

## 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](mailto: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<sup>1</sup>

**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

<sup>1</sup> 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

## 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

## Board of Directors

## 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 Arcor 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 &amp; 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

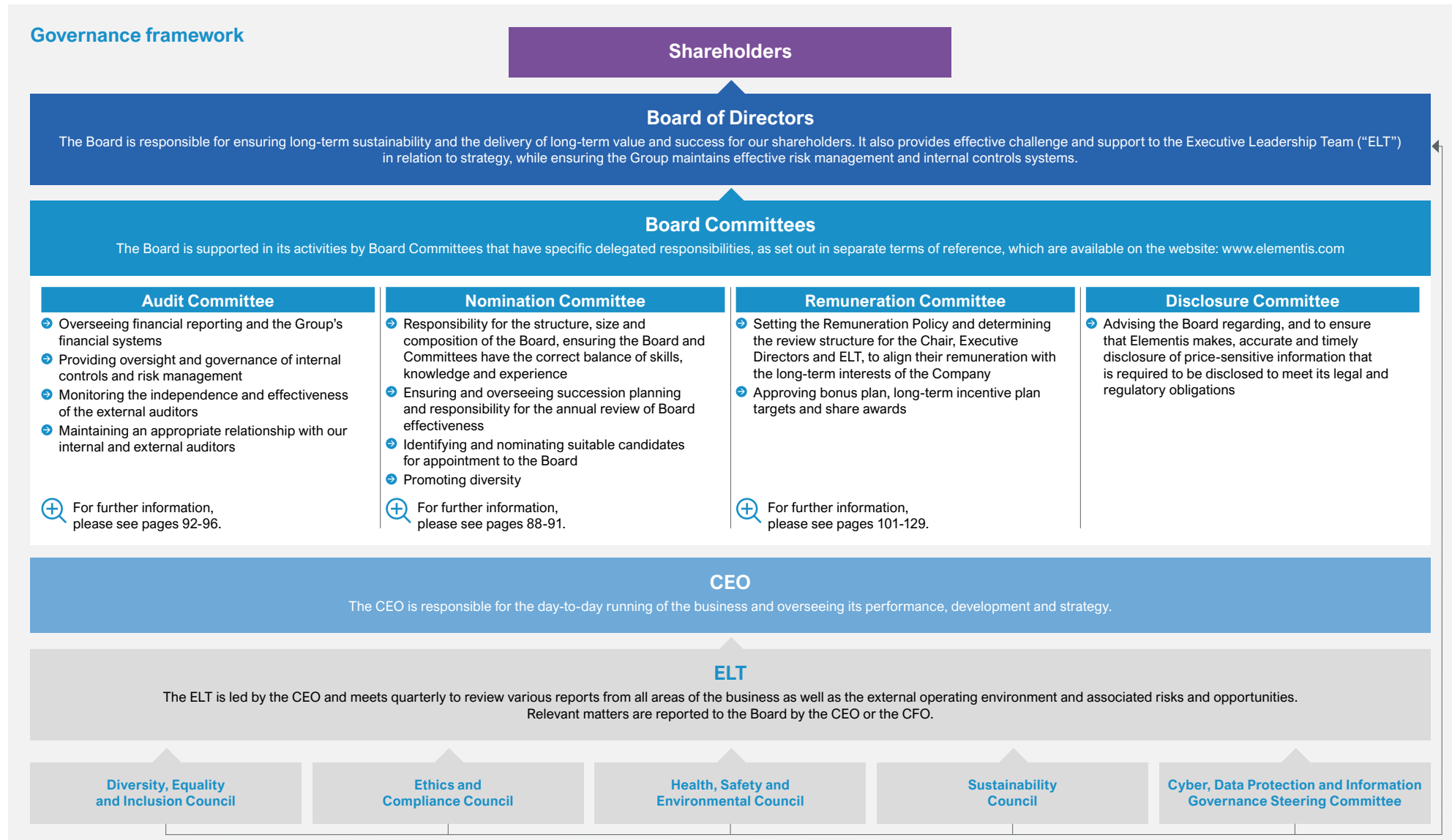
## Appointment of Christopher Mills, non-independent Non-Executive Director

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.

