synthomer
Innovating
together
Annual Report 2025

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About this report

Throughout this report you will find links to our **website**. If you are reading the PDF version of the report, these links will be live. If reading the printed report, please go to **Synthomer.com** and search for the appropriate information.

Who we are

3,800
People

29
Manufacturing sites

110+
Countries served

6,000+
Customers

5
Innovation centres of excellence

We are a leading supplier of high-performance, highly specialised polymers and ingredients that play vital roles in key sectors such as coatings, construction, adhesives, and health and protection – growing markets that serve billions of end users worldwide.

From our innovation centres of excellence and manufacturing sites across Europe and the Middle East, The Americas and Asia, we innovate together with our customers to develop new products and enhance existing ones tailored to their needs, with an increasing range of sustainability benefits. And through our focus on making our business more efficient, more global and even more specialised, we are positioned to lead the way as a speciality business whose products enhance people's homes and cities, lifestyles, transportation and healthcare.

Our business is built around three divisions, serving customers in attractive end markets where demand is driven by global megatrends including urbanisation, demographic change, climate change and sustainability, and shifting economic power.

Visit our website to find out more about our divisions

Coatings & Construction Solutions

Our specialist polymers enhance the sustainability and performance of a wide range of coatings and construction products. We serve customers in applications including architectural and masonry coatings, mortar modification, waterproofing and flooring, fibre bonding, and energy solutions.

Adhesive Solutions

Our products help our customers bond, modify and compatibilise surfaces and components for applications including tapes and labels, packaging, hygiene, tyres and plastic modification, improving permeability, strength, elasticity, damping, dispersion and grip.

Health & Protection and Performance Materials

We are a world-leading supplier of water-based polymers for medical gloves, and a major European manufacturer of high-performance binders, foams and other products serving customers in a range of end markets.

Our business model

We are a business-to-business speciality chemicals producer. We create value for all our stakeholders by applying our expertise and innovation capabilities to provide high-performance water-based polymers and ingredients to a wide range of blue-chip customers in multiple attractive end markets.

Key strengths and resources

Talented people
3,800 entrepreneurial, highly skilled employees with the expertise and experience to drive our success

Our global footprint
29 manufacturing sites across The Americas, EMEA and Asia, and five innovation centres of excellence

Agile supply chain
Our supply chain combines flexibility, agility and resilience through its mix of long-term supply relationships and market-based sourcing of 25+ strategic, and hundreds of secondary, raw materials

Innovation and product development
Hundreds of Synthomer technical service partners focused on understanding customers' individual product needs and collaborating with them on formulations

Cash-generative business model
With scope to flex capital allocation through the cycle, within risk management limits

Our business

Creating products and solutions for 6,000+ long-standing customers in multiple attractive end markets…

Coatings
Construction
Health and protection
Tapes, labels and packaging
EV tyres
Energy
Consumer/hygiene

… with global exposure to GDP+ growth megatrends…

Accelerating urbanisation
Demographic and social change
Climate change and sustainability
Shifting economic power

… through three end-customer focused divisions…

Coatings & Construction Solutions
Adhesive Solutions
Health & Protection and Performance Materials

… with **innovation** driving new product development in close collaboration with **customers**, and a focus on **sustainability** throughout our value chain

Supported by a small corporate centre focused on

Business excellence (SynEx) – Risk management – Capital allocation – Portfolio management

Value creation for stakeholders

2021-2025

EBITDA[1]
£1.2bn

Free Cash Flow
£374m

Wages and salaries
£1.2bn

R&D spend
£159m

Supplier spend
£7.9bn

Corporation tax paid
£160m

Dividends and capital returned to shareholders
£173m

Decrease in Scope 1 and 2 GHG[2] emissions
>54kt

1 EBITDA is calculated as operating profit before depreciation, amortisation and Special Items.
2 GHG emissions definition as GHG Protocol Corporate Accounting and Reporting Standard.

Our strategy

Since 2022, Synthomer has been delivering on our transformational strategy to become a more focused, stronger speciality chemicals business and fulfil **our purpose: creating innovative and sustainable solutions for the benefit of customers and society.**

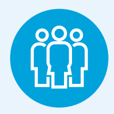
The five pillars of our strategy…

Organic growth in attractive end markets

Rigorous and consistent portfolio management to build focused, leading positions

Operational and commercial excellence in how we run our business

Differentiated steering in how we allocate capital and talent



Diversity, equity and inclusion and holistic people development

… are each underpinned by three critical principles…

End-market orientation

in everything we do

See pages 20-25

Sustainability

as a value driver and a principle for how we run our business

See pages 26-33

Innovation

as a critical enabler

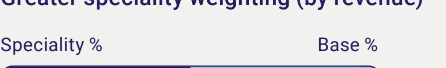
See pages 34-35

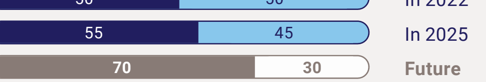
… in pursuit of our long-term ambition.

A speciality chemicals company focused on selected attractive end markets

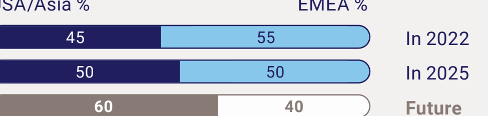
Increasing our specialisation, global reach and simplicity

Greater speciality weighting (by revenue)

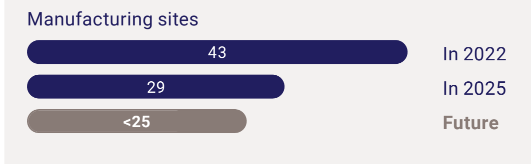




More balanced geographic distribution (by revenue)



Less complexity



The story of our year

We continued to make progress on the strategic transformation of our business…

£30m in self-help delivered including further cost savings programme implemented in 2025

Site footprint reduced by two through divestments and site rationalisations

William Blythe divestment completed, with four further processes under way

New customer partnerships signed

Bank facilities refinanced to 2029 with revised covenants

Continued investment in building a high-performance culture, including a new leadership development programme

… and strong operational execution helped us navigate weak demand[1]…

£1,739.2m revenue
-9.9% in constant currency vs 2024

£136.5m EBITDA
-4.5% in constant currency vs 2024

7.8% EBITDA margin
+40bps vs 7.4% in 2024

£23.2m Total Group underlying loss before tax
vs £7.2m loss in 2024

£56.6m Free Cash Flow
vs £(54.7)m in 2024

… while continuing to position Synthomer for future value creation.

55% of revenues now from speciality businesses

50% of revenues from the USA and Asia

23% of volume from new and protected products (NPP) in 2025

32% reduction in absolute Scope 1 and 2 GHG emissions vs 2019

84% of new products with enhanced sustainability benefits, up from 69% in 2024

1 Continuing Group unless otherwise stated.

Chair’s statement

“ The current volatility in the chemicals industry only serves to reinforce the importance of our strategy. Future value creation will be unlocked by making our business less complex and pursuing commercial and operational excellence and clear-eyed capital allocation.”

Peter Hill, CBE
Chair

Recent years have been a difficult period for the chemicals sector, but despite this Synthomer has made real progress with self-help measures to reduce costs and de-risk its balance sheet – while retaining a clear focus on the opportunities it can realise through its strategic transformation into a speciality products business serving attractive end markets.

Staying focused on growth, while navigating challenges

Throughout my first year as Chair, it has been clear to me that everyone at Synthomer is resolutely focused on delivering its transformational strategy to become a speciality solutions platform serving customers in attractive growth markets, and on driving the Company’s innovation and sustainability agendas. The Board and leadership team agree that the current volatility in the chemicals industry only serves to reinforce the importance of our strategy, and that future value creation will be unlocked by making our business less complex, harnessing our expertise, and pursuing commercial and operational excellence and clear-eyed capital allocation.

Synthomer continued to make real progress on this transformation in 2025. Innovation, manufacturing excellence and expert service have strengthened our relationships with our high-quality customers. Divestment and plant rationalisation have further simplified our structure. Disciplined capital allocation is seeing resources channeled judiciously to the parts of the business which have the most potential for growth. Our CEO, Michael Willome, describes this progress on pages 7 to 9.

Self-help measures to reduce costs and protect margins

While it is right to look forward at the opportunities ahead, we also need to focus on the business in the here and now. Synthomer, like our competitors, is navigating a prolonged downturn in demand in many markets. 2025 saw further volatility, as customers serving a range of end markets dealt with uncertainty over trade tariffs and geopolitics. While our global manufacturing footprint meant we felt relatively few direct effects of tariffs, their impact came through in customer caution. This compounded other demand and supply trends. Our volumes, and revenues, were down year-on-year.

In this challenging environment, the Board entirely supported the focus on 'controlling the controllables'. Synthomer expanded its range of self-help measures over the year, further tightening operational execution, enhancing procurement and driving cost savings. As part of this, the Board supported the difficult but necessary decision to reduce headcount by 250 roles. On top of the c.£30m in annual self-help and strategy benefits delivered in 2025, Synthomer has outlined a further £20-25m in cost reductions extending into 2026.

The market environment remains complex, but despite the lower revenue in 2025, the Group achieved a further improvement in gross and EBITDA margins, and delivered positive Free Cash Flow, which is testament to the focus and determination to deliver the strategy across the business. This consistency has also proven to be beneficial in responding to the changed operating environment in the sector since the beginning of the Iran conflict.

Remaining focused on our balance sheet

Reducing leverage towards our 1 to 2x medium-term net debt:EBITDA target range remains a priority for the business and the Board. Our plans envisage delivering this through a combination of ongoing efficiences and strategic progress, the divestment programme and expected end-market volume growth. The steps taken in 2026 to refinance our bank debt described in the Financial review are intended to provide the appropriate near and medium-term liquidity and financial covenant headroom alongside a covenant package to deliver the Group's plans.

The Board is confident that Synthomer will emerge stronger from this period of exceptional turbulence. We have the strategy, expert teams and market positions to outperform, and I look forward to Synthomer creating significant value for shareholders and other stakeholders in the years ahead.

Engaging with our stakeholders

As a Board, we have continued to actively engage with our stakeholders, including customers, suppliers, employees and shareholders and other capital markets participants, whose support is so essential particularly in tough trading times. On a personal note, it has been a pleasure to meet Synthomer's expert and dedicated teams in my visits to sites in each of our core regions. On behalf of the Board I would like to thank all Synthomer's people for their hard work and commitment.

Welcoming progress on innovation and other ESG issues

The Board oversees strategy and delivery on environmental, social and governance (ESG) issues. Innovation and sustainbility benefits in particular are important differentiators for our customers, so we see ESG performance as a potential competitive advantage, as well as a regulatory and governance issue. Several Board colleagues are closely involved in Synthomer's Innovation Taskforce, a collaboration with senior leaders and expert teams to help drive the pace of customer-centric innovation across the Group.

Over the year, the Board has been pleased to see a number of product developments and partnerships with customers that add value through innovation and sustainability benefits. The Adhesive Solutions division is delivering lower-carbon and circular economy adhesive products for customers, including through an exciting partnership with Henkel, described on page 32. Coatings & Construction Solutions (CCS) has launched several new products aimed at the construction sector, and Health & Protection and Performance Materials (HPPM) continues to leverage its technology and market-leading expertise to develop a bio-based nitrile latex offering for customers, amongst other commercial partnerships.

The Board treats ESG as a reserved matter, and health and safety is always the first item at every Board discussion. The Board also monitors progress on gender diversity, and I was pleased to see that women now represent more than a third of senior management, passing Synthomer's 2025 milestone target and up from 15% in 2020. Synthomer's performance in these areas is described in detail in our Vision 2030 progress on, pages 41 to 43.

The Board

Synthomer's Board has continued to evolve over the past year, with a clear focus from the Nomination Committee on ensuring that we have the skills and experience to support and challenge the leadership team and oversee the Group's transformation. We welcomed Jonathan Silver and Janet Ashdown to the Board as Independent Non-Executive Directors in July 2025, both of whom bring considerable expertise to Synthomer. On behalf of the whole business, I would like to thank the Hon. Alexander Catto, who stepped down from the Board at our Annual General Meeting in May 2025, and Ian Tyler and Roberto Gualdoni, who both stepped down in December 2025. Between them they have given Synthomer many years of dedicated support, for which the Group will always be grateful.

Peter Hill, CBE
Chair

30 April 2026

Chief Executive Officer's review

> "In the face of volatile market conditions across the sector, we have rigorously prioritised what is within our control, delivering robust cash, earnings and margin performance while continuing to focus, simplify and strengthen our business."
>
> **Michael Willome**
> Chief Executive Officer

Strong operational execution and a resolute focus on 'self-help' cost reduction programmes helped us mitigate weak demand and deliver margin improvement and positive Free Cash Flow in 2025. The changing competitive dynamics in our sector have reinforced our commitment to a strategy of focusing on differentiated, speciality products for selected attractive end markets.

Controlling the controllables while driving further specialisation

Further specialisation is at the heart of our strategy, because speciality products with defined end-market benefits will be the greatest drivers of our growth over time. Improving our operating leverage in the most specialised areas of our portfolio – and anticipating the demands of customers in terms of service, innovation and sustainability – is the clear roadmap to achieving our medium-term growth, margin and returns ambitions.

Market conditions in 2025 and the start of 2026 have reinforced the urgency of the strategic transformation towards specialisation that we began in October 2022. The chemicals sector was already in a prolonged period of suppressed demand long before global tariff changes fed further volatility – and while we have limited direct exposure to tariffs, partly thanks to our 'in region for region' manufacturing footprint, adjusting to tariffs had a clear impact on customers, some of whom decided to 'wait and see'. Underlying structural shifts in the industry are also changing the competitive landscape, in base chemicals in particular. All these factors spur us on to make our business even more agile and adaptable, so that we can anticipate and respond to the needs of our high-quality customers in their fundamentally attractive end markets.

At the same time, we have to safeguard our financial position so that we can continue to compete and grow. In the face of the volatile market conditions across the sector, we have rigorously prioritised what is within our control, delivering robust cash, earnings and margin performance while continuing to focus, simplify and strengthen our business in accordance with our strategy set out in 2022. Since then, gross margin has increased by c.500bps, a substantial improvement in our operating leverage to activity levels, and over the same period we have reduced net debt from £1,024.9m to £575.0m, in part through three non-core divestments. As described in more detail in the Financial review on page 19, we have worked constructively with our lenders to maintain a stable financial platform for delivery of the Group's plans.

Positive cash and margin performance in 2025

Our 2025 revenue of £1,739.2m (2024: £1,933.1m) and EBITDA of £136.5m for the continuing Group (2024: £143.1m) were in line with expectations. They reflect a 7.2% reduction in volumes as a result of the soft demand environment, offset by further improved gross and EBITDA margin performance. This was underpinned by the expansion of our multi-year cost-saving and reliability improvement programmes and the ongoing strategic re-allocation of capital and other resources towards the higher margin, more resilient speciality solutions in our portfolio.

The Group delivered positive Free Cash Flow for the year, with a cash inflow in the second half as expected. Year-end net debt of £575.0m (H1 2025: £638.3m, FY 2024: £597.0m) reflects our rigorous focus on profit and cash management, supported in part by the £50m receivables purchasing arrangement with Kuala Lumpur Kepong Berhad Group ('KLK') put in place in December 2025. The Group's covenant net debt:EBITDA as at 31 December 2025 was 4.7x, well within the requirement of less than 5.25x.

Divisionally, **Adhesive Solutions (AS)** continued to regain share and enhance margins, through successful delivery of its reliability and performance improvement programme. The division is increasingly focused on growth supported by our speciality product capacity investment in Texas and sustainability partnerships with key customers, such as Henkel.

End-market demand across the **Coatings & Construction Solutions (CCS)** division varied throughout the year, particularly following the global tariff changes announced at the start of Q2. A slightly improved trend in coatings towards the end of the year was offset by a weaker period for construction and consumer sub-segments. Weak demand for energy solutions continued through the year, reflecting low levels of oil and gas drilling activity.

Health & Protection volumes for the medical glove market from both new and existing customers was disappointing for the year as a whole, although encouragingly, activity levels began to improve in Q4. Margins in this business remain substantially below pre-pandemic levels. The remaining businesses in the **Health & Protection and Performance Materials (HPPM)** division also had a mixed year, with a relatively strong contribution from Speciality Vinyl Polymers and in paper end markets, offset by continued challenges in the acrylate monomers business.

Focus on self-help cost savings – and continued investment in people

Given the market environment, we are continuously reviewing our operating and capital expenditures and working capital balances, to identify additional cash savings opportunities within our control. This included a thorough review of our headcount in the second half of 2025, which resulted in the difficult decision to remove around 250 roles from the organisation. We have also continued to deliver against our existing multi-year cost savings programmes, including the Group-wide procurement optimisation programme. Taken together, our operating cost reduction programmes are expected to deliver c.£20-25m in incremental gross benefits in 2026. This builds on the £30m we delivered through our self-help plans in 2025.

The decision to reduce headcount does not change the fact that our entrepreneurial teams are essential to Synthomer's future success in serving customers and delivering outstanding products. We continue to invest in building teams and a high-performance culture that is inclusive, collaborative and growth-orientated. We have sustained our commitment to our graduate programme, and to our Leadership Academy, which this year launched a new senior leadership programme 'Aspire'. I would like to thank all our people for their resilience and commitment this year.

Continuing progress on our specialisation strategy

Over the past three years, we have materially improved the profile of our portfolio, with speciality products now representing 55% of revenues and substantially more in EBITDA, whilst also growing our exposure to markets in the US and Asia, which now make up more than half of our revenues. In 2025 we continued to streamline our manufacturing footprint, passing the milestone of operating less than 30 sites, down from 43 sites in 2022. This included the divestment of William Blythe in May, alongside further plant rationalisation. These actions simplify the business, reduce capital intensity and release resources to enhance our focus on customers and products where we have the greatest opportunities. Our new target is to operate 25 sites or fewer.

