
EC1N 8HN
UK

Principal offices

Elementis plc
The Bindery
5th Floor
51-53 Hatton Garden
London
EC1N 8HN
UK

Tel: +44 208 148 5966

Elementis Global
469 Old Trenton Road
East Windsor
NJ 08512
US

Tel: +1 609 443 2000

Independent Auditors

Deloitte LLP
1 Little New Street
London
EC4A 3TR

Joint Corporate Broker

JP Morgan Cazenove
60 Victoria Embankment
London
EC4Y 0JP

Joint Corporate Broker

Deutsche Numis
45 Gresham Street
London
EC2V 7BF

Public Relations

Teneo
The Carter Building
11 Pilgrim Street
London
EC4V 6RN

Solicitors

A&O Shearman LLP
One Bishops Square
London
E1 6AD

Email

company.secretariat@elementis.com

Website

www.elementis.com

GRI index

Statement of use	Elementis plc has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI standards.
GRI used	GRI 1: Foundation 2021

GRI standard	Specific GRI Disclosure	Pages
GRI 2: General disclosures 2021	2-1 Organisational details	1-3
	2-2 Entities included in the organisation's sustainability reporting	189-190, 195
	2-3 Reporting period, frequency and contact point	200
	2-4 Restatements of information	196, 197
	2-5 External assurance	34, 134
	2-6 Activities, value chain and other business relationships	6-8, 12-15, 62-64
	2-7 Employees	47
	2-8 Workers who are not employees	Not disclosed
	2-9 Governance structure and composition	76-79
	2-10 Nomination and selection of the highest governance body	88-91
	2-11 Chair of the highest governance body	76-77
	2-12 Role of the highest governance body in overseeing the management of impacts	31
	2-13 Delegation of responsibility for managing impacts	31
	2-14 Role of the highest governance body in sustainability reporting	31
	2-15 Conflicts of interest	89, 99, 130
	2-16 Communication of critical concerns	26-27, 81
	2-17 Collective knowledge of the highest governance body	89
	2-18 Evaluation of the performance of the highest governance body	87
	2-19 Remuneration policies	101-129
	2-20 Process to determine remuneration	119-121
	2-21 Annual total compensation ratio	127
	2-22 Statement on sustainable development strategy	5, 11

GRI standard	Specific GRI Disclosure	Pages
GRI 2: General disclosures 2021 continued	2-23 Policy commitments	55
	2-24 Embedding policy commitments	55
	2-25 Processes to remediate negative impacts	53, 96
	2-26 Mechanisms for seeking advice and raising concerns	53, 84-85
	2-27 Compliance with laws and regulations	51-52, 92-96
	2-28 Membership associations	54
	2-29 Approach to stakeholder engagement	24-25
	2-30 Collective bargaining agreements	47
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30
	3-2 List of material topics	30
	3-3 Management of material topics	28-54
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	36-39, 138
	201-3 Defined benefit plan obligations and other retirement plans	47, 146
	201-4 Financial assistance received from government	152
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	52
	205-3 Confirmed incidents of corruption and actions taken	53
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	53
GRI 207: Tax 2019	207-1 Approach to tax	54, 159-160, 167
	207-2 Tax governance, control, and risk management	151
	207-3 Stakeholder engagement and management of concerns related to tax	151
	207-4 Country-by-country reporting	159
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	40, 197
	302-3 Energy intensity	40, 197
	302-4 Reduction of energy consumption	40
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	42, 198
	303-4 Water discharge	42, 198
	303-5 Water consumption	42, 198

GRI standard	Specific GRI Disclosure	Pages
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	**43**
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	**40-41, 196**
	305-2 Energy indirect (Scope 2) GHG emissions	**40-41, 196**
	305-3 Other indirect (Scope 3) GHG emissions	**40-41, 196**
	305-4 GHG emissions intensity	**40, 196**
	305-5 Reduction of GHG emissions	**35-41, 196**
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	**42, 198**
GRI 306: Waste 2020	306-3 Waste generated	**42, 198**
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	**47**
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	**47**
	401-3 Parental leave	**47**
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	**45-46**
	403-2 Hazard identification, risk assessment, and incident investigation	**45-46**
	403-4 Worker participation, consultation, and communication on occupational health and safety	**45-46**
	403-5 Worker training on occupational health and safety	**45-46**
	403-6 Promotion of worker health	**45-46**
	403-8 Workers covered by an occupational health and safety management system	**45-46**
	403-9 Work-related injuries	**45-46**
	403-10 Work-related ill health	**46**
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	**49, 53**
	404-2 Programme for upgrading employee skills and transition assistance programme	**49-50**
	404-3 Percentage of employees receiving regular performance and career development reviews	**50**

GRI standard	Specific GRI Disclosure	Pages
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	**47-48, 90-91**
	405-2 Ratio of basic salary and remuneration of women to men	**47**
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	**Not disclosed**
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	**54**
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	**53**