# Division of responsibilities





# 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 <sup>1</sup>	March 2024	6	5
Maria Ciliberti <sup>2</sup>	March 2024	6	5
Dorothee Deuring	March 2017	8	8
Steve Good <sup>3</sup>	October 2014	3	3
Trudy Schoolenberg	March 2022	8	8
Christine Soden	November 2020	8	8
Clement Woon	December 2022	8	8

- Heejae Chae joined the Board in March 2024, after the first quarterly meeting had been held. Heejae was also unable to attend one meeting.
- 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.
- 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.

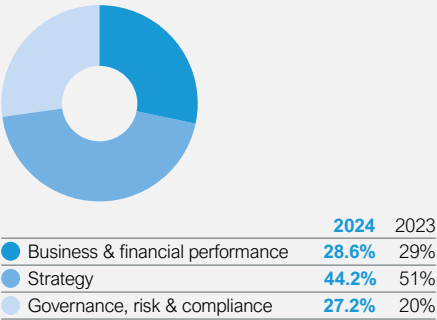
During 2024, the Board considered a number of topics:

- 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



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 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.

Board in action



**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.



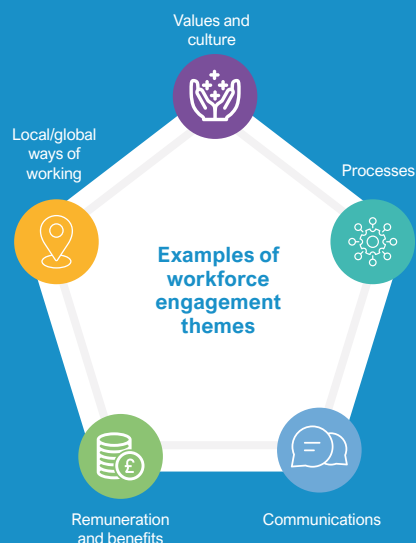
Workforce engagement

## 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

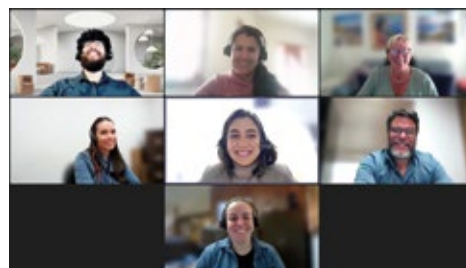


All year

## 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 Paulo/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 Paulo/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



### Reports on progress on diversity, equity and inclusion



### HSE performance



### Ethics and compliance programme



### Employee retention, promotion and attrition data



### Whistleblowing reports



### Internal Audit reports and findings



### 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

<b>January</b>		<b>September</b>		
<ul style="list-style-type: none"><li>➔ Appointment of the chosen external Board evaluator following thorough tender process</li></ul>		<ul style="list-style-type: none"><li>➔ EquityCulture attended a Board meeting to observe</li><li>➔ Individual meetings held by EquityCulture with Board members</li></ul>		
<b>January</b>	<b>July</b>	<b>September</b>	<b>October</b>	<b>December</b>
<b>July</b>	<b>October</b>		<b>December</b>	
<ul style="list-style-type: none"><li>➔ The Group General Counsel &amp; 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</li></ul>	<ul style="list-style-type: none"><li>➔ The findings of the performance review were discussed with the Chair and Group General Counsel &amp; Company Secretary</li></ul>		<ul style="list-style-type: none"><li>➔ The report was presented to the Board. The Board discussed the findings and agreed on the focus areas for the forthcoming year</li></ul>	

# 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 <sup>1</sup> )	Attendance
John O'Higgins <sup>2</sup>	February 2020	6	6
Heejae Chae <sup>3</sup>	March 2024	4	3
Maria Ciliberti <sup>4</sup>	March 2024	6	5
Dorothee Deuring	March 2017	8	8
Steve Good <sup>5</sup>	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.