In August 2025 we announced our intention to broaden the divestment programme in order to accelerate deleveraging and focus the business portfolio further. We currently have four divestment processes underway and will always keep the rest of the business portfolio under review.

We also continue to enhance our commercial opportunities through partnerships. Following the formation of our technology partnership for the US medical glove market in 2024, during the year we secured an agreement with Lummus to license technology in our acrylate monomers business, a partnership to expand Speciality Vinyl Polymers' reach in China, and a partnership with Neste and PCS to manufacture bio-based nitrile latexes.

Customer-driven innovation and sustainability

Innovation and sustainability are important differentiators for many of our customers, and therefore key to value creation for us. Our customers' ambitions increasingly demand innovative products with demonstrable sustainability benefits, so embedding a mindset which prioritises them helps drive both our commercial success and our purpose of creating specialist polymer solutions for the benefit of customers and society.

In 2025 we sustained our consistent record of ensuring that new and protected products (NPP) make up at least 20% of our sales volume. In response to customer demand, we continue to build our innovation pipeline, with 43 new products launched this year with defined sustainability benefits (see page 41). Our Innovation Taskforce, set up with Board involvement last year, helps drive the pace of change. To give a clearer measure of the commercial impact of our innovation work, we are changing our innovation KPI away from reporting NPP at the revenue level to focus solely on new products at the gross margin (GM) level. In 2025 we delivered 8.2% GM vitality (2024: 7.5%).

There were a number of commercial highlights across the year. In May 2025, AS announced a new strategic partnership and supply agreement with Henkel, helping to commercialise our new CLIMA-branded products, which help customers substantially reduce their carbon emissions. We have now achieved ISCC+ accreditation for 11 sites, enabling us to offer customers our BIO and CIRCLE products using a mass balance approach. We also retained our silver EcoVadis rating, are now in the top 2% of rated companies for sustainable procurement, and continue to make progress on our Vision 2030 sustainability roadmap (see pages 41 to 43).

Staying focused on process safety

We achieved a recordable injury case rate of 0.15, outperforming our target for the third consecutive year and remain in the top quartile for our industry. We continue to focus on improving our process safety metrics, which increased slightly despite improvements in several key sites and a reduction in incidents with the highest potential consequences in the year.

Current trading and outlook

Overall trading in the first quarter of 2026 was in line with our expectations and ahead of prior year, with much-improved CCS and stable AS performances offsetting a slower start in parts of the HPPM division. All businesses had improving momentum through the quarter.

Since the start of the Iran conflict we have experienced substantial changes in our operating and commercial environment both up- and downstream. Our focus on speed and agility, in region for region manufacturing footprint and strong procurement sourcing capabilities mean we are well-positioned to respond to these changes. Significant increases in raw material and to a lesser degree energy costs since the start of the conflict are being passed through in substantial pricing adjustments, while shipping volumes in several base chemical product areas are increasing due to disruption to the global distribution networks of competitors, particularly those based in Asia. To-date our global supply chains have remained robust and our joint venture manufacturing operation and sales office in the Middle East are both currently operating as normal. As a result, we are expecting robustly positive period-on-period volume and margin developments in the second quarter of the year and potentially thereafter, based on our latest trading data, and subject to developments in the Iran conflict situation.

Clearly the geopolitical and market context is highly volatile and end-market demand uncertain. We therefore make no changes to our 2026 outlook at this stage: overall we expect to make year-on-year progress driven primarily by self-help actions. Specifically, we anticipate that full year contributions from our cost reduction programmes and product investments made in AS during 2025, ongoing margin progress in our speciality businesses and Health & Protection volume and margin improvement will be partially offset by wage inflation and normalisation of bonus accrual in the year. At the same time, the longer the trading conditions experienced in Q2 persist, the greater the upside risks for the year.

In the medium term, we remain committed to our ambition to more than double Synthomer's earnings, through continued reliability and cost actions, end-market volume recovery and strategic delivery.

Michael Willome
Chief Executive Officer

30 April 2026

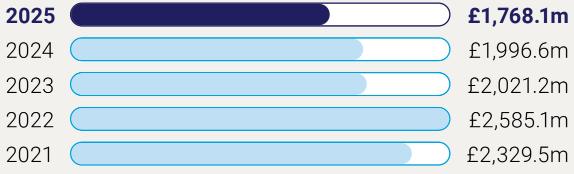
Our key performance indicators (KPIs)

Measuring the delivery of our strategy

We measure our progress in delivering our strategy against a range of financial and non-financial KPIs, which we keep under review. All financial performance KPIs are shown for the Total Group as operated in the year, while the non-financial KPIs reflect the continuing Group. We set out our performance against all our Vision 2030 sustainability targets on pages 41 to 43.

Financial (Total Group)

Revenue



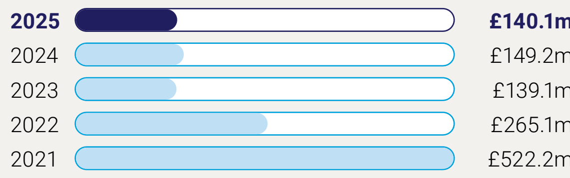
Year	Revenue
2025	**£1,768.1m**
2024	£1,996.6m
2023	£2,021.2m
2022	£2,585.1m
2021	£2,329.5m

Strategy

Definition
Revenue is recognised at the point when control of our products is transferred to customers.

Comment
Lower revenue principally reflects volume reductions due to softer end-market demand and ongoing global competition in base chemicals businesses, as well as pass-through of lower raw material input prices in 2025.

EBITDA



Year	EBITDA
2025	**£140.1m**
2024	£149.2m
2023	£139.1m
2022	£265.1m
2021	£522.2m

Strategy

Definition
Operating profit before depreciation, amortisation and Special Items.

Comment
EBITDA decreased, reflecting lower volumes partially offset by expanded self-help cost actions and strategic reorientation to higher-margin speciality businesses.

EBITDA %

Year	EBITDA %
2025	**7.9%**
2024	7.5%
2023	6.8%
2022	10.3%
2021	22.4%

Strategy

Definition
EBITDA as a percentage of revenue.

Comment
EBITDA margin increased due to the self-help actions and strategic reorientation noted above.

Underlying EPS

Year	Underlying EPS
2025	**(37.2)p**
2024	(2.5)p
2023	(35.1)p
2022	152.0p
2021	554.0p

Strategy

Definition
Basic underlying earnings per share before Special Items.

Comment
Underlying earnings per share reduced reflecting lower EBITDA and higher finance and tax costs.

Link to strategy

Organic growth in attractive end markets

Rigorous and consistent portfolio management to build focused, leading positions

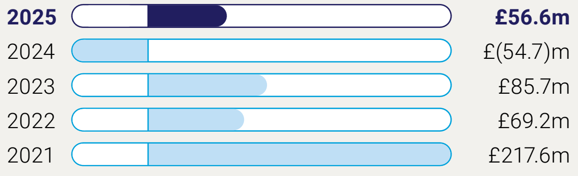
Operational and commercial excellence in how we run our business

Differentiated steering in how we allocate capital and talent

Diversity, equity and inclusion, and holistic people development

Financial KPIs continued

Free Cash Flow

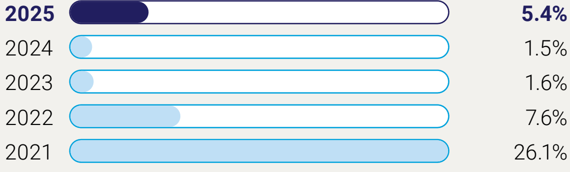


Strategy

Definition
Movement in net debt before financing activities, foreign exchange and the cash impact of Special Items, asset disposals and business combinations.

Comment
The Group delivered positive Free Cash Flow for the year, with a cash inflow in the second half as expected.

ROIC



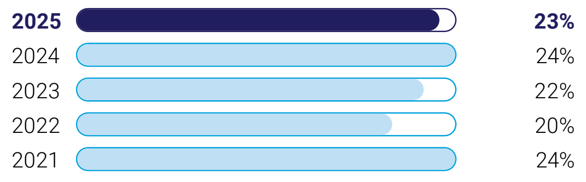
Strategy

Definition
Underlying operating profit after tax divided by average invested capital at start and end of year (comprising equity, net debt, post-retirement benefit obligations and lease liabilities).

Comment
The reduction in 2025 underlying operating profit and higher effective tax rate was partially offset by a reduction in invested capital.

Non-financial

% New and protected products (NPP)



Strategy

Definition
Percentage of sales volume in the year that can be attributed to patented products and products launched in the past five years.

Comment
We continue to exceed our NPP target of 20%. From 2026, we are changing our innovation KPI away from reporting NPP at the revenue level to focus solely on new products, reported as gross margin (GM) vitality. Tracking gross margin rather than volume is a clearer way of measuring and targeting innovation in line with our strategy to become a more speciality-focused chemicals business.

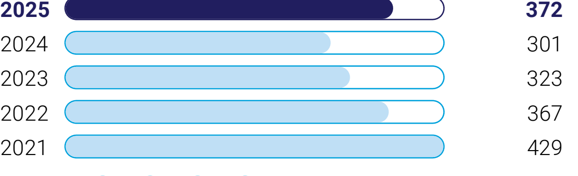
Recordable injury case rate (RCR)

Strategy

Definition
Recordable injury case rate for accidents involving more than first-aid treatment, expressed as accidents per 100,000 hours worked by employees and all contractors.

Comment
We outperformed our RCR target of 0.20 and remain in the top quartile for our industry for a third consecutive year; safety remains a priority for all our teams.

Scope 1 and 2 GHG emissions (kt CO_2e)



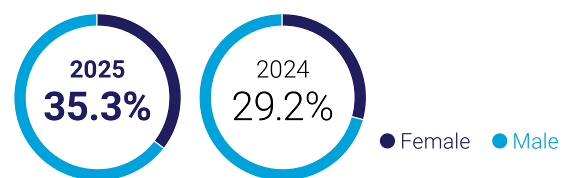
Strategy

Definition
Scope 1 – direct GHG emissions from the activities of Synthomer or under its control.

Scope 2 – indirect GHG emissions from the generation of purchased energy consumed by Synthomer.

Comment
Our absolute Scope 1 and 2 emissions rose in 2025 versus 2024, principally reflecting our decision to pause the purchase of renewable energy attribution certificates in the year. Despite this we successfully met our 2025 objective and remain on track to achieve our 2030 Scope 1 and 2 science-based target.

Gender diversity in senior management



Strategy

Definition
Proportion of females in the senior management population (members of the executive team and their direct reports).

Comment
We achieved our near-term objective of having women represent 33% of senior managers by the end of 2025. Our next milestone is to reach 40% by 2030.

Review of the year

Adding value for our customers and partners.

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Financial review: Chief Financial Officer's introduction

"The terms of the refinancing reflect the continued constructive engagement between the Group and our lenders and it has been agreed to provide the Group with appropriate near and medium-term liquidity and financial covenant headroom alongside a covenant package consistent with the Group's current business plan."

Lily Liu
Chief Financial Officer

The Group continues to focus on cost, capital discipline and maintaining a stable financial platform while the near-term demand environment in our end markets remains uncertain.

Controlling the controllables

The fundamental building blocks of long-term value remain our strong and enduring customer relationships in attractive end markets, differentiated products and robust and efficient manufacturing operations across our global footprint, all underpinned by our talented and committed people. We continue to expect that end-market growth will return to our core speciality chemicals markets after what has been a prolonged cyclical downturn, and when it does, we believe Synthomer is in a much stronger position to capitalise on its opportunities than ever before – and the performance of the business since the start of the Iran conflict disruption demonstrates this. In the meantime, we continue to focus on delivering further strategic change while tightly managing costs, capital and our other resources.

Cost savings

During 2025, we continued to focus on further improving cost competitiveness and reliability. This included further strengthening of our supplier network for key raw materials and improving a range of planning, procurement and other processes, including through the increasing adoption of AI-based tools.

As described in the CEO review on pages 7 to 9, our rigorous focus on cost management is expected to deliver c.£20-25m in benefits on an annual run-rate basis in 2026, having achieved c.£30m in 2025.

Capital allocation and portfolio management

Differentiated capital allocation and portfolio management remain important pillars of our strategy. In 2025 we focused our capital expenditure on sustenance and SHE as well as a few carefully selected growth opportunities, such as the investment to increase APO capacity in Texas which came onstream in July. We anticipate a c.£15m reduction in the capital expenditure budget in 2026.

The Company's cash performance also benefitted from rigorous focus on inventory and other working capital management (with further opportunities in 2026), and pension, tax and other cash outflows were lower year-on-year as expected. The successful divestment of William Blythe in May also resulted in a net cash inflow of £24.2m, which was partially offset by cash restructuring costs of £19.2m in the year.

Robust Free Cash Flow and lower net debt

These measures all helped to achieve an improved year-end net debt position of £575.0m (2024: £597.0m) and Free Cash Flow of £56.6m (2024: £(54.7)m). Both were also supported by the £50m trade receivables purchasing arrangement with KLK, Synthomer's largest shareholder, in December 2025, which provided additional short-term financial flexibility and ensured a prudent level of banking covenant headroom at year end. Under the arrangement, KLK purchased £50m of Company trade receivables which were not eligible for inclusion in the Company's existing committed €200m non-recourse receivables financing facility. As anticipated, the total of receivables purchased under the arrangement and in the existing committed receivables financing facility together did not exceed the committed facility. The Group also notes that its largest shareholder KLK remains supportive of our strategy and performance.

As a consequence of all these efforts and despite the slowdown in volume experienced in the year, the Group's net debt: EBITDA for the purposes of the leverage ratio covenant increased modestly from 4.6x at 31 December 2024 to 4.7x at 31 December 2025, well within the required covenant of less than 5.25x.

In 2026, the Group expects to be broadly Free Cash Flow neutral after adjusting for the unwind of the £50m receivables purchasing arrangement with KLK.

Stable financial platform

An important focus for the Group in 2026 is refinancing our key committed borrowing facilities, principally the €300m RCF maturing in July 2027 and the UK Export Finance (UKEF) facilities of €288m and $230m both maturing in October 2027.

On 30 April 2026, Synthomer refinanced the existing RCF and UKEF facilities, as described in more detail on page 19. The refinancing provides a material extension of maturity dates as compared with the existing facilities, financial covenant relaxation through the life of the new facilities, and continuing RCF access to support the Group's liquidity.

The terms of the refinancing reflect the continued constructive engagement between the Group and our lenders and it has been agreed to provide the Group with appropriate near- and medium-term liquidity and financial covenant headroom alongside a covenant package consistent with the Group's current business plan.

In the period we also extended the maturity of the committed €200m non-recourse receivables financing facility to 31 July 2027.

The Group's undrawn committed liquidity as at 31 December 2025 was £385.5m.

We will continue to keep Synthomer's capital structure under review and give consideration to a range of options to reduce leverage towards our medium-term target of 1-2x, including the divestment processes described elsewhere.

Targeting growth in the medium and long term

Our near-term focus is very much on deleveraging, divestments and preserving cash flow through a period of exceptional turbulence in end markets. In the longer term, we remain committed to our previously outlined medium-term targets. Driven by the growth we expect as end-market demand recovers, we anticipate mid-single-digit revenue growth over the cycle on a constant currency basis. We aim to bring our EBITDA margin above 15%, driven by specialisation, sustainable innovation and greater differentiation, and supported by business excellence and further simplified manufacturing operations and supply chains, in line with our strategy. Over time, our goal is to drive return on invested capital into the mid-teens.

Lily Liu
Chief Financial Officer

30 April 2026

Financial review

Group revenue, EBITDA and operating profit – continuing operations

Revenue for the continuing Group of £1,739.2m (2024: £1,933.1m) decreased by 9.9% in constant currency. This principally reflects a 7.2% decrease in volume due to softer end-market demand since global tariff changes were announced in Q2 and ongoing global competition in base chemicals businesses, as well as pass-through of lower raw material input prices.

EBITDA for the continuing Group of £136.5m (2024: £143.1m) reflects lower volumes partially offset by expanded self-help cost actions and strategic reorientation to higher-margin speciality businesses as described in the divisional performance reviews, with EBITDA margin increasing to 7.8% (2025: 7.4%). Corporate costs decreased to £18.0m in the period (2024: £23.7m), principally reflecting lower bonus accrual. Depreciation and amortisation was £98.9m (2024: £95.0m), resulting in underlying operating profit for the continuing Group of £37.6m (2024: £48.1m).

On a statutory basis, including the Special Items excluded from underlying measures (see below), this resulted in an operating loss for the continuing Group of £(50.2)m (2024: £(26.2)m).

Full year ended 31 December 2025, £m	**CCS**	**AS**	**HPPM**	**Corp**	**Continuing operations**	**Discontinued**	**Total Group**
Revenue	**699.2**	**570.8**	**469.2**	**–**	**1,739.2**	**28.9**	**1,768.1**
EBITDA	**64.3**	**66.0**	**24.2**	**(18.0)**	**136.5**	**3.6**	**140.1**
EBITDA % of revenue	**9.2%**	**11.6%**	**5.2%**		**7.8%**		**7.9%**
Operating profit/(loss) – underlying	**38.4**	**31.2**	**(2.1)**	**(29.9)**	**37.6**	**3.1**	**40.7**
Operating profit/(loss) – statutory	**6.8**	**10.8**	**(33.0)**	**(34.8)**	**(50.2)**	**(6.1)**	**(56.3)**

Full year ended 31 December 2024, £m	CCS	AS	HPPM	Corp	Continuing operations	Discontinued	Total Group
Revenue	790.5	588.4	554.2	–	1,933.1	63.5	1,996.6
EBITDA	85.9	47.9	33.0	(23.7)	143.1	6.1	149.2
EBITDA % of revenue	10.9%	8.1%	6.0%		7.4%		7.5%
Operating profit/(loss) – underlying	60.6	15.0	6.1	(33.6)	48.1	4.7	52.8
Operating profit/(loss) – statutory	32.5	(9.5)	(11.6)	(37.6)	(26.2)	0.3	(25.9)

Special Items – continuing operations

The following items of income and expense have been reported as 'Special Items – continuing operations' and have been excluded from EBITDA and other underlying metrics:

Full year ended 31 December	2025 £m	2024 £m
Amortisation of acquired intangibles	**(44.4)**	(45.1)
Restructuring and site closure costs (including share of JV)	**(14.0)**	(15.4)
Impairment charge	**(22.5)**	(5.7)
Pension past service cost	**(3.2)**	(4.4)
Sale of business	**(2.7)**	(3.1)
Acquisition costs and related gains	**0.1**	(0.6)
Software as a Service implementation costs	**(1.1)**	–
Total impact on operating profit – continuing operations	**(87.8)**	(74.3)
Loss on extinguishment of financing facilities	**–**	(1.4)
Total impact on loss before taxation – continuing operations	**(87.8)**	(75.7)
Taxation Special Items	**–**	7.5
Taxation on Special Items	**1.7**	7.1
Total impact on loss for the period – continuing operations	**(86.1)**	(61.1)

Amortisation of acquired intangibles reflects the amortisation on the customer lists, patents, trademarks and trade secrets that arose on historic acquisitions. The intangible assets arising on the acquisition are amortised over a period of 8-20 years.

