

Review of the year

# Innovation in focus: meeting customers' current and future needs



“Thanks to our innovation and technology teams, we are working more closely than ever with our customers to develop and commercialise products with important sustainability benefits.”

**David Ring**

Vice President, Group Innovation

## **Innovation remains the basis for creating value for our customers and helping them realise their sustainability goals while delivering our growth strategy.**

Our innovation and technology teams have had a busy year developing, launching and commercialising products across all our divisions to help customers address existing needs and unlock new value in our end markets. This includes products that help them lower their carbon footprint, eliminate the use of hazardous materials and support a more circular economy. At the same time, we continued to ensure that new and protected products make up at least 20% of our sales volume – the NPP metric – over the long term. This year we reached 23%.

From 2026, we intend to change our innovation key performance indicator to track gross margin (GM) vitality instead of NPP. Tracking gross margin rather than volume is a clearer way of measuring and targeting innovation, and is in line with our strategy to become a more speciality-focused chemicals business. By measuring vitality rather than NPP we can ensure we maintain a healthy innovation pipeline that continues to bring new products and new benefits to market.

We have tracked GM vitality for many years, and in 2025 we delivered 8.2% GM vitality (2024: 7.5%), launching more than 40 new products to market across our three divisions.

Once again, we exceeded our Vision 2030 sustainable products target to have at least 60% of new products with enhanced sustainability benefits. We provide more data on page 41.

### **Planning for the long term while moving at pace**

While innovation is an essential part of how we address specific customer needs, it also plays an important strategic role in helping us anticipate and solve longer-term challenges.

Strengthening our long-term innovation pipeline is a key priority and we took several important steps this year, including appointing a new innovation and technology specialist to help us take a more externally focused, exploratory approach. This supports the work our central scouting team already does to actively track market developments for bio-based, recycled and CO<sub>2</sub>-based feedstocks. We also worked with external experts to define priority innovation areas to support key growth opportunities and help target our resources accordingly.

While it takes time to develop new polymer products to meet market demand, we need to ensure we are agile enough to respond to our customers' rapidly changing needs and maintain competitive advantage. This year our Innovation Taskforce worked with our internal business excellence and continuous improvement team (SynEx) to redesign our full innovation operating model. This involved reviewing every aspect of our internal processes – from how we make strategic innovation decisions, to how we allocate resources, to the metrics we choose to measure progress. Our aim is to create a more agile approach, accelerating the speed at which we deliver more routine innovation projects, while freeing up people's time to design and develop more advanced ideas to support our strategy and help customers meet their own ambitions.

We also established an Innovation Project and Portfolio Management Office, which has piloted a new tactical innovation process to help streamline the way we respond to customer requests for simpler, more routine innovation projects. And we refined some of our innovation governance processes to strengthen decision making, prioritisation and resource allocation.

### Accelerating innovation through academic partnerships

One of the best ways we can participate in – and accelerate – long-term innovation is through our academic partnerships. We primarily focus on projects that drive innovation in sustainable polymers, bio-based monomers and green chemistry to complement our existing product portfolio.

In 2025, we launched a three-year collaborative programme with the University of York, supported through a UK Government Prosperity Partnership grant. As well as aiming to drive decarbonisation and defossilisation of speciality polymers, the programme will help train the next generation of synthetic and polymer chemists in key aspects of green chemistry.

Meanwhile, our collaboration with the University of Leeds has helped us develop new high throughput polymerisation capability at our Harlow Technical Centre, which will enable faster screening and help accelerate our innovation projects.

### Innovation and sustainability in our divisions

Delivering more sustainable solutions more quickly relies on understanding our customers' current and future needs, and taking action today to make sure we can deliver the products of tomorrow. We have continued to build deeper, more collaborative partnerships with some of our biggest customers this year, with our divisional innovation teams playing a key role. The table below shares a few examples of their work.

### Looking ahead

While designing with sustainability in mind is now business as usual, the way we do it will keep evolving, and our central innovation team will continue working closely with our divisional innovation teams to support their needs. In CCS, we are developing a new customer-centric innovation approach to identify key growth areas and ensure we deliver the products our customers need at pace. In AS, we want to strengthen our relationships across the entire value chain so we can accelerate work on a range of products designed to support electric vehicle manufacturers. In HPPM, we want to continue driving market-leading innovation for our glove customers and develop solutions that support a more circular economy.

## Innovation highlights from our divisions

### Adhesive Solutions

- Our Suncryl™ products are now available in Europe and North America free of any APEOs, meaning we are ahead of legislation to ensure our products do not contain substances of concern.
- Launched in 2024, our Plastvance™ products help customers make thinner plastic packaging with the same performance. This means less material is used to package the same amount of product.

### Coatings & Construction Solutions

- Our R&D teams are actively working with bio-based monomers to produce lower-carbon hybrid binders for paints and coatings applications.
- We have specifically developed our ALBECOR™ resins to enable low-temperature powder curing systems, reducing customers' energy use and the product carbon footprint of our cured coating by up to 10%.

### Health & Protection and Performance Materials

- In February 2026, we announced a new partnership with Godavari Biorefineries Limited (GBL) to develop bio-based alternatives to existing fossil-based monomers. Through this partnership, we are commercialising bio-based butyl acrylate, using GBL's bio-based butanol, to help accelerate the industry's transition to more sustainable raw materials.