- Three meetings were scheduled, and five were ad hoc.
- John O'Higgins was unable to attend two meetings due to a conflict of interest.
- 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.
- 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.
- 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](http://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

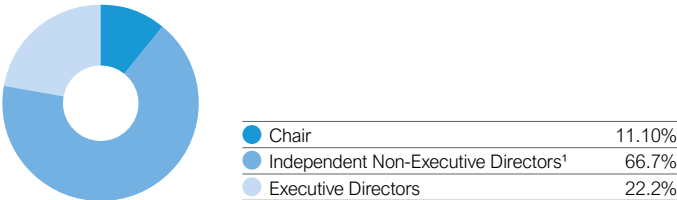
The Committee has oversight of Directors' potential conflicts of interest and, during the year, in accordance with policy, considered and approved the following additional external appointments:

- 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



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.

Nomination Committee report

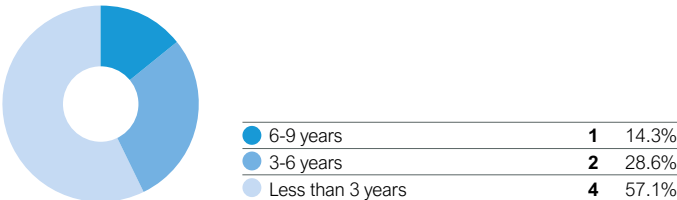
In November 2024, the Company announced that Paul Waterman had agreed with the Board that it was the right time to transition the leadership of the Company to a new Chief Executive Officer, following Paul's nine years of service. Paul agreed to remain with the Company until no later than the conclusion 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



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 <sup>1</sup>	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.

## Nomination Committee report

### 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 <sup>1</sup>	Number in executive management	Percentage of executive management
<b>White British or other white (including minority white groups)</b>	5	55.6%	4	8	88.9%
<b>Mixed/multiple ethnic groups</b>	0	0%	0	0	0%
<b>Asian/Asian British</b>	2	22.2%	0	0	0%
<b>Black/African/Caribbean/Black British</b>	0	0%	0	1	11.1%
<b>Other ethnic group, including Arab</b>	0	0%	0	0	0%
<b>Not specified/prefer not to say</b>	2	22.2%	–	–	–

<sup>1</sup> 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 <sup>1</sup>	March 2024	0	0
Maria Ciliberti <sup>2</sup>	March 2024	2	2
Dorothee Deuring	March 2017	3	3
Trudy Schoolenberg	March 2022	3	3
Clement Woon	December 2022	3	3

<sup>1</sup> 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.

<sup>2</sup> 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](http://www.elementis.com)

## Audit Committee report

### 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 Committee report

### 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



## Audit Committee report

### 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](http://www.frc.org.uk)

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## 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](http://www.elementis.com)
- |   |                                    |
|---|------------------------------------|
| ➔ Group financial report                | ➔ Culture and values               |
| ➔ Risk management and internal controls | ➔ Sustainability                   |
| ➔ Corporate governance                  | ➔ Health and safety                |
| ➔ Group strategy                        | ➔ Engagement with key stakeholders |
| ➔ Acquisitions and disposals            | ➔ Financial and trading statements |
| ➔ Talent and succession                 |                                    |

## 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	
<b>Chair</b> John O'Higgins	<ul style="list-style-type: none"> <li>Leads the Board and is responsible for its overall effectiveness</li> <li>Sets the agendas in consultation with the CEO, CFO and Group General Counsel &amp; Company Secretary</li> <li>Promotes open, honest and constructive debate, challenges during meetings and guides the CEO and CFO in delivery of the strategy</li> <li>Ensures the Board conforms with the highest standards of corporate governance</li> <li>Chairs the Nomination Committee and ensures the Board has an appropriate balance of skills, diversity and experience</li> <li>Ensures effective succession planning is in place and leads the annual Board effectiveness review</li> <li>Engages with shareholders and other stakeholders, and ensures that their views are understood and considered appropriately in Board decision-making</li> </ul>
<b>Senior Independent Director</b> Trudy Schoolenberg	<ul style="list-style-type: none"> <li>Acts as a sounding board to the Chair, providing support and advice where necessary</li> <li>Is the point of contact for shareholders and other stakeholders to discuss matters of concern</li> <li>Leads the Board's appraisal of the Chair's performance with the Non-Executive Directors</li> </ul>
<b>Independent Non-Executive Directors</b> Heejae Chae, Maria Ciliberti, Dorothee Deuring, John O'Higgins, Trudy Schoolenberg, Christine Soden, Clement Woon	<ul style="list-style-type: none"> <li>Provide independent oversight objectivity to the Board's deliberations</li> <li>Use their broad range of experience and expertise to challenge management and aid decision-making</li> <li>Serve on various Committees and play a leading role in the effectiveness of those Committees</li> </ul>
<b>Non-Independent Non-Executive Director</b> Christopher Mills	<ul style="list-style-type: none"> <li>Supports the Board in completing existing initiatives and potentially new initiatives to help contribute to long-term shareholder value creation</li> <li>Serves on the Nomination Committee</li> </ul>