Restructuring and site closure costs in 2025 mainly comprised £3.5m of costs in relation to the Group-wide procurement optimisation programme, a £1.2m charge in relation to the ongoing integration of the acquired adhesive resins business, and £7.5m in relation to ongoing functional and global site rationalisation, and £1.1m in relation to an onerous contract following the earlier divestment of the European tirecord business.

In 2025, a £28.5m impairment charge was booked for the Acrylate Monomers business partially offset by a £6.0m impairment credit posted in relation to a reversal on a prior impairment of the nitrile latex plant in Malaysia.

The pension past service cost includes a £3.2m charge in relation to a one-off non-cash past service cost arising from a revision to the calculation of late retirement benefits in the US defined benefit pension scheme.

Sale of businesses costs of £2.7m in 2025 mainly comprise costs incurred in relation to potential future divestments.

Acquisition costs and related gains of £0.1m in 2025 relate to refunds of pension costs associated with the acquisition of the adhesive resins business.

Software as a Service implementation costs of £1.1m primarily represent the cost of setting up a new customer relationship management tool.

The Taxation on Special Items – continuing operations in 2025 was £1.7m, mainly relating to deferred tax arising on the amortisation of acquired intangibles and restructuring and site closure costs.

Discontinued operations

On 30 May 2025, the Group completed the divestment of William Blythe Limited ('William Blythe') to its management team alongside H2 Equity Partners, resulting in a net cash inflow of £24.2m.

In the period, £9.9m of net losses were recognised in relation to Special Items – discontinued operations (2024: £4.4m loss). This mainly comprised £8.9m of loss on disposal of William Blythe.

Finance costs

Full year ended 31 December	2025 £m	2024 £m
Interest payable	**63.8**	68.0
Interest receivable	**(4.7)**	(12.1)
Net interest expense on defined benefit obligation	**1.4**	1.7
Interest element of lease payments	**3.4**	2.4
Finance costs – underlying	**63.9**	60.0
Loss on extinguishment of financing facilities	**–**	1.4
Finance costs – statutory	**63.9**	61.4

Underlying finance costs increased to £63.9m (2024: £60.0m) and comprise interest on the Group's financing facilities, interest rate swaps, amortisation of associated debt costs and IAS 19 pension interest costs in respect of our defined benefit pension schemes. The reduction in net interest payable mainly reflects reduced bond interest following repayment of the senior unsecured loan notes maturing July 2025, partially offset by additional factoring and reduced interest receivable on lower cash balances.

Taxation

The Group's underlying tax charge for continuing operations was £37.7m (2024: £4.0m credit), representing an effective tax rate on the underlying loss before tax of (143.3)% (2024: 33.6%). This year's effective tax rate is principally driven by the partial derecognition of the UK, German and US deferred tax assets as well as the geographical mix of profits. The Group is within the scope of the OECD Pillar Two model rules which came into effect from 1 January 2024. Management has performed an assessment of the Group's potential exposure to Pillar Two top-up tax for 2025 and based on that assessment, transitional safe-harbour relief should apply to all jurisdictions in which the Group operates. Therefore the Group does not expect an exposure to Pillar Two top-up tax.

Non-controlling interest

The Group continues to hold 70% of Revertex (Malaysia) Sdn Bhd and its subsidiaries. These entities form a relatively minor part of the Group, so the impact on underlying performance from non-controlling interests is not significant.

Earnings per share

Earnings per share is calculated based on the weighted average number of shares in issue during the year. The weighted average number of shares for 2025 was 163.5m (2024: 163.5m). As at 30 April 2026, the Company had 163.5m shares in issue.

Underlying earnings per share was (37.2) pence for the year, a decrease from (2.5) pence in 2024. The statutory earnings per share was (96.0) pence (2024: (44.4) pence).

Currency

The Group presents its consolidated financial statements in sterling and conducts business in many currencies. As a result, it is subject to foreign currency risk due to exchange rate movements, which affect the Group's translation of the results and underlying net assets of its operations. To manage this risk, the Group uses foreign currency borrowings, forward contracts and currency swaps to hedge non-sterling net assets, which are predominantly denominated in euros, US dollars and Malaysian ringgits.

In 2025, the continuing Group experienced a translation headwind of £0.2m on EBITDA, with average FX rates against our three principal currencies of €1.17, $1.32 and MYR 5.64 to the pound.

Given the global nature of our customer and supplier base, the impact of transactional foreign exchange can be very different from translational foreign exchange. We are able to partially mitigate the transaction impact by matching supply and administrative cost currencies with sales currencies. To reduce volatility which might affect the Group's cash or income statement, the Group hedges net currency transaction exposures at the point of confirmed order, using forward foreign exchange contracts. The Group's policy is, where practicable, to hedge all exposures on monetary assets and liabilities.

Cash performance

The table overleaf summarises the movement in net debt and is in the format used by management.

Underlying operating profit (excluding joint ventures) decreased to £39.3m reflecting the trading performance described above.

The net working capital inflow of £72.8m principally reflects an increase in committed receivables facility utilisation and receivable sales of £77.2m (see below), as well as lower inventory levels at year end.

In December 2022, the Group put in place non-recourse receivables financing facilities for a maximum committed amount of €200m. Factored receivables assigned under the facilities amounted to £105.6m net at 31 December 2025 (30 June 2025: £114.1m net, 31 December 2024: £87.3m net). Under the facilities, the risks and rewards of ownership are transferred to the assignees. The duration of the committed receivables financing facility was recently extended to 31 July 2027.

In December 2025, the Group entered into a temporary trade receivables purchasing arrangement with a subsidiary of its largest shareholder KLK. Under the arrangement, the Group sold to KLK c.£50m of trade receivables due on or before 28 February 2026, which were not eligible for inclusion in the committed €200m non-recourse receivables financing facility. The purchasing arrangement terms were agreed on an arms-length basis and were consistent with terms available from third-party market participants for an arrangement of this nature.

Depreciation was broadly flat, while amortisation of other intangibles increased due to the Pathway business transformation programme. Net capital expenditure was £86.3m (2024: £83.2m), principally for recurring SHE and sustenance expenditure, the Group's investment in APO capacity in Texas and Pathway. The Group anticipates lower levels of capital expenditure in FY 2026 compared with FY 2025.

Net interest paid increased to £60.6m (2024: £54.6m) reflecting reduced interest receivable on lower cash balances and increased interest costs on factored receivables in the year.

Net tax received was £0.5m (2024: £18.1m paid) reflecting repayments of prior year tax and lower tax payments due on account.

In the year, £5.3m in cash contributions were made to the Group's pensions schemes, substantially reduced from the prior year (2024: £19.8m) which included c.£17.4m in previously agreed deferred contributions to the UK pension scheme which are not expected to recur.

The cash impact of Special Items including restructuring and site closure costs was an outflow of £19.2m.

Movement in net debt

Full year ended 31 December	2025 £m	2024 £m
Opening net debt	**(597.0)**	(499.7)
Underlying operating profit (excluding joint ventures)	**39.3**	51.2
Movement in working capital	**72.8**	(24.9)
Depreciation of property, plant and equipment	**86.0**	84.3
Amortisation of other intangible assets	**13.4**	12.1
Net capital expenditure	**(86.3)**	(83.2)
Operating Cash Flow[1]	**125.2**	39.5
Net interest paid	**(60.6)**	(54.6)
Tax received/(paid)	**0.5**	(18.1)
Pension funding	**(5.3)**	(19.8)
Adjustment for gain on sale of assets	**(1.9)**	(4.3)
Adjustment for share-based payments charge	**2.6**	1.6
Adjustment for movement of provision	**(3.9)**	–
Dividends received from joint ventures	**–**	1.0
Free Cash Flow	**56.6**	(54.7)
Cash impact of settlement of interest rate derivative contracts	**0.6**	–
Cash impact of restructuring and site closure costs	**(17.7)**	(20.2)
Cash impact of Software as a Service costs	**(1.1)**	–
Cash impact of acquisition costs	**(0.4)**	(1.7)
Payment of EC fine settlement amount	**–**	(39.1)
Proceeds on sale of business	**21.3**	20.5
Rights issue costs	**–**	(4.7)
Repayment of principal portion of lease liabilities	**(12.4)**	(12.1)
Dividends paid to minority interests	**(2.1)**	(0.5)
Foreign exchange and other movements	**(22.8)**	15.2
Movement in net debt	**22.0**	(97.3)
Closing net debt	**(575.0)**	(597.0)

1 Operating Cash Flow is defined as Total Group EBITDA plus/minus net working capital movement less capital expenditure.

Proceeds on sale of business of £21.3m comprises £24.2m from the sale of William Blythe noted above, less £2.9m in sale of business costs related to future divestment projects.

Group debt is denominated in euros and dollars. The euro strengthened relative to sterling during the year, leading to a foreign exchange loss in net debt.

Financing and liquidity

At 31 December 2025, net debt was £575.0m (30 June 2025: £638.3m, 31 December 2024: £597.0m). The reduction principally reflects the positive Free Cash Flow movements noted above and the divestment proceeds for the William Blythe business, partially offset by restructuring and site closure costs, capital repayment of lease liabilities, and the movements in foreign currency-denominated net debt balances.

As at 31 December 2025, committed borrowing facilities principally comprised: a €300m RCF maturing in July 2027, the UK Export Finance (UKEF) facilities of €288m and $230m both maturing October 2027, and €350m of five-year 7.375% senior unsecured loan notes maturing May 2029. At 31 December 2025, the RCF was drawn down by £48.0m and the UKEF facilities were fully drawn. The remaining €150m in 3.875% senior unsecured loan notes maturing July 2025 were repaid during the year.

The Group's undrawn committed liquidity at 31 December 2025 was £385.5m, comprising unrestricted cash and short-term deposits of £189.9m and the undrawn portions of the RCF.

The existing RCF and the UKEF facilities are subject to one leverage ratio covenant. The Group's net debt: EBITDA for the purposes of the leverage ratio covenant increased to 4.7x at 31 December 2025 (31 December 2024: 4.6x), principally due to lower EBITDA in the period, but well within the 5.25x requirement.

Note that the definitions used for the covenant test include a number of adjustments to the net debt and EBITDA figures shown elsewhere; typically these definitional adjustments increase the covenant ratio by 0.4-0.5x compared with using reported net debt and EBITDA.

Refinancing

On 30 April 2026, Synthomer refinanced its existing RCF and UKEF facilities (the 'Refinancing'), being implemented through a wholly owned subsidiary of Synthomer plc, through which a €300m new RCF and new UKEF debt facilities of €288m and $230m (the same size as the Group's previous facilities) have been made available. The refinanced debt matures in February 2029.

The new RCF and new UKEF facilities include a net debt:EBITDA leverage ratio covenant which will be tested against covenant levels on a quarterly basis and a minimum liquidity covenant which will be tested on a monthly basis. The net debt:EBITDA ratios required under the covenant for year end 2026, 2027 and 2028 have been set at not more than 6.25x, 5.25x, and 4.25x respectively, with intra-year levels aligned to the Group's expected cash flow profile, starting from 30 September 2026 (with no test as at 30 June 2026). The Refinancing is also supported by a comprehensive security and guarantee package provided by certain members of the Group, including pursuant to the "permitted liens" permissions under Synthomer's senior unsecured notes (the 'Notes').

The Notes remain in place, and the terms of the Notes indenture and maturity of the Notes have not been amended. In connection with the Refinancing, certain of the Company's subsidiaries (which hold the Group's operations in the USA): have become "unrestricted subsidiaries" under the Notes indenture; have, to the extent applicable, been released as Notes guarantors; and have granted guarantees and security in support of the Refinancing.

Following the Refinancing, the Group expects net financing costs of c.£70m in 2026.

The Company has agreed customary fees with its lenders and UKEF in connection with the Refinancing. Subject to certain conditions, the new UKEF facility lenders have the option to elect to receive certain of these fees in the form of ordinary shares in the capital of the Company (rather than in cash) at a price per share equal to 37.5p per share. Based on current expressions of interest, the Company expects to issue new ordinary shares representing less than 0.7% of the current issued share capital of the Company as a result of the share election option for these fees.

Lenders will also have a right to receive an exit fee ("Exit Fee") on repayment or maturity of the new facilities. The Exit Fee will be equivalent to 1.25% of commitments. The new UKEF facility lenders may, subject to certain conditions, elect to receive certain of these fees in the form of ordinary shares in the capital of the Company (rather than in cash) at a price per share based on the 90-day volume weighted average price as at the day prior to the repayment or maturity.

Balance sheet

Net assets of the Group decreased by 17.4% to £914.5m at 31 December 2025, mainly reflecting the loss in the year.

Provisions

The Group provisions balance decreased to £21.4m (31 December 2024: £35.3m) reflecting cash utilisation of £4.2m and the sale of William Blythe which held a total provision of £2.4m.

Retirement benefit plans

The Group's principal funded defined benefit pension schemes are in the UK and the USA and are both closed to new entrants and future accrual. The Group also operates an unfunded defined benefit scheme in Germany and various other defined contribution overseas retirement benefit arrangements.

The Group's net retirement obligation decreased by £10.1m to £39.6m at 31 December 2025 (31 December 2024: £49.7m), reflecting changes in the market value of assets and the valuation of liabilities in accordance with IAS 19, including a surplus of £40.3m for the UK scheme. The net retirement obligation reduction is driven by £5.3m of cash contributions and actuarial gains of £13.6m, partially offset by exchange losses of £2.8m.

Coatings & Construction Solutions

"We're strengthening our market-driven innovation pipeline and customer proposition to unlock future opportunities while continuing to optimise costs."

Ana Perroni Laloe
President, Coatings & Construction Solutions

Total addressable market
£9bn+

People
2,000

Manufacturing sites
17

Our most speciality-focused division experienced a challenging demand environment in 2025 as customers and end users responded to global tariff changes and uneven activity levels in sectors including energy and construction. The division initiated further cost efficiency measures while continuing to invest in its long-term profitable growth opportunities, including its market-driven innovation pipeline.

Main product applications
Architectural and masonry coatings
Waterproofing and flooring
Fibre bonding
Energy solutions

2025 revenue change vs 2024

Volume	Price/mix	FX	Total
(6.8)%	(4.8)%	0.1%	**(11.5)%**

2025 revenue by end market

Total £699.2m

End market	%
Architectural coatings	30%
Consumer materials	25%
Construction	21%
Industrial coatings	14%
Energy solutions	10%

CCS performance review

Full year ended 31 December	2025 £m	2024 £m	Change %	Constant currency[1] %
Revenue	**699.2**	790.5	(11.5)	(11.6)
Volumes (ktes)	**478.4**	513.1	(6.8)	
EBITDA	**64.3**	85.9	(25.1)	(25.1)
EBITDA % of revenue	**9.2%**	10.9%		
Operating profit – underlying	**38.4**	60.6	(36.6)	(36.6)
Operating profit – statutory	**6.8**	32.5	(79.1)	

1 Underlying constant currency revenue and profit retranslate current year results using the prior year's average exchange rates.

Performance

Divisional revenue decreased by 11.6% in constant currency to £699.2m (2024: £790.5m), driven by a 6.8% decrease in volume compared with 2024, changes in mix, and lower pricing reflecting pass-through of raw material costs. Changes in oil and gas drilling activity led to de-stocking in our high-margin energy solutions business in H1, which began to stabilise in H2, while demand in coatings and consumer end markets was volatile, partly in response to global tariff changes. Volumes in the USA were particularly affected by customer caution and smaller order sizes, as well as customer formulation changes, and CCS responded through measures including localising some production from Europe to the USA. The construction segment began to show modest signs of volume improvement in European markets, albeit from low levels. A number of new business wins and regains towards the end of the period reflected a refreshed focus on addressable growth markets and changes in the division's management team.

Divisional gross margin performance was also mixed. An improvement from low levels in construction, driven by the launch of new products, and relatively stable performances in coatings and consumer segments, were offset by adverse mix effects in energy solutions. CCS enhanced its focus on cost reduction initiatives, including in raw material procurement as part of Synthomer's Group-wide procurement optimisation plan. The division delivered c.£13m in cost savings in the year. However this was offset by negative operating leverage to lower volumes. As a result, CCS generated EBITDA of £64.3m (2024: £85.9m), equating to an EBITDA margin of 9.2% (2024: 10.9%).

CCS is typically the most seasonally weighted of our divisions to the first half.

Strategy

In response to market conditions, CCS accelerated and reprioritised a number of asset optimisation projects and other cost and capacity management activities during the year, including temporarily idling excess capacity, reducing shift patterns and undertaking a broader review of operating costs including headcount. 2026 performance is expected to benefit from the annualisation of a number of these projects which completed during the course of 2025. The division is also implementing a number of inventory management measures to enhance cash flow.

