Sumika Polymer Compounds (UK) Ltd – Year ended 31/3/2026
Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

(a) likely consequences of any decisions in the long-term;
(b) interests of the company's employees;
(c) need to foster the company's business relationships with suppliers, customers and others;
(d) impact of the company's operations on the community and environment;
(e) desirability of the company maintaining a reputation for high standards of business conduct;
(f) need to act fairly between members of the company.

The Company has regular communication with its direct shareholder via monthly management meetings as well as reporting performance on a monthly basis. There are also robust approval processes in place which provide the shareholder with the opportunity to provide input, consideration and authorisation for key strategic decisions impacting both the financial prospects of the Company and those relating to sustainability objectives. The board of the Company comprises members elected by the shareholder.

The strength of our business depends upon the expertise, commitment and hard work of our employees and our objective is to retain the best workforce in order to meet the long-term strategy of our business. We engage our workforce regularly in open, transparent communication to highlight our accomplishments, explain future challenges and make key objectives clear so that each person understands how their role contributes to the success of the business.

The Company serves global customers and, due to the nature of the products we supply, we work closely with them to develop products which meet their specific needs. Many of our customers are long standing and we engage with them on a regular basis to ensure that we continue to support the security of their supply chain, meet their quality standards and provide technical support. To achieve this, we depend on the performance and reliability of our suppliers, and we work collaboratively with key suppliers to ensure that they meet our standards.

As long-standing local employers, the Company works with its local community to ensure a safe and sustainable environment and supports local and national charities through payroll giving schemes and fundraising events. On a wider scale and alongside our fellow group companies, we support and develop products and technologies which advance recycling in our industry, reduce waste and promote the use of sustainable materials.

We set out below some examples of how the directors have had regard to the matters set out in section 172(1)(a)-(f) when discharging their section 172 duties in their decision making.

Energy Strategy
The Company has renewed its contracted energy agreement to incorporate 100% supply from renewable sources. In addition to the recent investment in solar panels, which generate around 15% of the Company's energy requirements, this action ensures all of the Company's direct production energy usage is from green sources. Continuing the review of energy efficiency, projects were completed to enable wider production flexibility on newer, more energy efficient production lines, which allowed two further production lines to be decommissioned during the year.

Raw material security
The Company has carried out actions to secure the raw material supply chain for the benefit of its customers. This includes new applications for Registration, Evaluation, Authorisation and Restriction of Chemicals "REACH" registrations on strategic material sourced from outside of Europe during the year as well as further product development to underpin the strategy of a minimum of dual sourcing. Towards the end of the year, in the face of the supply chain constraints arising from the conflict in the Middle East, the Company was able to respond quickly to secure continuity of supply by taking opportunities to increase safety stock for key raw materials. This action was enabled by the ongoing sourcing strategy as well as by the strength of the Company's position within a global group.