SASB index

Topic	Accounting Metric	SASB code	Pages
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	**40-41, 196**
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	**35-40**
Air Quality	Air emissions of the following pollutants: (1) nitrogen oxides (excluding N_2O), (2) sulfur oxides, (3) volatile organic compounds, and (4) hazardous air pollutants	RT-CH-120a.1	**42, 198**
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	**40-41, 197**
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	RT-CH-140a.1	**42, 198**
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	**46**
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	**39, 42**
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	**42, 198**
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	**25**

Topic	Accounting Metric	SASB code	Pages
Workforce Health & Safety	(1) Total recordable incident rate and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	**45**
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	**45-46**
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	**62-64**
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals, Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	**Not disclosed**
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	**54**
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms	RT-CH-410c.1	**Not disclosed**
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	**Not disclosed**
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count, Process Safety Total Incident Rate, and Process Safety Incident Severity Rate	RT-CH-540a.1	**45-46**
	Number of transport incidents	RT-CH-540a.2	**Not disclosed**
Activity metric	Production by reportable segment	RT-CH-000.A	**62-64, 197**

Glossary

AGM	Annual General Meeting
AI	Artificial intelligence
AOCC	Average operating cash conversion
APEO	Alkylphenol ethoxylates
APM	Alternative performance measures
ATWC	Average trade working capital
AWC	Average working capital
Board	Board of Directors of Elementis plc
BPS	Basis points
CAPEX	Capital expenditure
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFD	Climate-related financial disclosures
CGU	Cash-generating unit
CHRO	Chief Human Resources Officer
CMD	Capital Markets Day
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CP	Current policies
CSRD	Corporate Sustainability Reporting Directive
DE&I	Diversity, equity and inclusion
DNED	Designated Non-Executive Director
DSBP	Deferred Share Bonus Plan
DT	Delayed Transition
DTR	Disclosure Guidance and Transparency Rules
EBITDA	Earnings before interest, tax, depreciation and amortisation
EC	European Commission
ECC	Ethics and Compliance Council
ECHA	European Chemicals Agency
ECL	Expected credit loss
ELT	Executive Leadership Team
EMEA	Europe, Middle East and Africa
EPS	Earnings per share
ESC	Elementis Sustainability Council
ESG	Environmental, social and governance
ESOS	Executive Share Option Scheme
ESOT	Employee Share Ownership Trust
ESRS	European Sustainability Reporting Standards
EU	European Union
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FRS	Financial Reporting Standards
FRS 101	Financial Reporting Standards 101
FTE	Full time equivalent
FTSE	Financial Times Stock Exchange
GAAP	Generally accepted accounting principles
GBP	Great British Pound
GDP	Gross domestic product
GHG	Greenhouse gases
GJ	Gigajoule
GRI	Global Reporting Initiative
GWh	Gigawatt-hour
HET	Highly effective teams
HMRC	HM Revenue and Customs
HR	Human resources
HSE	Health, safety and environment
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Standards Interpretations Committee
IFRS	International Financial Reporting Standards
IMA	Industrial Minerals Association
IP	Intellectual Property
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
IT	Information technology
IUCN	International Union for Conservation of Nature
KPI	Key performance indicator

LCA	Life cycle analysis
LCIA	Life Cycle Impact Assessment
LDI	Liability-driven investment
LPG	Liquefied petroleum gas
LTA	Lost time accidents
LTIP	Long-term incentive plan
M^3	Cubic metres
M&A	Mergers and acquisitions
Mondo	Mondo Minerals Holdings B.V. and its subsidiaries
MT	Metric ton
MWh	Megawatt per hour
NBO	New business opportunities
NED	Non-Executive Director
NGFS	Network for Greening the Financial Systems
NiSATs	Non-ionic synthetic associative thickeners
NOx	Nitrogen oxides
NZ	Net Zero 2050
OCC	Operating cash conversions
OCI	Other comprehensive income
OPM	Operating profit margin
OSHA	Occupational Safety and Health Administration
PBT	Profit before tax
PFAS	Polyfluoroalkyl Substances
PHA	Process hazard analysis
PM	Particulate matter
PPF	Pension Protection Fund
PRMB	Post-retirement medical benefit
PSE	Process safety event
PSM	Process safety management
PTFE	Polytetrafluoroethylene
PwC	PricewaterhouseCoopers LLP
RAC	Risk Assessment Committee
R&D	Research and development
RCF	Revolving credit facility
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
ROCE	Return on capital employed
s.172	Section 172 of the Companies Act 2006
SASB	Sustainability Accounting Standards Board
SAYE	Save As You Earn
SBT	Science-based target
SBTi	Science Based Targets initiative
SDS	Safety data sheets
SID	Senior Independent Director
SOx	Sulfur oxides
SRSOS	Savings-related share option scheme
SVHC	Substances of very high concern
SVP	Senior Vice President
TCFD	Task Force on Climate-related Financial Disclosures
TMC	Trademark Committee
TRIR	Total recordable injury rate
TSR	Total shareholder return
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UN GC	United Nations Global Compact
UN SDGs	United Nations Sustainable Development Goals
US	United States
USD	United States dollar
VOC	Volatile organic compound
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute

Notes

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ELEMENTIS

Elementis plc

The Bindery
5th Floor
51-53 Hatton Garden
London EC1N 8HN

www.elementis.com