In addition to these short-term measures, CCS remains focused on strengthening its leading position as a manufacturer of high-performance speciality products and materials, including through market-driven innovation. This included the launch of a number of new products for the construction segment in 2025 and increased overall product vitality. This will continue, as we adapt our product portfolios for market areas where we see growth opportunities, such as battery technology and products that support data centre construction.

We also continue to embed a more end-market aligned approach across the division, with key account management and value selling allowing us to leverage our leading market positions in niche European markets into other, faster-growing geographies including China, the Middle East and USA.

Adhesive Solutions

"We continue to strengthen our speciality portfolio, with a focus on diversification, sustainable innovation and capacity, while delivering further benefits from our performance improvement programme."

Stephan Lynen
President, Adhesive Solutions

Total addressable market
£10bn+

People
700

Manufacturing sites
6

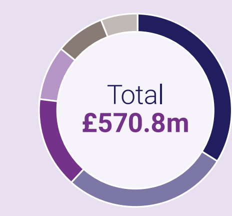
Strong earnings and margin momentum continued despite subdued underlying market conditions, driven by further progress on cost and reliability improvement, together with an increased focus on innovation and global growth initiatives.

Main product applications
Tapes and labels
Tyres and plastic modification
Packaging and hygiene

2025 revenue change vs 2024

Volume	Price/mix	FX	Total
(1.2)%	(0.3)%	(1.5)%	**(3.0)%**

2025 revenue by end market



End market	%
Tapes and labels	34%
Assembly and other	28%
Tyres	15%
Packaging	9%
Plastic modification	8%
Hygiene	6%

AS performance review

Full year ended 31 December	2025 £m	2024 £m	Change %	Constant currency[1] %
Revenue	**570.8**	588.4	(3.0)	(1.5)
Volumes (ktes)	**266.0**	269.3	(1.2)	
EBITDA	**66.0**	47.9	+37.8	+39.5
EBITDA % of revenue	**11.6%**	8.1%		
Operating profit – underlying	**31.2**	15.0	+108.0	+110.0
Operating profit/(loss) – statutory	**10.8**	(9.5)	n/m	

1 Underlying constant currency revenue and profit retranslate current year results using the prior year's average exchange rates.

Performance

Divisional revenue decreased 1.5% in constant currency to £570.8m (2024: £588.4m), broadly in line with sales volumes after a slowing of demand from Q2 as end customers responded to global tariff changes. Volumes were also constrained by a prolonged operational shutdown at our Longview site in Texas, USA, partly to increase APO capacity. Third-party contractor issues meant the turnaround took longer than expected, and led to temporary constraints in deliveries to customers. With the project completed in July, however, the division now has capacity for volume growth in higher-margin speciality products.

Overall, the division demonstrated resilient pricing and improved gross margin, led by its speciality product portfolio, which accounted for c.60% of AS revenue in the year. Many base products remained under pricing pressure from oversupply and global competition, particularly in European markets, although in certain categories the business benefitted modestly from selective competitor capacity reductions or closures.

Geographically, revenue grew in Asia and was resilient in the USA, but lower in Europe. From an end-market perspective, assembly, tyres, and tapes and labels had a robust period while packaging and hygiene revenues were more subdued.

Divisional EBITDA increased significantly, by 39.5% in constant currency, to £66.0m (2024: £47.9m), with EBITDA margin increasing by 350bps to 11.6% (2024: 8.1%). This was principally due to lower operating costs driven by the reliability and performance improvement programme put in place in 2023 delivering c.£11m in 2025, supported by raw material cost savings achieved through the Group-wide procurement optimisation programme.

Strategy

AS is focused on a number of strategic growth initiatives designed to build on our leading positions in a range of speciality adhesive applications in attractive end markets. These are often built around multi-year relationships with high-quality customers, which leverage our global production network and comprehensive technology and service platform. Our focus on supporting customers' ambitions for sustainability, circularity and recyclability is key to many such partnerships.

In April 2025, we announced a strategic partnership and supply agreement with Henkel, focused on enabling carbon emission reductions in its hot melt adhesive product portfolio. The year also saw our launch of CLIMA-branded products, which deliver at least a 20% cradle-to-gate reduction in certified product carbon footprint.

The majority of AS investment aims to strengthen our speciality portfolio in line with the Group's differentiated steering strategy. Following our APO capacity expansion and other actions at Longview, this will be a key growth opportunity in the coming years. In the more volatile and competitive base product areas (c.40% of divisional revenue) we continue to focus on enhancing cost competitiveness and reliability, and leveraging partnerships. Our project, launched in 2024, to strengthen our supply chain for hydrocarbon resin production in Europe is managed under contract by Dow at its site in Böhlen, Germany, which is now scheduled for closure at the end of 2027. During the year we have implemented additional global partnerships to secure our raw material supplies.

AS also continues to build on the dedicated performance improvement programme, launched in 2023, which has transformed the adhesive resin business acquired by Synthomer in 2022. The programme has enabled improvements in reliability for customers and achieved c.£35m in cumulative benefits to date, by reducing costs and improving end-to-end operations, from supplier network improvement to production site efficiency and delivery logistics. The programme was further expanded to target a total of at least £40m in cumulative benefits by the end of 2026.

Health & Protection and Performance Materials

"We continue to seek ways to enhance our proposition to customers through innovation and service support, while driving cost efficiencies and portfolio rationalisation in line with Synthomer's strategy."

Rob Tupker
President, Health & Protection and Performance Materials

Total addressable market
£4bn+

People
1,000

Manufacturing sites
6

HPPM continued to focus on cost efficiency and unit margins as volumes were squeezed by lower customer demand while continuing to develop new products for the Health & Protection market, where underlying global growth drivers remain strong. William Blythe was divested in May 2025 and our portfolio rationalisation plans continue to progress.

Main product applications
Medical glove manufacture
Speciality paper and food packaging
Carpet and artificial turf
Polymer modifiers

2025 revenue change vs 2024

Volume	Price/mix	FX	Total
(10.4)%	(6.0)%	1.1%	**(15.3)%**

2025 revenue by end market

Health & Protection	34%
Paper	18%
Carpet	14%
Acrylate monomers	13%
Speciality vinyl polymers	10%
Foam	7%
Antioxidants	4%

HPPM performance review

Full year ended 31 December (continuing)[1]	2025 £m	2024 £m	Change %	Constant currency[2] %
Revenue	**469.2**	554.2	(15.3)	(16.5)
Volumes (ktes)	**522.5**	583.3	(10.4)	
EBITDA	**24.2**	33.0	(26.7)	(28.5)
EBITDA % of revenue	**5.2%**	6.0%		
Operating (loss)/profit – underlying	**(2.1)**	6.1	n/m	n/m
Operating loss – statutory	**(33.0)**	(11.6)	+184.5	

1 William Blythe has been classified as a discontinued operation
2 Underlying constant currency revenue and profit retranslate current year results using the prior year's average exchange rates.

Continuing divisional performance

Divisional revenue was £469.2m (2024: £554.2m), driven by a 10.4% decrease in volume and lower prices reflecting reduced raw materials costs. Volumes in Health & Protection decreased by 17.3% compared to 2024, as our latex glove manufacturing customers reacted to market developments in the USA, where the announcement in summer 2024 of tariff increases on their global competitors from 1 January 2025 drove some pre-emptive buying activity. This began to moderate in the second half, and demand from both new and existing customers began to improve in Q4. We secured another income stream in H1 for additional services from our multi-year technology partnership to support growth in the onshore US glove market. Underlying hygiene demand growth remains strong globally, but unit margins remained low by historical standards.

In our Performance Materials portfolio, volumes decreased by 2.5% as market conditions for Acrylate Monomers and SBR for carpet and foam in Europe remained difficult. Speciality Vinyl Polymers, Antioxidants and European Paper activities were more robust.

Divisional EBITDA decreased by 28.5% in constant currency to £24.2m (2024: £33.0m), with an EBITDA margin of 5.2% (2024: 6.0%). The division is making EBITDA margin progress through operating cost reductions, including from further efficiency programmes and the closure of a small manufacturing plant in China in June; however this was offset by negative operating leverage to lower volumes in the Performance Materials business, with Acrylate Monomers particularly affected.

Strategy

Much of the HPPM division has base chemicals characteristics, so our differentiated steering approach focuses on improving cost efficiency across our value chains while enhancing our overall value proposition to customers through selective investment in process and product innovation and sustainability.

Our Health & Protection business continues to focus on opportunities to leverage our position as a global market leader in NBR manufacturing with significant technology and manufacturing expertise. This is reflected in our support for customers as the latex glove demand environment evolves. Examples in 2025 include our partnership with suppliers Neste and PCS to manufacture bio-based nitrile latexes for the glove industry. We also continue to develop other products that aid reusability, weight reduction and high performance for customers in this market.

We also continue to support our US partner with further technology licensing and manufacturing expertise as they develop onshore US capacity for nitrile latex and glove manufacture, and we are exploring other potential partnership opportunities for this business globally that require little or no capital investment.

In Performance Materials we signed a partnership with Lummus Technology to license Synthomer's proprietary acrylic acid esters technology, part of the Acrylate Monomers business, which will now reach a broader market through Lummus' platform, and secured a major multi-year contract in our European Paper business. Speciality Vinyl Polymers also commenced a partnership to expand its reach in China. A number of projects are underway to deliver ISCC PLUS-certified reductions in the carbon emissions of our production processes, conferring sustainability benefits for customers seeking to reduce their own value-chain carbon footprints.

In May 2025 we completed the divestment of William Blythe Limited, a non-core inorganic chemistry business, to its management team alongside H2 Equity Partners. This transaction further reduced the complexity of our site portfolio and has enabled greater focus of capital, time and other resources. As described in the CEO review, during the year we broadened the scope of our non-core divestment portfolio, and are progressing with several processes to accelerate the Group's deleveraging and simplify the business portfolio further.

Sustainability in focus: building deeper partnerships with our customers

"This year we have focused on building stronger partnerships with our customers and other key stakeholders to create value and shape a more sustainable future."

Chris Brown
Vice President, Environmental, Social and Governance

This was another productive year for our sustainability agenda, with work to accelerate innovation and deepen partnerships with customers and suppliers continuing, despite ongoing market challenges.

Synthomer has come a long way since we set out our Vision 2030 framework five years ago. Today, sustainability is a business principle and a foundation of our growth strategy and we have made consistent progress against most of our targets. Targets are important, since they help us make – and report on – progress, but they are not a strategy in themselves. Which is why everything we do when it comes to sustainability must be in service of our key stakeholders' needs, and demonstrate the benefits to our customers of choosing us over another supplier. We want them to see us as a sustainability enabler. If they do not, we risk missing out on future business opportunities.

So while we have continued sharpening our approach in areas like innovation, human rights and value chain emissions data analysis, we are also building deeper partnerships with our customers and suppliers to help accelerate change across our value chain.

Importantly, others are recognising our progress. In 2025, we won a sustainability award from a key adhesives customer, Henkel, and a supplier award from our high-performance materials customer, Nitto. This second award recognised our commitment to quality, service and sustainability. We also retained our CDP Climate A- rating, which places us in the leadership group, and our silver EcoVadis rating, where we are now in the top 2% of rated companies for sustainable procurement.

This year also marked the end of the first of three time horizons that we set out two years ago in our climate transition action plan. As well as finding new ways to meet our science-based 2030 GHG emissions targets, the action plan will help us identify the business opportunities to reach our 2050 net zero ambition.

That deadline is getting closer. We need to start developing the next generation of sustainable solutions today in order to keep delivering the products that our customers will need in future. We know from our latest scenario analysis that if we do not, we may miss opportunities to continue delivering our growth strategy.

» See our latest scenario analysis on pages 58 to 63.

Highlights from 2025

- Delivered first sales of our BIO and CLIMA products.
- Won supplier sustainability awards from two key customers.
- Launched a new customer portal providing key product safety information.
- Eliminated alkylphenol ethoxylates from our global product portfolio.
- Developed a new greenhouse gas forecasting model, identifying new options to deliver our climate transition plan.
- Maintained our A- 'leadership' level for CDP Climate.
- More than 1,900 employees engaged through our Sustainability Academy.

Continued commitment under challenging circumstances

Unlocking these opportunities will be challenging, not least if broader market conditions continue to test our industry. We have certainly seen a shift in business priorities in 2025, as customers, suppliers and peers prioritise managing cost pressures. However, change is not linear and a good strategy does not get blown about by short-term challenges. Sustainability remains a key enabler for our strategy, but it is also a business consideration like any other.

Our ISCC PLUS certification is a good example. In 2025, we achieved ISCC PLUS accreditation for 11 of our manufacturing plants, enabling us to offer customers our BIO and CIRCLE products using the mass balance approach. While changes in short-term business priorities have made it harder to incorporate additional cost, we know that customers are interested in these products and we have now made initial customer sales in our Adhesives and our Coatings businesses.

While it is important we help our customers understand the benefits of our products today, it is essential that we understand their needs, challenges and timelines so we can work together more effectively to create the next generation of more sustainable products.

Accelerating change through greater collaboration

Sustainable change has to be championed by the people who work most closely with our customers and suppliers. Our Sustainability Academy, which we launched in 2024, is playing an important role in this, helping our commercial, innovation and procurement teams develop the tools and language they need to become those champions. And it is thanks to their hard work and collaboration that we are building deeper partnerships across our value chain.

As a B2B company, working with our customers to help them realise their goals – and with our suppliers to understand theirs – is the only way we will achieve ours. Our partnerships with key universities are important here. They help us accelerate innovation and train the next generation of synthetic and polymer chemists in key aspects of green chemistry (see page 35). We increasingly participate in key industry organisations, such as the European Chemical Industry Council (CEFIC), the American Chemistry Council (ACC) and the Chemicals Industries Association (CIA) in the UK. We are also an active member of the Together for Sustainability (TfS) initiative. This year we participated in three TfS workstreams focusing on assessing and auditing suppliers, building skills and Scope 3 emissions. These collaborations are essential given our industry's importance as nations and regions build their industrial strategies in the face of increasing competition from other parts of the world.

Our climate transition action plan

In 2024, we developed a new climate transition action plan to support our journey towards net zero. The plan focuses on four specific areas and is set out across three time horizons (2025, 2026-2030 and 2030-2050):

- Integrating a GHG forecasting model into our business plans to identify the product innovation and market development options to reduce our GHG emissions over the next five or more years
- Reducing Scope 1 and 2 GHG emissions by continuing to deliver our current five-year capital improvement plan, driving energy efficiency through our manufacturing excellence programmes, sourcing 100% renewable electricity for all our sites and developing net-zero roadmaps for three pilot manufacturing sites
- Reducing Scope 3 GHG emissions by selectively sourcing lower-carbon fossil-based feedstocks, sourcing certified sustainable feedstocks, developing value chain partnerships and innovating novel (recycled, bio-based and CO_2-derived) feedstocks and products
- Risk assessment and scenario analysis to further develop our strategic understanding of climate risk and its financial impacts for our business.

Getting to work on delivering our climate transition action plan

We have reported against the recommendations of the Task Force on Climate-related Financial Disclosures for many years (see pages 58 to 63) and in 2024 conducted our first double materiality assessment (see page 30) and implemented our new climate transition action plan (see left).

Both have strengthened our understanding of our biggest risks and opportunities and confirmed that we were broadly focused on our most material issues through our Vision 2030 framework. What our climate transition action plan also showed us is that the biggest, fastest impact we can have between now and 2030 is through sourcing lower-carbon feedstocks.

As well as introducing the ISCC PLUS products, this year we piloted the use of low-carbon versions of two key raw materials: butyl acrylate (BA) and butadiene (BD). The pilot targeted lower-carbon BA and BD at two specific sites and improved our understanding of how to account for multiple sources of a raw material in a product carbon footprint. It also highlighted practical challenges for our procurement team in maintaining a secure supply from a smaller pool of suppliers. We will use what we have learnt to continue developing options for lower-carbon products and better understand their impact on our procurement approach. This will help us determine better ways to deliver lower-carbon options for our customers.

As part of our action plan, we are working to identify alternative raw materials to complement existing lower-carbon fossil-based products over the medium and long term. In 2025, we reviewed market-ready and emerging drop-in feedstocks from recycled, bio-based and CO_2-derived sources, as well as new chemistries and technologies for future polymers. All three alternative feedstocks – and several relevant technologies – are projected to become commercially significant by 2030, presenting meaningful opportunities for our portfolio. The barriers to adoption are now shifting from technical feasibility towards the need for stronger market pull, as well as supportive policy frameworks to help these lower-carbon solutions compete with conventional fossil-based materials.

Our procurement teams play a crucial role here. They are helping us build closer relationships with key suppliers so we can identify and source the raw materials we need to deliver the next generation of sustainable products, proving that innovation does not always happen in a laboratory.

New GHG emissions forecasting model to accelerate progress

As in 2024, much of what we have achieved this year is thanks to data insights and how they inform our discussions with stakeholders. This year, we have worked with our businesses and functions to develop a new GHG emissions forecasting model that helps us understand the potential future impact of our business growth plans. The model also enables us to review our raw material and product costs versus carbon impact. Our businesses and procurement teams have responded positively to the tool and its ability to open conversations with customers and suppliers about the impact of GHG emissions in the same way as for cost and price.

This tool is another important milestone in addressing our Scope 3 emissions – by far the largest proportion of our carbon footprint. Developing it has involved mapping our customers' purchases against the raw materials we use to make our products and the suppliers we purchase them from. It provides exceptional granularity on any given emissions trajectory for individual customers and product lines.

It has also helped identify important data gaps and the specific suppliers we need to work with more closely to understand their carbon footprint and goals.

We plan to improve the model in 2026 to allow the tool to demonstrate the margin, price and carbon impact of our products. This will help us make better informed business decisions while delivering more sustainable products for our customers.

