

Sumika Polymer Compounds (Europe) Ltd – Year ended 31/3/2025
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 shareholder via face to face and videoconference meetings as well as reporting performance on a monthly basis. There are also robust approval processes in place which provide our 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 includes a majority of 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 companies in which the Company invests, serve global customers and, due to the nature of the products supplied, work closely with them to develop products which meet their specific needs. Many of the customers are long standing, and our subsidiaries engage with them on a regular basis to ensure that the security of their supply chain is supported, their quality standards are met, and technical support is available. To achieve this, the companies in the group depend on the performance and reliability of their suppliers, and they work collaboratively with key suppliers to ensure that they meet their standards.

As long-standing local employers, our subsidiary companies work with their communities to ensure a safe and sustainable environment and support local and national charities through payroll giving schemes and fundraising events. On a wider scale, our companies 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.

Further investment in recycling capability

Pursuant to the group's overall strategic focus on sustainability, the directors approved investment in specialised sorting equipment designed to expand the existing range of materials which can be recycled at the Company's subsidiary in France. This capability is an important step to establish supply chain sources, develop processes and enable product development ahead of the completion of the new 4,600m² recycling plant, the building of which commenced in March 2025. Once completed, the plant will increase the group's existing capacity to recycle polypropylene from a range of sources. These projects underpin our ability to evolve partnerships with customers across the automotive industry and work together to meet sustainability objectives.

IATF

The automotive sector is a key customer sector for the group in which the Company invests. A number of automotive groups are members of the International Automotive Task Force ("IATF"), an organisation set up to harmonise and improve quality system requirements in the automotive supply chain. In the prior year, the directors engaged external consultants to support a pre-audit and during the current year developed a plan to achieve IATF 16949 status at its subsidiaries in the UK and France, in addition to the subsidiaries in Turkey which achieved this in 2020. This action thoroughly tested and enhanced where necessary the subsidiaries existing systems and standards to the direct benefit of the group's customers as well as indirectly benefitting all of the stakeholders.