

Value proposition

How we make money

How our structure adds value

How we allocate capital

Critical relationships and resources

Our sustainable competitive advantages

How we are evolving

Our sustainable competitive advantages

Hectorite: a unique source of value creation

- We own a valuable high-grade hectorite mine. Hectorite is a natural mineral that delivers excellent rheology in both water- and oil-based systems, making it an attractive natural alternative to synthetic materials
- Approximately 40% of Personal Care revenue and approximately 20% of Coatings revenue comes from hectorite-based products. We expect to achieve double digit growth in our hectorite-based revenue over the medium term



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 serving large clients across multiple locations
- Our manufacturing footprint provides flexibility and supply resilience. We collaborate with our customers to deliver value-added solutions

Innovation-led growth

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

Sustainable solutions

- We are committed to improving the impacts of our solutions through the benefits our products enable, and lowering our own manufacturing and supply chain footprints
- 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 and end-users to use fewer resources and improve the impact of their own products. 59% of our revenue is derived from natural or naturally-derived products

How we are evolving

- The personal care and coatings markets are constantly evolving, influenced by three global trends that have affected how we do business: the move towards sustainability, shifting demographics, and technological and digital advancement (see pages 35-37 for further details)
- Consumers are demanding more from the products they use, with an increasing focus towards natural ingredients and ethical sourcing, that have a low negative impact on the environment, communities and workers in the value chain. Recognising this change, we have adapted our R&D efforts towards delivering new specialty chemicals that have enhanced sustainability benefits, improved product performance and lower operational costs
- Shifts in demographics play a critical role in how we think about the future risks and opportunities affecting our business. Whether this is related to the expected growth in population in the developing world, increased longevity in the developed world, increased urbanisation or accelerated migration, we are continuously evolving. We have expanded our capabilities in the fast-growing Asian region, and we are delivering more sustainable products and increasing our relevance by reducing speed to market
- Technology progress is advancing rapidly, and technologies are becoming ever-more interconnected. Early investment and adoption can significantly reduce operational costs while improving overall returns on R&D, sales and marketing spend. We have invested and will continue to invest in improving our IT infrastructure and data analytical capabilities, including AI, to help improve our R&D and marketing efforts while enabling us to optimise our operational processes and costs

CASE STUDY

An example of this is our **RHEOLATE® biobased NiSATS range** in Coatings, which are based on a waste stream from sugarcane molasses production, and hence provide additional sustainability benefits, without compromising on performance.