We see plenty more potential for other digital tools and artificial intelligence (AI) to help us. In 2026 we will investigate options to build AI functionality into the forecasting tool to generate new insights to keep reducing our Scope 3 emissions.

Our customers want to know more about our products' carbon footprint (PCF), and our growing portfolio of detailed, TfS-compliant PCF reports has become a valuable resource.

Creating these reports is time-consuming. So, at the end of 2025 we ran a pilot for a new PCF automation tool at our site in Ribécourt, France. The tool automatically creates a carbon footprint for specific products using manufacturing procurement and production data. As well generating targeted PCFs to meet specific customer requests, this tool will help us expand our PCF portfolio more quickly. It will also enable us to track Scope 3 GHG emissions in real time, instead of manually collating data once a quarter. While this will initially occur at an individual plant level, our ambition is to integrate the tool across our whole business over the next five years.

An ongoing commitment to product stewardship

One of the most important ways we can support wider sustainability is by minimising or eliminating the use of certain chemicals. The majority of our products are not classified as hazardous, and only a small proportion of what we sell contains hazardous ingredients. However, that proportion means we are, rightly, subject to strict regulations on their use and we provide customers with up-to-date, legally compliant safety sheets for products in all the markets where we operate.

But product safety regulation is regional, complex and changing rapidly. So over the past few years we have strengthened our approach. This includes regular training sessions to help our procurement teams understand key regulation and ensure they ask suppliers the right questions about raw materials. We also have a new tool that enables our innovation teams to screen raw materials against regulations to help them make faster, more informed decisions when designing products.

Meanwhile, we continue to improve the way we share information with customers, and this year launched a new customer portal that includes product regulation passports. The passports provide concise information that enables customers to check compliance in multiple geographies, answering many of our most frequently asked questions.

The portal itself is an excellent example of our customer-centric approach. Launched in January 2025, it currently contains our Adhesive Solutions and SVP business product lines, and we intend to add more businesses in 2026. To date, more than 100 customers have downloaded over 1,500 documents and more customers are signing up all the time.

» See Synthomer's customer portal.

Building deeper relationships for radical collaboration throughout the value chain

We are using data, information and knowledge from across our value chain to generate insights that help us create options for more sustainable products and services for our customers.

Raw materials → Manufacture → Formulation and production → Product use → Responsible disposal

Supplier insights | Operational insights | Customer insights | End-market insights

Innovation

Integrate into decision making and business models

Our double materiality assessment

In 2024, we completed a double materiality assessment (DMA) to evaluate both the impact of our operations on people and the planet, and how sustainability issues could affect our financial performance. The process included:

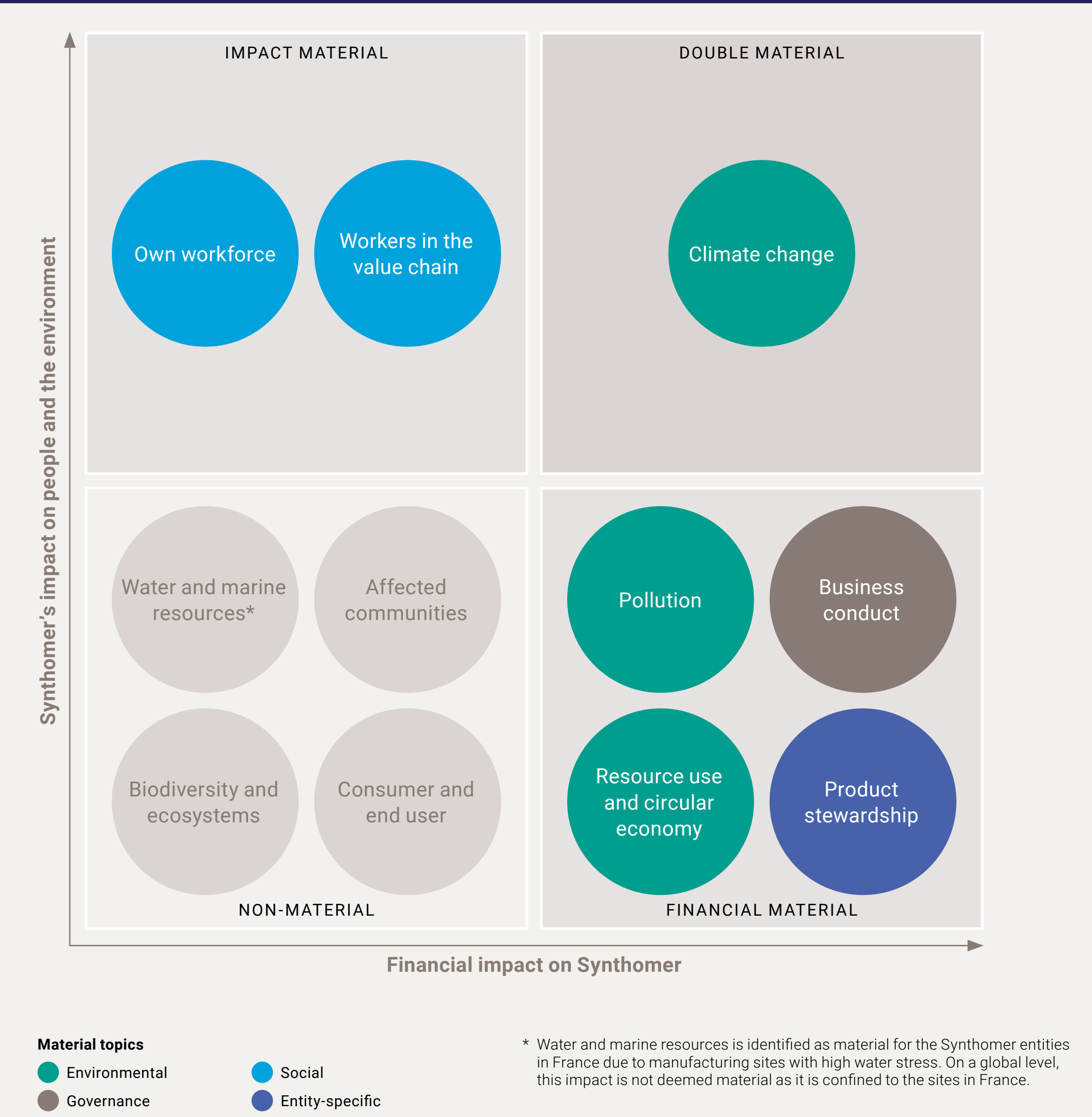
- Mapping our value chain and stakeholders to identify a long list of risks and opportunities.
- Engaging with key stakeholders – employees, investors, customers, and suppliers – to validate this list.
- Using our existing Group risk framework methodology to quantify the financial materiality of those risks and opportunities on our business as well as their likely societal impact.

» More information is available at **Synthomer.com**

From this, we identified the topics (shown in the graphic on the right) that are most material to our business at a Group level, along with a list of impacts, risks, and opportunities. The DMA confirmed that most of our Vision 2030 targets aligned with our material priorities.

We are now reviewing future regulatory reporting requirements, including the EU Corporate Sustainability Reporting Directive (CSRD) and the UK Sustainability Reporting Standards (UK SRS).

We will review and revise the DMA and relevant key performance indicators in 2026 to confirm these remain our most material risks and continue to be aligned with our group risk management methodology.



* Water and marine resources is identified as material for the Synthomer entities in France due to manufacturing sites with high water stress. On a global level, this impact is not deemed material as it is confined to the sites in France.

We want to be more than just compliant, though, and are committed to eliminating and reducing the proportion of hazardous ingredients in our products wherever possible. Our product innovation scorecard commits us to eliminating substances of very high concern (SVHCs) from our portfolio, and today 1.12% of our products contain them at a concentration higher than 0.1%.

Meanwhile, we stopped manufacturing per- and polyfluoroalkyl substances (PFAS) in 2023. However, we still find traces in some of our raw materials, so a new cross-functional taskforce is developing a screening process that will help us to eliminate them entirely.

We also reached a significant milestone this year in our voluntary programme to eliminate alkylphenol ethoxylates (APEOs) from our products. In September 2025, our Adhesive Solutions division produced its last batch of SUNCRYL™ water-based release coatings containing APEOs in North America. This completes a multi-year initiative to reformulate 17 products across our divisions and means our global product portfolio is now APEO-free.

Steady progress against Vision 2030

We provide more detail on performance against our Vision 2030 targets on pages 41 to 43, but continue to make good progress against many of them.

The broader economic climate has slowed our short-term ability to deliver some of our bigger plans. Due to financial pressures explained in this report on pages 7 to 9 we have constrained our five-year capital investment plan for Scope 1 and 2 GHG emissions reduction and paused the purchase of energy attribution certificates contributing to our Vision 2030 renewable electricity target. While these decisions have affected our short-term progress we successfully met our 2025 objective and remain on track to achieve both our 2030 Scope 1 and 2 science-based target and renewable electricity target.

Nonetheless our sites have continued implementing 'self-help' measures to reduce energy consumption, including installing more energy efficient equipment when old equipment reaches the end of its useful life. Meanwhile, our three sites located in areas of high water stress and with high water use have made good progress in establishing sustainable water management programmes.

Other highlights include a recordable injury case rate of 0.15, meaning we have exceeded our 2030 target for the third consecutive year. We also successfully met our 2025 objectives for both senior management gender diversity and senior leaders from ethnically diverse backgrounds.

» See People in focus on pages 36 to 40.

Looking ahead

Our people should be proud of everything they have achieved in the past five years. It is thanks to their hard work that we are on track to deliver our 2030 targets while building deeper, more collaborative partnerships with our customers. A growing number of customers are asking for our help, and we know we can do more.

We see huge potential for our growth strategy over the coming decade, as long as we work at the right pace with the right knowledge. So an important focus for us in 2026 will be reviewing the way we measure and communicate the benefits of our products to customers. As we do so, we will continue to work in partnership with customers, suppliers and peers to accelerate progress across our value chain.

More information on our approach to sustainability

We provide more information on the work we are doing to understand our climate-related risks and opportunities in our Climate Action report, summarised on pages 58 to 63. This includes work in 2025 to update our climate-related risk assessments and scenario analysis.

We obtain independent assurance for our ISO management systems and independent verification at a limited assurance level of our Scope 1, 2 and 3 GHG emissions.

We benchmark our progress, and identify areas where we can improve, through disclosures to organisations including CDP, Ecovadis, S&P, London Stock Exchange Group and MSCI.

This year, we maintained our A- 'leadership' level for CDP Climate and continue to work closely with key industry bodies. For more information, see Ratings and Resources on our website.

We provide more information on our most relevant sustainability issues in our ESG data pack and a series of in-depth insights that are available on our website.

Environment
Climate action
Water
Waste and pollution

Social
Health and safety in the workplace
Workers in the value chain
Product safety
Diversity, equity and inclusion
Communities

Governance
Business conduct

Sustainability as a service

Increasing performance

Health & Protection and Performance Materials

Our Alcotex™ speciality polyvinyl alcohol (PVOH) grades are helping to make agriculture more sustainable. Our products deliver biodegradable, water-soluble, high-performance film-forming solutions for seed coating and crop protection. We have partnered with key market players for more than 10 years and continue to expand as demand grows for microplastic-free solutions.

Reducing raw materials

Adhesive Solutions

Our innovative Plextol™ Recyclear™ adhesive enables labels on HDPE bottles and PP film substrates to be easily removed during recycling, supporting a more circular economy. The adhesive has been approved by RecyClass, a respected cross-industry initiative set up to encourage greater plastics circularity in Europe.

Reducing CO_2 emissions

Adhesive Solutions

We announced a new strategic partnership and supply agreement with our adhesives customer Henkel in April 2025, helping to commercialise our new CLIMA-branded products. Using our most advanced CLIMA products, Henkel has cut its carbon footprint by 46% – five years ahead of its goal. In November our team won Henkel's 2025 Sustainability Award.

We are committed to working in partnership with our customers to deliver the products and solutions that help them meet their sustainability goals. Here we share a selection of our biggest successes.

Reducing energy use

Health & Protection and Performance Materials

Our new high-performance nitrile butadiene rubber (NBR) – SyNovus™ Lite – has been engineered specifically for ultra-thin gloves. SyNovus™ Lite helps customers lower their product carbon footprint by 14.4% and reduce Scope 3 emissions by 4% compared to its alternatives, without compromising performance.

Reducing waste

Coatings & Construction Solutions

We have helped one of our largest customers reduce the waste footprint of one of their high-volume disposable hygiene products by 18%. Drawing on our polymer expertise, we were able to modify our polymer resin to produce a lighter-weight end product while maintaining key performance attributes, including tensile strength.

Reducing hazardous materials

Coatings & Construction Solutions

Many industries, such as medical, filtration and home textiles, are increasingly looking for solutions that do not include per- and polyfluoroalkyl substances (PFAS) while maintaining water repellent properties. Our Sequapel™ 409 product has successfully provided excellent hydrophobicity properties through innovative non-PFAS technology, as well as stability over a wide range of temperatures.

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_2-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.

People in focus: steady progress in a challenging year

"I have been struck by our people's commitment to our business and each other – it is thanks to them that we have successfully navigated a challenging year."

Gayla Cowie
Chief Human Resources Officer

Once again, our people have remained focused on helping us deliver our strategy while we continue to build an inclusive, collaborative culture that celebrates diversity of thought and acts on the views of our employees.

Fostering greater collaboration while supporting wellbeing

We have made good progress in the past five years to create a more inclusive, high-performance culture. What our people have helped us achieve despite ongoing market challenges has shown that we are stronger together and that the best innovation happens when we work collaboratively. This is why this year we adjusted our hybrid working policy to increase the time we spend working together at our sites, offices and laboratories.

This sense of togetherness is particularly important during uncertain times, and we recognise that our cost reduction programme and decision to remove around 250 roles globally has been unsettling. While this was crucial for maintaining our competitive edge in a very challenging economic landscape, we took a people-first approach, treating affected individuals with empathy and respect and providing as much support as possible.

Throughout the year, we have maintained our focus on employee health and wellbeing, including new online sessions hosted by our Employee Assistance Programme provider on topics such as stress awareness, building resilience, and the power of open conversations to address mental health issues. We also ran well-attended sessions to mark World Mental Health Day and International Stress Awareness week.

Our annual Synthomer Cares week is always a great opportunity for employees to come together. Once again, sites organised local activities, including helping at food banks, while globally, almost 400 employees helped raise money for the medical humanitarian organisation Médecins Sans Frontières.

Highlights from 2025

- Outperformed our annual recordable injury case rate (RCR) target for the third consecutive year
- Launched Aspire, our new accelerated talent programme for future senior leaders
- Rigorous follow-up on action planning from our 2024 Your Voice survey to improve ways of working
- Achieved our short-term gender and ethnic diversity objectives
- 97% of all employees completed training on our new Code of Conduct

Taking action to respond to our people's views

One of the most important ways we can support our people is by listening to – and acting on – their feedback. Having run our last Your Voice employee engagement survey at the end of 2024, our focus in 2025 was on defining and delivering meaningful actions to address what we heard. To date, we have identified more than 150 actions across the organisation. In Kuala Lumpur, Malaysia, we ran 'quick connect' development sessions, giving approximately 100 employees the opportunity to meet with leaders and share career stories. We have rolled out a similar format in other locations, such as Harlow, UK, Sintra, Portugal, and Marl, Germany, with plans for more during 2026. Globally, we ran a Synthomer University awareness campaign and launched new functional career frameworks in response to employee feedback. We also developed a new change management hub to provide support during change and transformation processes.

We share quarterly progress updates with employees, which include key metrics and examples of progress. This year, we established a dedicated community of practice to share good examples of Your Voice action planning across the organisation. Both help demonstrate the tangible action we're taking in response to people's feedback.

Board engagement with our employees

Our Board continued their Employee Voice engagement initiative, holding six in-person sessions in France and the UK during 2025.

The Board noted the positive culture and team spirit at these sites and employees said they appreciated the progress we are making on career development. These sessions reinforced the importance of continuous improvement in areas like knowledge sharing and communication, as well aligning priorities and finding ways to make it easier for people to do their jobs.

Our people priorities

We focus on the following four priority areas in order to support Synthomer's overall business strategy:

- Invest in key capabilities
- Ensure simplified and customer-focused processes and systems
- Build an environment of talent growth and career development
- Embed an inclusive and supportive workplace

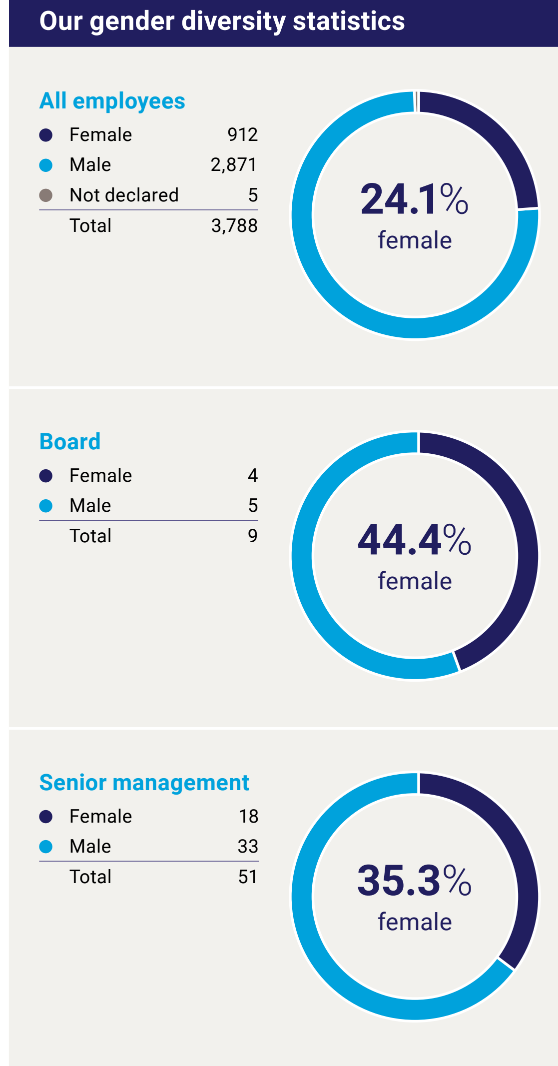
» More information on the Board's engagement with employees and other stakeholders is available on pages 78 to 82.