Executive Directors	
<b>Chief Executive Officer</b> Paul Waterman	<ul style="list-style-type: none"> <li>Day-to-day management of the business</li> <li>Execution of strategy and operational performance</li> <li>Provides regular updates to the Board on all significant matters relating to the Group</li> <li>Ensures the Company has a strong team of high-calibre executives</li> <li>Puts in place management succession and development plans</li> </ul>
<b>Chief Financial Officer</b> Ralph Hewins	<ul style="list-style-type: none"> <li>Supports the CEO in the delivery of the Company's strategy and financial performance</li> <li>Leads the Group Finance function and is responsible for financial reporting, investor relations, IT, risk, insurance and tax matters</li> <li>Plays a key role in external stakeholder relationships, including investment community, lenders and pension trustees</li> </ul>

Group General Counsel & Company Secretary	
Anna Lawrence	<ul style="list-style-type: none"> <li>Supports the Chair in ensuring the Board operates efficiently and effectively</li> <li>Provides the Board with advice on governance developments</li> <li>Facilitates the Directors' induction programmes and assists with ongoing training and development</li> <li>Assists the Chair with the Board effectiveness review process</li> </ul>

Designated Non-Executive Director for workforce engagement	
Christine Soden	<ul style="list-style-type: none"> <li>Represents the Board when engaging and communicating with employees and provides communication on any outcomes</li> </ul>



## 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	<ul style="list-style-type: none"> <li>➤ The role of the Director</li> <li>➤ Board and Committees</li> <li>➤ Board meetings</li> <li>➤ Rules, regulations and guidance</li> <li>➤ Board procedures</li> <li>➤ Current issues</li> <li>➤ Nature of the Company, its business and its markets</li> <li>➤ The Company's main relationships</li> </ul>
Induction – Board Committees (as appropriate)	<ul style="list-style-type: none"> <li>➤ Role and remit of the Committee</li> <li>➤ Link between the Committee's policy and the Company's strategic objectives</li> <li>➤ The annual meeting schedule for the Committee</li> <li>➤ The main business conducted by the Committee</li> <li>➤ The legal requirements relevant to the Committee's operations</li> <li>➤ Market practice and current trends relevant to the Committee</li> <li>➤ Current issues</li> <li>➤ Views of investors on matters considered by the Committee and potential areas of focus</li> <li>➤ Any technical training on key matters</li> </ul>
Induction – external advisers	<p>Meetings with:</p> <ul style="list-style-type: none"> <li>➤ External auditors</li> <li>➤ Internal audit function</li> <li>➤ Remuneration consultants</li> <li>➤ Brokers</li> <li>➤ Lawyers</li> </ul>
Induction – senior management meetings	<p>Meetings with:</p> <ul style="list-style-type: none"> <li>➤ All ELT members</li> <li>➤ VP IT, Data and Digital</li> <li>➤ Group Financial Controller &amp; Head of Tax</li> <li>➤ Head of Investor Relations</li> <li>➤ Global Director Sustainability</li> </ul>
Induction – site visits	<ul style="list-style-type: none"> <li>➤ Key Elementis operating and corporate sites globally</li> </ul>