Continued progress in recognition and performance

We continue to embed our new global approach to employee recognition, including running our second annual Inspire Awards. This year, the programme received around 60 nominations globally, with the three winning teams showcased at our April 2026 Synthomer Leadership Team meeting.

Our broader Star Awards scheme is also available globally and aims to recognise behaviours and achievements that support our strategy. We received more than 700 Star Award nominations over the course of 2025.

Developing a collaborative culture of excellence takes time and our approach continues to mature. We remain focused on supporting good performance and development conversations between employees and managers and embedding our performance management framework to strengthen our talent pipeline and succession planning. While the framework is built on continuous conversations, our more structured mid-year review and summary conversation processes achieved high completion rates this year, at 82% and 97% respectively.



Good progress against our DE&I goals

Diversity, equity and inclusion (DE&I) remains a core pillar of Synthomer's strategy, and has changed from project-based initiatives a few years ago to becoming an integral part of what we do. Women now represent 24.1% of our workforce, while our Board is 44.4% female.

We have made good progress towards our Vision 2030 diversity target in the past five years. We met both 2025 objectives, with women representing 35.3% of our senior leadership (2025 target: 33%) and 21.6% of senior leaders from ethnically diverse backgrounds (2025 target: 20%), based on categories in the UK Parker Report.

We provide more information on our Vision 2030 target on page 43. For more on Board-level diversity, see our Nomination Committee report on pages 95 to 97.

While we are pleased with this progress, we need to stay focused on this important topic to meet our Vision 2030 target of women representing 40% of senior leaders. Our focus groups on female representation in manufacturing play an important role here. Initially launched in Europe in 2024, these sessions enable us to hear from female employees about the barriers they face working in traditionally male manufacturing roles. This year we expanded the initiative to include sessions in Asia and the USA, hosted by either our executive sponsor for DE&I or a senior female manufacturing leader. We have heard consistent themes in all regions and have agreed a tangible action plan with our Operations Executive team.

Our DE&I ambassador network and employee resource groups continue to play an integral part in our work. For example, our cultural diversity group, EMPOWER, celebrates different cultural awareness days and regularly runs unconscious bias training.

Developing our leaders and strengthening our digital skills

We know from Your Voice that our people want a clear, consistent approach to career development. So we have continued building our comprehensive framework of accelerated talent programmes. It starts with Ignite, which is our graduate leadership programme, and includes Elevate, our emerging leader programme. During 2025, we welcomed the first cohort into our new Aspire programme, which targets future senior leaders. It combines a deeper approach to advanced leadership skills with experiential learning from entrepreneurial challenges.

We have also significantly broadened our Leadership Essentials programme. Open to all leaders across the organisation, this provides a variety of training on different aspects of leadership. Meanwhile, our Leadership Academy provided opportunities to develop skills in areas such as leading change, unconscious bias, giving and receiving feedback and handling difficult conversations.

While the Leadership Academy is already a key part of Synthomer University, we added other Academies to the University during the year, including the Sustainability Academy and DE&I Academy.

Our employee resource groups

We have three DE&I employee resource groups:

ENGENDER – our women's network

THRIVE – our LGBTQ+ network

EMPOWER – our cultural diversity network

Digitalisation is an increasingly important area, especially given the potential for artificial intelligence (AI) tools to help boost efficiency and innovation. To ensure we adopt appropriate AI tools and get the maximum benefit from them, our IT and HR teams are working together to provide our people with relevant training. We also launched a new AI policy and formed a corresponding AI community of practice. A regular news section is available on our intranet, supported by lunch-and-talk sessions on the subject.

Helping our people do the right thing

We expect everyone who works with and for Synthomer to act with integrity and respect – as enshrined in our values. Our Code of Conduct applies to everyone at Synthomer and training on it is mandatory. This year, 97% of our employees completed that training. Having updated the Code in 2024, we held 17 workshops at sites around the world this year to communicate the changes.

We operate in an increasingly complex world, with different jurisdictions setting out different legislation. This year we updated our policies on anti-bribery and corruption, human rights, and whistleblowing to help our people better understand our expectations. We also strengthened procedures for recording gifts and hospitality, conflicts of interest and trade compliance, and launched training on our new fraud prevention policy.

We want people to feel able to speak up if they see something they are unsure of and have several channels to support them. These include our independent whistleblowing hotline, EthicsPoint, which this year received 17 reports (2024: 16). We investigate all reports and take action where needed. This year we introduced new awareness posters in local languages at all our sites and intend to relaunch EthicsPoint in 2026 to encourage more people to speak up.

Strengthening our focus on human rights

Being a responsible business includes an unwavering commitment to respecting and protecting human rights across our operations and supply chain. This is an ongoing challenge given that some of the locations where we work have a high risk of human rights abuses, modern slavery and human trafficking. We take a zero-tolerance approach to any wrongdoing, as enshrined in our Modern Slavery Statement, and all employees learn about the risks of modern slavery as part of broader Code of Conduct training.

» **Our full Code of Conduct is available on our website, along with our Group policies.**

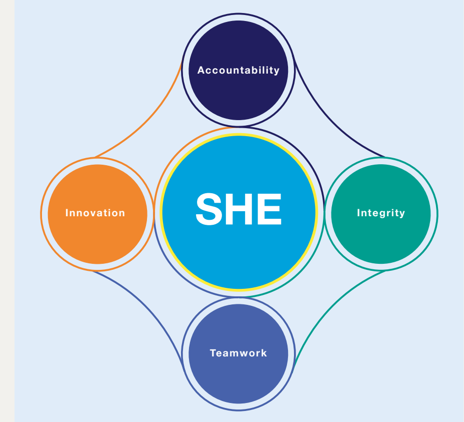
Our Human Rights Working Group helps us focus on the areas where we can make most impact, which this year included assessing modern slavery risk at all our sites. We also include specific human rights and modern slavery questions in our internal audit procedures and introduced a new e-learning module on modern slavery. In 2025, 100% of relevant employees completed the training. In the UK, we also launched a new module on workplace harassment, which was completed by 95% of employees.

Looking ahead

We remain committed to building an inclusive, collaborative culture of excellence to help deliver Synthomer's strategy. To support this, we plan to update our reward framework and develop a new career hub for employees. We will run our next employee engagement survey in 2026.

We will also continue strengthening our approach to managing human rights risks, exploring options to develop metrics and targets to track and report our progress, and will run more Code of Conduct roadshows.

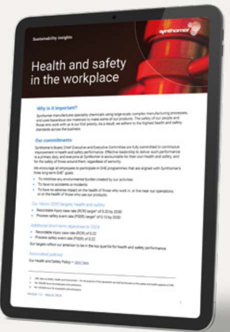
We are guided by five core values and associated behaviours that we all share



Our values were developed based on feedback from our employees, and represent the key expectations of everyone in Synthomer.

Our approach to managing health and safety

All our sites must align their processes and policies with our Group-wide Safety, Health and Environment Management System (SHEMS). Find out more at **Synthomer.com**



Health and safety: staying focused on our long-term goals

Keeping our people and contractors safe is our highest priority, and is enshrined in our core SHE value, which states that 'we always have time to work safely'.

Our 2025 health and safety performance

This mantra is especially important in challenging times, and it is testament to our people's continued commitment that our recordable injury case rate (RCR) of 0.15 outperformed our annual objective for the third consecutive year. However, this year's process safety event rate (PSER) of 0.25 was higher than our 2025 objective. Both metrics were influenced by a series of low-consequence incidents at just two sites – Le Havre in France and Mogadore, Ohio, USA. We launched a new SHE Week initiative to address common issues, which included all our sites running refresher sessions on 'back to basics' themes as well as lessons learnt from our RCR and PSER cases.

An improving long-term picture

Safety incident hotspots are unusual for us but are essential reminders of why we must remain vigilant. Importantly, our longer-term SHE trends continue to demonstrate that the longer sites are part of Synthomer and our SHE Management System (SHEMS), the better their performance.

For example, our most hazardous incidents, involving flammable and toxic chemicals, have fallen year-on-year, particularly at our newest sites. Our multi-year 'bowtie' barrier check initiative has helped with this, and we have now completed around 40% of all checks. This year we developed a new digital tool to help record those checks more efficiently. We trialled the app at several sites in 2025 and have since made some improvements based on user feedback.

We always look for opportunities to improve our performance, using data to help identify focus areas. This year, for example, we focused on contractor safety, following a series of incidents in 2024, and now include contractor engagement – onboarding, task preparation and planning as well as on-site performance monitoring – within our audit programme.

We continue to focus on 'leading' indicators, such as monitoring the standard of our permit to work process, alongside near-miss and weak-signal reporting. We have expanded our SHE competency programme to include operational supervisors and continued our process safety training for operators. With almost three-quarters of operators now trained, we have begun building a refresher programme. Meanwhile, our annual SHE Principles and Golden Rules refresher training is now mandatory for all employees.

This year we replaced our face-to-face SHE conferences with global calls and our new global SHE Week to reduce non-essential cost. This enabled teams at every site to participate in a mix of mandatory and local activities.

We had a tremendous response, with more than 90% of operational employees taking part, with an average attendance of more than eight hours per person.

Priorities for 2026

We are determined to improve our short-term PSER rate and plan to review the way we control chemicals that do not represent a major accident hazard but still cause lower-consequence reportable incidents. We also plan to work with operational teams to strengthen the way sites are brought back online after maintenance and will continue to ensure we have the appropriate levels of training across our teams. We are also aiming to roll out our bowtie barrier check app to more sites in 2026.

Our safety performance by division

Full year ended 31 December	2025	2024
Recordable injury case rate per 100,000 hours for employees and contractors		
CCS	**0.23**	0.25
AS	**0.00**	0.00
HPPM	**0.10**	0.09
Continuing Group	**0.15**	0.14
Process safety event rate per 100,000 hours for employees and contractors		
CCS	**0.41**	0.15
AS	**0.24**	0.69
HPPM	**0.06**	0.09
Continuing Group	**0.25**	0.21

Our Vision 2030 progress

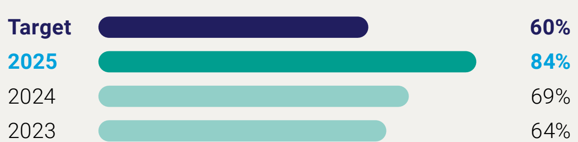
Our Vision 2030 roadmap lays out a series of sustainability-related targets in areas that matter most to our stakeholders and where we can have the most material impact.

We keep our targets under review and occasionally update them when needed. We also provide more detail online on each of our target areas, including our definitions, approach, governance, progress and priorities. This information is organised into three areas – environment, people and governance – and can be found on our **website**. This information includes more detail on our community programme.

Sustainable products

Vision 2030 target

At least 60% of new products with enhanced sustainability benefits.



Our short-term 2025 objective*

At least 55% of new products with sustainability benefits.

Progress against the target and objective in 2025

This year we launched 43 new products with enhanced sustainability benefits as defined by our product sustainability scorecard, meaning we exceeded our 2030 target for the third consecutive year.

Innovation is the basis for creating value for our customers and helping them realise their sustainability goals. It also plays an important strategic role in helping anticipate and solve longer-term challenges.

Strategy

» For more information on our approach to innovation and this year's highlights, see Innovation in focus on pages 34 to 35.

Link to strategy

Organic growth in attractive end markets

Rigorous and consistent portfolio management to build focused, leading positions

Operational and commercial excellence in how we run our business

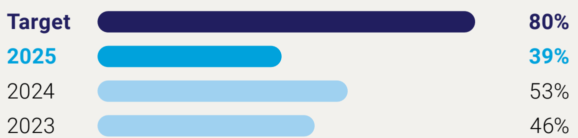
Differentiated steering in how we allocate capital and talent

Diversity, equity and inclusion, and holistic people development

Sustainable procurement

Vision 2030 target

80% procurement spend with a sustainability rating.



Our short-term 2025 objectives*

- 50% procurement spend covered by a sustainability rating and improvement plan
- Audit eight key suppliers' sites by 2025
- Ensure that all our highest-risk suppliers agree to our Supplier Code of Conduct or equivalent standards.

Progress against the target and objectives in 2025

Our overall percentage of spend where the supplier had a valid EcoVadis scorecard assessment fell in 2025, due to 11 priority suppliers – who represent 22% of our spend – not renewing their ratings before year end. While we did not meet our 2025 objective, we added an additional 200 suppliers to our EcoVadis platform, and our sustainable procurement programme ranked in the top 2% of all companies rated by EcoVadis.

Having met our short-term audit objective a year early, we added another eight sites in 2025. Key themes for this year included management, environment, health and safety, labour and human rights, and governance issues. As part of our ongoing work to deepen relationships with our suppliers, we ran six webinars to share examples of our work and encourage them to participate in audits.

We updated the human rights and modern slavery guidance in our Supplier Code of Conduct and introduced a modern slavery e-learning module for our procurement teams.

To date, 92% of our highest-risk suppliers have agreed to meet our Code or equivalent standards. We remain committed to achieving 100% and are taking targeted action with our suppliers to reach full adoption.

Strategy

» See Sustainability in focus on pages 26 to 33.

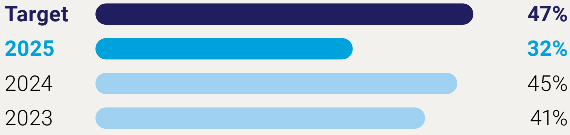
* Set in 2020, excluding health and safety objectives, which are reset on an annual basis.

Met or exceeded target.

Environment

Vision 2030 target

Reduce Scope 1[1] and 2[1] absolute emissions by 47%.



Our short-term 2025 objectives*

- 30% absolute reduction in Scope 1 and 2 emissions (versus 2019)
- 5% energy reduction on intensity (versus 2022)

Progress against the target and objectives in 2025

While our absolute Scope 1 and 2 emissions rose in 2025 versus 2024, they continue their downward trend, with overall emissions 32% lower than our 2019 baseline, meaning we successfully achieved our 2025 objective.

Our Scope 1 emissions were around 2% lower, reflecting reduced output at some sites (compared with 2024), the closing of our site in Ningbo, China, and some impact from project savings outlined below.

Our Scope 2 emissions were significantly higher than 2024 but still almost 43% lower than our 2019 baseline. The increase is a result of our short-term decision not to buy renewable power certificates this year (see renewable energy target, right).

Our 2025 energy intensity was 3% higher than 2022. This was due to lower production volumes at some sites and means we did not achieve our 2025 objective.

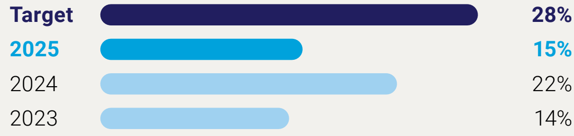
While tough market conditions have affected our metrics, these headline figures do not tell the full story. Many sites have continued implementing self-help measures to reduce energy consumption and drive efficiency. For example, through a steam leak reporting programme, our site in Middelburg, the Netherlands, replaced more than 120 steam traps and fixed more than 100 leaks, saving more than €2m and reducing Scope 1 emissions by around 6kt.

In 2026, we aim to introduce new utility dashboards and incorporate real-time digital utility metering at nine sites with the highest energy consumption.

» For more information on Scope 1, 2 and 3, and our renewable electricity use, see Sustainability in focus on pages 26 to 33, our climate transition action plan on page 61 and our Climate action insight paper at Synthomer.com. See our Environmental performance summary on pages 203 to 206 for data disclosures.

Vision 2030 target

Reduce Scope 3[1,2] absolute emissions by 28%.



Progress against the target in 2025

Our Scope 3 emissions were approximately 7% higher than 2024. Most of this increase is due to revisions to the Secondary GWP factors used for strategic raw materials, since our production volumes remained similar to last year. A change in supplier distribution in some of our strategic raw materials, as well as availability of supplier-specific GWP factors for those volumes, also had an impact.

» See Sustainability in focus on page 28 for more detail on our work this year to develop a new Scope 3 GHG emissions forecasting model.

Vision 2030 target

80% of electricity from renewable sources.

Progress against the target in 2025

This year, 38% of our electricity came from renewable sources. While this is significantly lower than previous years, it is due to a short-term decision not to purchase renewable power certificates related to cost pressures.

Nonetheless, we remain on track to meet our goal to have 80% of electricity from renewable sources for all sites, where feasible, by 2030.

Vision 2030 target

Establish sustainable water management at sites located in areas of high water stress.

Progress against the target in 2025

Our three priority sites with high baseline water stress and/or high forecast water stress, high water demand continued to make progress against their water stewardship targets, albeit more slowly than we would like. This was due to cost challenges and regulatory factors. Our Le Havre, France, site has now agreed a project plan with its regulator. Our site in Langelsheim, Germany, aims to implement phase one of a project to reduce reliance on river water for cooling in the next two years, which could reduce demand by 15-20%.

While our overall absolute water consumption was 1% lower, our water withdrawal intensity was 5% higher than 2024. This was largely due to lower output and higher demand for cooling at some of our locations that experienced a particularly hot summer.

Our short-term 2025 waste reduction objective*

5% reduction in total waste per tonne (versus 2022).

Progress against the objective in 2025

Our three-year rolling waste intensity metric was 5% worse over the 2023-2025 period, versus 2021-2023. This was due to a series of significant one-off events in 2025, including the demolition of an old plant at our site in Marl, Germany.

Many sites are working on projects to improve the efficiency of their manufacturing processes since this can be a common cause of waste. They also look for opportunities to reduce, reuse and recycle material. For example, our site in Ribécourt, France, reduced wastewater treatment sludge by 30% by changing its filter cleaning procedures and addressing quality issues in process solution make-up.

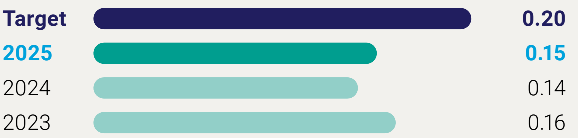
While reporting total waste generation is important, the impact of one-off waste disposals often hides underlying performance trends. In 2026, we will, therefore, revise the definition of our waste intensity metric to focus on manufacturing waste instead of total waste.

Strategy

Health and safety

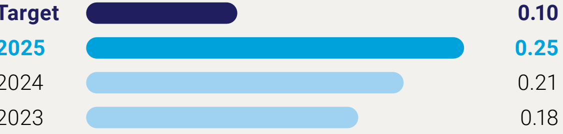
Vision 2030 target

Recordable injury case rate (RCR).**



Vision 2030 target

Process safety event rate (PSER).**



Our short-term 2025 objectives*

- RCR of 0.20
- PSER of 0.20

Progress against the targets and objectives in 2025

We outperformed our RCR target and remain in the top quartile for our industry for a third consecutive year. However, around one-third of our occupational health incidents occurred at our site in Le Havre, France. Although all low consequence, our central SHE team is now working with site leaders to implement a comprehensive behavioural safety programme.

Our process safety event rate metric remains higher than we would like despite a particularly good year for our sites in Jefferson Hills in the USA, Middelburg in the Netherlands, and Harlow in the UK. These sites benefited from knowledge sharing on root cause issues in 2024, via our process safety network.

The overall rate was affected by a series of low-consequence incidents at our site in Mogadore, Ohio, USA, which underwent significant leadership and organisational changes. The site team is now working through a seven-point improvement programme to address the common issues that contributed to these events.

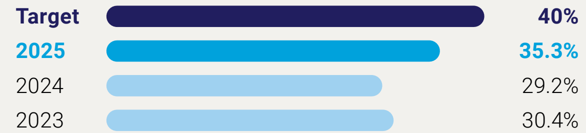
As with our environmental progress, the headline metrics are only part of the picture. We continue to see significant improvement at our newest sites, as well as reductions in incidents with the highest consequences.

» We provide more information on health and safety progress this year, including in our multi-year bowtie barrier initiative, on page 40.

Our employees

Vision 2030 target

40% senior management[3] gender diversity.



Vision 2030 target

Achieve upper quartile engagement scores against external benchmarks.

Our short-term 2025 objectives*

- 33% female senior leaders
- 20% senior leaders from ethnically diverse backgrounds

Progress against the target and objectives in 2025

We successfully achieved our 2025 senior management gender diversity objective. The percentage of senior leaders from ethnically diverse backgrounds was 21.6%, also achieving our 2025 objective.

Gender diversity remains a key area of focus for our DE&I efforts, with short- and long-term initiatives in place. At the same time, our guidelines ensure we follow strong DE&I principles when recruiting internally and externally. This, together with our internal talent marketplace platform, has helped us make further progress towards our 2030 gender diversity target, all based on meritocracy.

We consider DE&I a key enabler for our success and remain ambitious in our objectives. This ambition was confirmed in a benchmarking exercise that showed our 2030 gender diversity target is within the top quartile for our peer group.

We ran our latest global employee engagement survey – Your Voice – in November 2024, with 80% of employees sharing their views.

Our Board continues to hear directly from employees via our Employee Voice programme.

Strategy

» We provide more information on all our work this year in People in focus on pages 36 to 40.

* Set in 2020, excluding health and safety objectives, which are reset on an annual basis.

** Per 100,000 hours for employees and contractors.

1 Independent Limited Assurance
We engaged Grant Thornton UK LLP to provide independent limited assurance over our:
Scope 1 emissions (tCO$_2$e)
Scope 2 market-based emissions (tCO$_2$e)
Scope 2 location-based emissions (tCO$_2$e)
Scope 3 total (tCO$_2$e)
This limited assurance engagement has been performed in accordance with ISAE 3000 (Revised) and ISAE 3410 for the year ended 31 December 2025. See **limited assurance report** with an unmodified opinion.

2 SBTi-approved Scope 3 science-based target is for Category 1: Purchased Goods and Services.

3 Senior management is defined as members of the Executive Committee plus senior managers directly reporting to them.

Managing risk

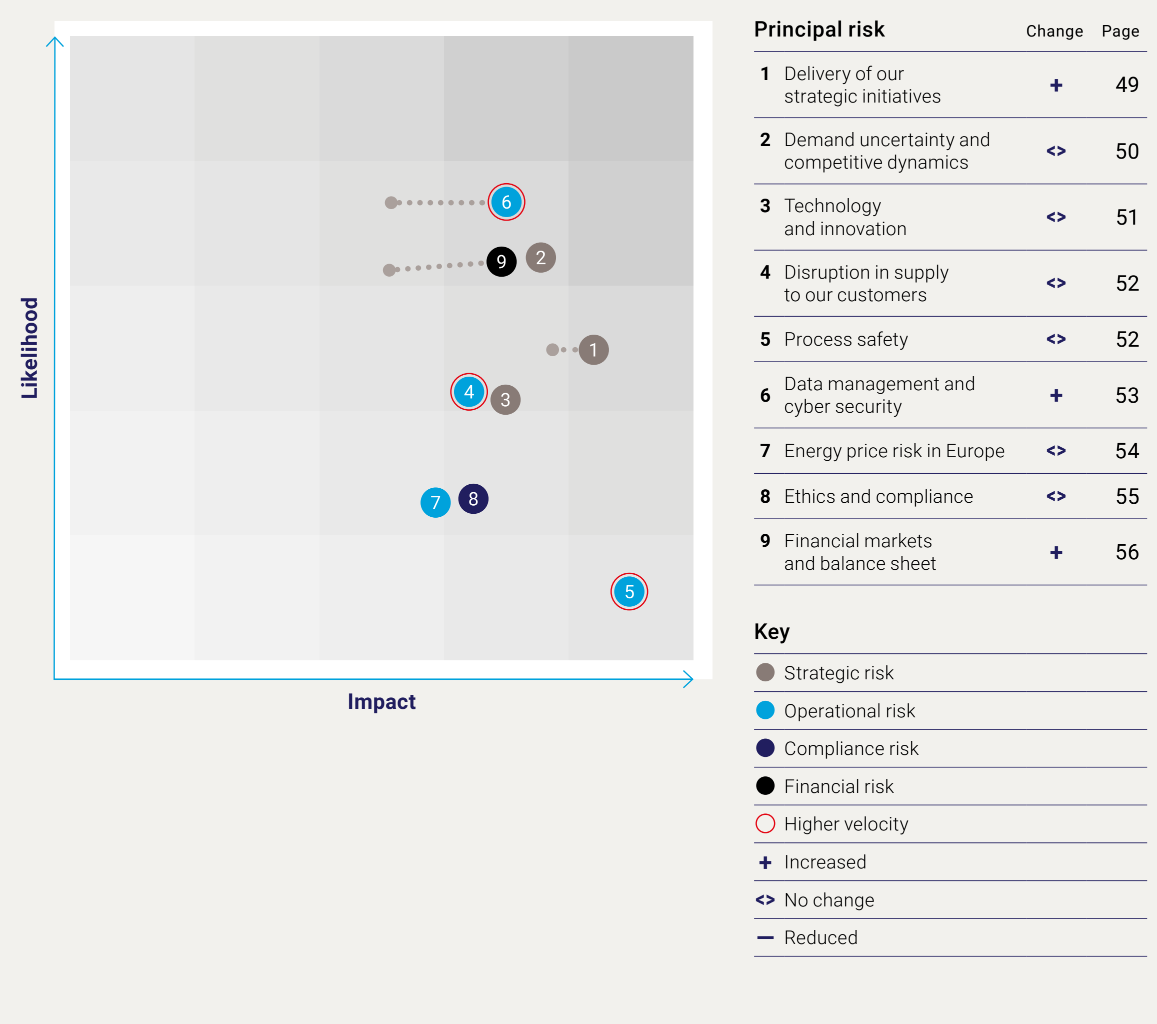
The environment in which we operate is ever more complex, with geopolitical uncertainty, cyber security incidents, technological advancements such as AI, and extreme weather presenting challenges and opportunities to our business.

We continued to adapt our risk management framework in 2025 to protect our business, pursue our strategic objectives and keep pace with the broader environment.

Our risk process is focused on nine principal risks. These risks, or a combination of risks, were they to arise and not be effectively mitigated, would cause serious disruption to our business, threatening future performance, solvency, liquidity or our ability to deliver our strategy.

The heatmap shows the relative positioning of our principal risks based on the three dimensions we use to assess our risks: the likelihood of the risk materialising, its potential impact and its velocity – the time between the risk crystallising and the impact being felt. This is based on our residual (net) ratings of risks after we have considered any mitigating controls. Risks with a higher velocity are shown with a red outline, while movements in principal risks compared to last year are shown as grey dotted lines.

Find out more about our principal risks, our mitigation activities and the rationale for movements in principal risks on pages 49 to 56.



Principal risk		Change	Page
1	Delivery of our strategic initiatives	+	49
2	Demand uncertainty and competitive dynamics	<>	50
3	Technology and innovation	<>	51
4	Disruption in supply to our customers	<>	52
5	Process safety	<>	52
6	Data management and cyber security	+	53
7	Energy price risk in Europe	<>	54
8	Ethics and compliance	<>	55
9	Financial markets and balance sheet	+	56

Key

- Strategic risk
- Operational risk
- Compliance risk
- Financial risk
- Higher velocity
- + Increased
- <> No change
- — Reduced

How we manage risk

Our risk management approach enables us to identify business opportunities, minimise threats to the delivery of our strategic objectives and build resilience within our business.

It is underpinned by an enterprise risk management framework that helps us to track and report risks and the associated actions we are taking to manage our risk exposures.

We will continue to improve our approach to managing risks and, in 2026, will align our risk management processes to ISO 31000:2018. This standard provides best practice guidance for risk management.

Our Board

The Board has overall responsibility for ensuring that risk is effectively managed across the Group and for creating the framework for our risk management to operate effectively. The Board continues to set our risk culture and the risk appetite it is prepared to accept to achieve the Group's strategic objectives, recognising that these underpin the effectiveness of our risk management framework.

We also recognise that the chemical manufacturing industry is inherently dangerous and that our business faces many risks. For principal risks, we consider the risk appetite under three categories: risk averse, risk neutral and risk taking. As an example, we put process safety in the risk-averse category because safety is one of our core values. That means any process safety risks must be reduced as far as reasonably practical. In the risk-taking category, however, we put technology and innovation. These enable us to deliver our strategy, so we are more willing to accept higher volatility on returns in this area. Our risk appetite statements are embedded in our enterprise risk management framework.

Risk governance and oversight

Top-down Risk assessment

Body	Role
Board of Directors	Sets the risk culture and risk appetite. Has overall responsibility for reviewing and approving our principal risks.
Audit Committee	Supports the Board to monitor risk exposure. Reviews principal and emerging risks, and the effectiveness of risk management and internal control processes. Provides challenge to senior management where appropriate.
Executive team/ Executive Risk Committee	Reports on principal and emerging risks to the Audit Committee and Board. Conducts top-down risk identification and review. Ensures the risk management policy and risk management framework are implemented and embedded in the business and appropriate responses are taken to manage risks.
Division and function risk owners	Responsible for risk identification, assessment and management of risks (determining the risk response), the effectiveness of key controls and progress of actions to continue managing risk to an acceptable level.

Bottom-up Risk assessment – Divisions and functions

Risk and assurance

Establishes the risk management framework

Provides guidance and challenge to divisional and functional risk owners

Aggregates risk information and helps management to identify principal risks

In 2025 we conducted a detailed review and refresh of our approach to risk appetite through the risk appetite statements for our principal risks, to make sure they continue to reflect Synthomer's strategic focus and can better be used for decision-making purposes. The Board also approved our revised Risk Management Policy.

Audit Committee

On the Board's behalf, the Audit Committee reviews and assesses the effectiveness of the Group's risk management framework. The Audit Committee and Board also review the Executive Risk Committee's assessment of principal and emerging risks and provide challenge where appropriate.

This year, the Audit Committee received regular updates on financial and non-financial risk matters, such as compliance and financial controls, and summaries of the work done by the Internal Audit function, which operates a risk-based audit plan, and had discussions with the external auditors. Together, our risk management framework and associated reviews are designed to manage risk within our risk appetite, rather than to eliminate risk completely.

Executive Committee

Synthomer's CEO, supported by the Executive Committee, has overall responsibility for providing assurance to the Board that sufficient measures have been implemented within the Group to meet the Risk Management Policy.

The Executive Committee is responsible for managing our strategic, operational, compliance and financial risks using the risk management framework. It also makes sure our risk culture is embedded in the business.

It is responsible for defining the risk appetite for all principal risks, for approval by the Board. All Executive Committee members took part in an interactive workshop to refine our risk appetite in 2025, results of which were shared with and approved by the Board.

Executive Risk Committee

Our Executive Risk Committee (ERC), chaired by the CFO, is responsible for:

- Conducting top-down risk assessments and reviews
- Maintaining an overview of the key risks identified across the Group
- Assessing and reporting on principal and emerging risks to the Audit Committee and Board.

Twice a year the ERC conducts bottom-up and top-down reviews of our principal risks and assesses emerging risks that could threaten the delivery of our strategy. The ERC also takes a key role in assessing our risk landscape. During the year, the ERC reviewed the World Economic Forum (WEF) Global Risk Survey and how the relevant risks are affecting Synthomer now and will in the future.

Division and function risk owners

We have a structured risk management framework that operates at division and Group function level. We use a standard methodology to quantify risk, with a risk assessment matrix to assess risks consistently.
The risk matrix looks at three risk dimensions:

- The likelihood of the risk materialising
- Its potential impact
- Its velocity – the time between the risk crystallising and its impact being felt.

Our divisions and functions conduct their own bottom-up risk assessments and record them in a risk register using the Group's standard risk management methodology. They assess risks at both an inherent (gross) level and a residual (net) level, considering the mitigating controls that are in place. Risk owners also identify any additional activities that could mitigate the risk in line with our risk appetite, accepting that some level of risk taking is necessary.

Three lines of assurance

We operate a three lines of assurance model.

Line 1 Our operational management and employees form our first line of assurance, responsible for identifying and managing day-to-day risk in their own areas. They are guided by Group policies, procedures and control frameworks.

Line 2 Our second line of assurance includes our Group Risk function, which develops and manages the risk management framework and engages with management to identify, agree and update risk information. This line also includes other compliance and assurance functions – for example, Group SHE, Regulatory Affairs, Compliance and ISO audits – which review how effective the mitigating actions and controls are.

Line 3 Our Internal Audit function provides our third line of assurance. It provides independent assurance on internal controls. Our statutory auditors provide external assurance on the financial statements, while an external specialist provides assurance around ISO standards.

UK Corporate Governance Code 2024

In January 2024, the Financial Reporting Council published a revised version of the UK Corporate Governance Code. Our existing risk management framework is well placed to meet the new requirements, specifically the key changes relating to Provision 29. Even so, in 2025 we have used the opportunity to assess and enhance, where required, the maturity of our risk and internal controls processes. Find more information about the status of our preparations for the UK Corporate Governance Code 2024, and the assessment and effectiveness of our key controls, on pages 83 to 87 and pages 88 to 94.

Assessing our principal risks

Risks affect us in many ways. The divisions and Group functions submit formal risk assessments twice a year. We use these to identify the likelihood, potential impact and velocity of risks across the business. Management is also empowered and encouraged to manage and reduce risks as part of normal day-to-day decision making. Together, these assessments and our three lines of assurance mean we can establish effective controls to manage our risks.

Our key risk categories

We categorise our risks – and consider how effective our mitigating actions and controls are – in four areas:

- Strategic risks that could prevent us achieving our strategic objectives
- Operational risks that, if not successfully managed, would threaten our viability – these relate to our ability to operate a sustainable and safe business
- Compliance risks, where a breach of regulations or laws could lead to fines from regulators or reputational damage, which may disproportionately affect our standing in the investor and wider community
- Financial risks that could threaten the Group's funding and fiscal security.

Risk movement

Our risk framework helps us identify the principal risks we face and allows us to monitor the potential impact and likelihood of a risk occurring. We have updated this assessment to reflect the impact and likelihood of these risks changing depending on a range of factors.

- Data management and cyber security – while our controls are effective and we have strong mitigations in place, we are facing an increasingly challenging threat landscape and seeing increased disruption related to cyber attacks on other businesses, and this is reflected by attributing a higher impact for this risk to Synthomer.
- Financial markets and balance sheet – although cash is being tightly managed by the business, there is a need to further strengthen our financial position, by reducing leverage towards our medium-term target.
- Delivery of our strategic initiatives – general M&A conditions are more challenging and although employee retention levels are good, the global competition for talent and skills shortages are increasing.

Climate change

We recognise the significant risk posed by climate change – it remains integral to our risk management processes and a core element of a number of our principal risks. Having thoroughly reviewed climate-related risks and opportunities, in line with our approach last year, we believe climate-related risk is best managed within our existing principal risks, rather than separately as a standalone principal risk. In 2025, to continue developing our strategic understanding and mitigation actions, we revised our climate risk assessment and scenario analysis with a leading climate analytics firm. See the Climate Action report on pages 58 to 63. We will continue to review and assess our approach in 2026.

Integrating climate-related risks into our principal risks means we consider both transitional risks and physical risks in all aspects of our business operations. We recognise the potential of climate change to particularly affect the principal risks we face around:

- Delivery of our strategic initiatives
- Demand uncertainty and competitive dynamics
- Technology and innovation
- Disruption in supply to our customers
- Energy price risk in Europe
- Ethics and compliance.

If we fail to effectively respond to the risk of climate change, we may compromise our strategy for growth and our reputation. This is why we closely monitor and continue to evaluate whether it should be considered a principal risk in the future.

In 2025 we also continued to develop our risk management framework and strategy in light of external stakeholder reporting requirements around water, substances of concern and packaging. External requirements include those from the UK Financial Conduct Authority, the EU Corporate Sustainability Reporting Directive (CSRD) and IFRS Sustainability Disclosure Standards, as well as developments around the UK Sustainability Reporting Standards.

Emerging risks

We also identify and analyse emerging risks and the management of these as part of our enterprise risk management processes.

Emerging risks may affect us in the longer term, but we do not currently have sufficient information to understand and assess the likely business impact. Through the ERC, Audit Committee and Board, we continue to evaluate and monitor emerging risks as part of our risk programme, to make sure there is an appropriate response, and to evaluate their potential impact and likelihood of occurrence. In some cases, emerging risks are superseded by other risks or simply become less relevant as the environment we operate in changes.

We are currently monitoring a number of emerging risks, including:

- Artificial intelligence (AI) – the growing use of AI and the opportunities and risks it might pose to Synthomer, such as opportunities in the area of novel chemical formulations, but also operational and ethical risks. Synthomer is starting to actively embrace AI, with certain guardrails in place to limit potential risks to the business
- Regulatory changes – including those relating to sustainability disclosures (e.g. CSRD) and broader regulatory/legislative changes affecting multiple jurisdictions (e.g. packaging regulations)
- Geopolitical uncertainty – ongoing international conflicts and confrontations, which may increasingly affect international trading activity, including sanctions, trade route availability or changes in tariff policies.

Principal risks and uncertainties

Here we outline the most significant risks to our business. Other, lower-level risks could also affect the Group's performance, and these are actively managed through our risk management framework.

Strategic risks

See page 56 for key to strategy icons

Delivery of our strategic initiatives

Risk owners Jan Chalmovsky, President, Strategy and M&A; Gayla Cowie, Chief Human Resources Officer

Link to strategy

Movement + Related to the general M&A conditions, and reflects global competition for talent and skills shortages

Overall risk appetite Risk neutral

Description

Failure to deliver strategic initiatives, including sustainability targets, managing talent and M&A-related activities

Delivering our strategic initiatives requires a broad range of activities across the Group, each involving a variety of risks that we monitor through our overall risk management framework. An engaged workforce is a key factor in thriving as an organisation, which is why attracting talent, retaining employees and engaging the workforce remain significant risks to delivering our strategy. This is particularly relevant now, because the chemical manufacturing industry is undergoing profound transformation and talent markets remain competitive.

2025 response

- We continued to deliver on our portfolio strategy and drive our strategic projects, including the divestment of William Blythe and cost-reduction initiatives across the Group.
- As part of our strategy to attract, retain and develop people and talent in this demanding environment, we:
  - Actively engaged the workforce by building on insights from our 2024 employee engagement survey
  - Launched Aspire, a new talent management programme for future leaders
  - Set up a new change management hub to support transformation
  - Strengthened performance management through building greater performance leadership capabilities
  - Promoted Synthomer University as our central hub for learning and upskilling – for example, by broadening the offers of Academies such as our Leadership Academy or Sustainability Academy
  - Continued to strengthen our culture of inclusion, with initiatives around female representation, and training offers around unconscious bias and DE&I mentoring.

2026 plans

- We will continue to implement our strategy and deliver a range of ongoing and new strategic projects.
- As part of our active workforce engagement initiatives, we will:
  - Move towards a smaller, more senior Synthomer Leadership Team, with increased responsibility for aligning our enterprise and leading transformation
  - Launch our next Group-wide engagement survey to strengthen our focus on being an attractive workplace
  - Run our next Global Talent Review and leverage our existing talent programmes for graduates (called Ignite), emerging leaders (Elevate) and future senior leaders (Aspire) to continue to strengthen our talent pipeline
  - Roll out a new Career Hub to promote career development and growth
  - Embed our existing Star Awards scheme to continue to strengthen workforce engagement
  - Continue to establish and sustain a high-performing culture by promoting greater performance differentiation and linking reward to performance more strongly
  - Continue to drive commercial excellence with targeted organisational maturity assessments and individual capability reviews.

Strategic risks continued

Demand uncertainty and competitive dynamics

Risk owners Divisional presidents

Link to strategy

Movement <>

Overall risk appetite Risk taking

Description

Failure to grow in existing markets, identify and exploit new markets, and respond to competitor activity in a volatile market

The performance of the markets we operate in is fundamental to our growth. We have seen challenging conditions in recent years, given global geopolitical and macroeconomic events, including high inflation. This has led to weaker overall demand in our end markets, especially in segments for durable end-use products, and may be exacerbated by increased competition, with capacity expanding in China and Asia.

While our production is largely in-market – to be close to our customers – potential changes in global terms of trade or trade flows could affect some supply chains or our competitive landscape. These factors, make demand forecasting very uncertain, leading to downside and upside risk.

2025 response

- In our CCS division, we:
  - Focused on growing our customer base and new product pipeline in all regions, particularly outside Europe
  - Leveraged China growth opportunities and partnerships through our China Innovation Centre
  - Successfully delivered a number of cost-saving initiatives to compensate for weaker demand during 2025.
- In our AS division, we:
  - Continued to focus on more cost savings and reliability improvement
  - Focused on expanding and commercialising our innovation pipeline and our sustainability offering.
- In our HPPM division, we:
  - Delivered material cost savings across the board, closed one factory and sold a non-core business
  - Continued our Health & Protection strategic partnership in the USA and set up a new partnership in our SVP business.

2026 plans

- In our CCS division, we will:
  - Continue to focus on more cost savings
  - Continue to focus on growing our global customer base, particularly in the Americas, Middle East and Asia, including leveraging opportunities in China
  - Focus on growing our innovation pipeline and the speed with which we deliver innovation.
- In our AS division, we will:
  - Continue our cost savings and reliability improvement programme
  - Focus on commercialising our opportunity pipeline and differentiating through our innovation and sustainability offering
  - Leverage our new capacities from our recently completed APO expansion in USA.
- In our HPPM division, we will:
  - Continue to deliver on the cost savings initiatives launched in 2025
  - Aim to materially grow our volumes in Health & Protection, driven by commercial excellence and innovation
  - Keep delivering our core/non-core strategy
  - Continue to diversify and globalise our SVP business.

Strategic risks continued

Technology and innovation

Risk owner David Ring, Vice President, Group Innovation

Link to strategy

Movement <>

Overall risk appetite Risk taking

Description

Failure to adapt existing products and develop/manufacture new products

Innovation is a critical enabler for our growth strategy. Alongside differentiated performance from our products, our customers and end users are looking for improvements in sustainability – such as a lower carbon footprint and circularity. These are also critical enablers for our new material (Scope 3) decarbonisation programme.

If we fail to identify opportunities effectively and implement innovation programmes, or keep abreast of developments in AI/machine learning, we could fail to realise growth opportunities and potentially lose market share.

Failure to protect our IP could see us lose competitive advantage and value from our investments.

2025 response

- We began to roll out a new knowledge management system. By year end, around one third of relevant employees had been trained on the new management system.
- A three-year collaborative programme to drive material (Scope 3) decarbonisation and defossilisation of speciality polymers began in 2025 with the University of York. With a clear framework for collaboration and programme management in place, it is supported through a UK Government Prosperity Partnership grant.
- Our Innovation Taskforce continued to make sure we have the right capabilities and processes for our future needs, including using AI and machine learning where appropriate.
- Using our internal business excellence team (SynEx), we overhauled the innovation operating model in CCS.
- New CCS roles of Exploratory Innovation Director, and Project and Portfolio Manager, have been created and recruited, with a view to improving front-end innovation, delivery rate and the seed-to-market time.
- To effectively deploy digital and AI methods, data quality is critical, so our focus in 2025 was on standardisation and improving quality.
- A machine-learning pilot project with an external partner for NBR polymers systems used in glove applications was completed. Based on a broad standard data set, this work has demonstrated predictive capabilities for the NBR polymers that were evaluated.

2026 plans

- Implement scale-up and governance improvements identified by our Innovation Taskforce.
- Continue to embed new innovation operating model across CCS, aiming for more efficient innovation and delivery to market.
- Establish a clearer focus on front-end innovation, ideation and R&D, aiming for a balanced innovation portfolio across sustaining, breakthrough and disruptive innovation.
- Fully implement global knowledge management system across all divisions to build data for machine learning.
- Deliver rapid-screening emulsion polymerisation pilot project using machine learning.
- Update, develop and clarify the role of Group Innovation within Synthomer and align with divisional innovation goals.

Operational risks

Disruption in supply to our customers

Risk owners Divisional presidents

Link to strategy

Movement <>

Overall risk appetite Risk neutral

Description

Failure, disruption, volatility or lack of reliability in the supply chain

Security of energy, raw material supplies, logistics, and plant availability and reliability are all critical to maintaining supplies to our customers.

These may be affected by external factors, such as market shortages, climate-related transition risks (including regulation and taxes), short- and/or long-term physical climate-related disruption (including weather events and natural disasters), pandemics, global macroeconomic and geopolitical events, or an internal event that affects plant availability, reliability or safe operations.

Any of these factors could lead to a disruption in supply to our customers, which may adversely affect our reputation – especially given our strategic commitment to operational and commercial excellence.

2025 response

- We have specific initiatives underway to continue to manage risks in our raw material supply chain, which include reviewing our storage strategies for certain raw materials. An example is in Malaysia, where we are spreading raw-material storage activities across different ports to reduce exposure.
- In line with our differentiated steering strategy, we continued to assess how we allocate capital to optimise asset integrity and reliability.
- We continued to work across our divisions to improve our preventive/predictive maintenance programmes, using new digital tools to proactively detect issues.
- We continued to develop our strategic understanding of, and mitigation actions to manage, climate-related transition and physical risks to our operations and supply chain.

2026 plans

- In addition to our own site reliability programmes in our AS division, we are entering long-term partnerships with strategic suppliers assuring supply reliability and competitiveness.
- We will focus on continuing supply chain improvement to target better customer fulfilment, higher inventory effectiveness based on improved integrated business planning, and organisational efficiency.
- We will work with partners to set up alternative supply chains for certain key products to reduce single site and/or single supply dependency.
- We will work with new customers to set up robust, unique and differentiated logistical solutions.

Process safety

Risk owner John Hamnett, Group Global SHE & Engineering Lead

Link to strategy

Movement <>

Overall risk appetite Risk averse

Description

Occurrence of a high-consequence health and safety incident, such as a serious fire or explosion

The chemical manufacturing industry is inherently dangerous. It involves transporting, storing and processing hazardous chemicals, which leads to wide-ranging exposure to process safety risks.

Synthomer routinely handles significant volumes of flammable materials, which must be received, stored and processed without incident.

A significant process safety incident could affect the safety of our people and/or local communities, and the wider environment. This could result in significant operational disruption, regulatory fines and/or reputational damage.

2025 response

- Continued to deliver our multi-year process safety improvement programme, achieving:
  - A reduction in the rate of loss of containment of flammable materials which could result in a tier 1 or 2 process safety event
  - Material year-on-year safety improvements at our AS sites.
  - Accelerated the rate of major accident hazard (MAH) barrier checks, taking the total to around 6,000 since the programme began.

2026 plans

- We will continue our multi-year programmes, with a particular focus on:
  - Continuing the loss of containment reduction programmes active on all sites
  - Extending our SHE competency assurance programme to supervisors.
  - Working with operational teams to strengthen the way sites are brought back online after maintenance.

Operational risks continued

Data management and cyber security

Risk owner Andy Axford, Group Vice President, Information Technology

Link to strategy

Movement + Reflecting an increasingly challenging threat landscape and increased disruption related to cyber attacks on other businesses

Overall risk appetite Risk averse

Description

Loss of critical data and/or systems resulting from cyber attack or other event

An IT security breach or data-centre outage that has an adverse effect on our systems – including enterprise resource planning, SHE databases, communications and industrial control systems – may affect our ongoing operations. It may see us lose intellectual property or face regulatory fines, which might undermine our competitive position and cause reputational damage.

Additionally, any unforeseen changes or system faults that occur when major change programmes are implemented may disrupt our operations, potentially increase costs, and/or affect our ability to deliver customer requirements.

2025 response

- We continued to deliver improvement activities, including:
  - Reviewing and investigating any new security issues and risks through weekly steering committee meetings
  - Implementing improvements to our security management policies and practices to remain compliant with new network and information systems (NIS2 Directive) legislation in Europe
  - Developing our future wide-area-network strategy – a request-for-proposal process is underway for technology deployment in 2026, with added security enhancements
  - Reviewing business impacts of system outage together with business stakeholders
  - Moving our business systems estate to cloud infrastructure, with a geographically dispersed disaster recovery capability
  - Revising/renewing our cyber security improvement plan for the next planning cycle.
- We continued to deploy our Pathway business transformation programme in 2025, with two more successful go-lives completed. We used an effective governance approach that included proven system and business readiness tools at key stages of the deployment lifecycle.

2026 plans

- We will continue to deliver planned improvement activities including:
  - Reviewing and investigating any new security issues and risks through weekly steering committee meetings
  - Implementing improvements to our security management policies and practices to remain compliant with local country implementation of the NIS2-related legislation in Europe
  - Selecting and implementing our future wide-area-network technology for implementation, and enabling the updated security enhancement set-up
  - Working with the business to enhance business continuity plans in the event of a system outage
  - Improving technical resilience to maintain system availability for certain scenarios
  - Practising incident response and recovery from different types of cyber incident scenarios in conjunction with business stakeholders
  - Continuing to deploy our Pathway business transformation programme.

Operational risks continued

Energy price risk in Europe

Risk owner Andrew Ward, Vice President, Group Procurement

Link to strategy

Movement <>

Overall risk appetite Risk neutral

Description

Failure to manage the cost, availability and demand for energy for our European businesses

Significant energy price rises and volatility could reduce the competitiveness of our European businesses, because of increased production costs and our inability to pass on these costs to customers, and increased competition from other, lower-energy-price regions.

The very high prices seen in 2022 after the start of the war in Ukraine had largely been alleviated in 2025 by:

- Availability of liquefied natural gas (LNG) import infrastructure
- Strong LNG supplies, primarily from the USA, which are now well established
- Increased renewables and lower industrial gas demand in Europe.

However, as the events of early 2026 demonstrate, general energy price risk resulting from global geopolitical instability always needs to be managed appropriately.

2025 response

- We have continued to:
  - Manage our supply contracts over the long term, and have appropriate price risk management strategies for gas, power and carbon allowances under the EU Emissions Trading System (physical and financial) aligned to our different businesses
  - Reduce our demand through site-focused energy efficiency and decarbonisation (fuel-switching) investments
  - Review opportunities for appropriately sized long-term power purchase agreements (PPAs), either on site, near site or virtual (financial).

2026 plans

- We will continue the activities from 2025, including:
  - Managing our supply contracts over the long term
  - Considering, where appropriate, either on-site generation (combined heat and power) to continue to reduce site energy costs and/or demand through site-focused energy efficiency and decarbonisation (fuel-switching) investments
  - Reviewing more opportunities for long-term PPAs, either on site, near site or virtual (financial).

Compliance risks

Ethics and compliance

Risk owner Anant Prakash, General Counsel and Company Secretary

Link to strategy

Movement <> Trend improving

Overall risk appetite Risk averse

Description

Failure to meet required ethical standards and associated legal and regulatory requirements

If we fail to comply with relevant legislation and regulatory guidance, we may face significant financial penalties, loss of material assets, unquantifiable reputational damage and increased regulatory scrutiny. These issues may cause delays in business operations and adversely affect the Group's ability to pursue its strategy.

If we fail to proactively address sustainability, ethics and compliance goals, mandates and regulations, we may face future penalties, loss of competitiveness and reduced shareholder value.

2025 response

- We launched various compliance training courses throughout 2025, including:
  - Group-wide mandatory training courses for all employees covering our Code of Conduct (97% completion rate) and fraud prevention (96% completion rate)
  - Data protection e-learning (targeted audience), with a 95% completion rate
  - Modern slavery e-learning (targeted audience), with a 100% completion rate.
- We held 17 workshops at sites around the world this year to communicate our Code of Conduct, and to bring to life aspects of the Code of Conduct training course through various scenarios (many based on examples within Synthomer). Code of Conduct posters were also launched and distributed to all sites in local languages.
- We launched improved processes (using our HR system) to record and report on gifts and hospitality, and conflicts of interest.
- We refreshed and expanded our Group compliance policies to ensure alignment with current legislation and best practice. These are all available on our **website**.
- We conducted a fraud risk assessment to understand our exposure to fraud, the controls currently operating, and to confirm alignment with the Economic Crime and Corporate Transparency Act (ECCTA) 2023.
- We improved our trade compliance and sanctions processes, setting up a quarterly working group to review current sanctions and our controls, to ensure they are adhered to, and to review the impacts of changes in trade compliance or sanctions on Synthomer.

2026 plans

- We will launch more compliance training modules covering:
  - Competition law and anti-trust
  - Anti-bribery and corruption (ABC).
- We will hold more Code of Conduct workshops at our sites around the world to ensure our employees continue to understand how to apply it day to day in their roles. We will also conduct more detailed (targeted) training on modern slavery, data protection, competition law and ABC for employees who are more exposed to these areas.
- We will launch a training course/webinar for our partners (such as suppliers and distributors), where we believe their codes of conduct or policies (such as ABC) do not meet our standards.
- We will relaunch our Speak Up/EthicsPoint process to remind employees of its availability, of the process once a case is raised and of our non-retaliation policy.

Financial risks

Financial markets and balance sheet

Risk owner Lily Liu, Chief Financial Officer

Link to strategy

Movement + Reflecting current market challenges and the requirement to secure further short-term and longer-term funding arrangements

Overall risk appetite Risk averse

Description

Failure to maintain appropriate funding sources to run the business and/or failure to manage cash position

The financial markets remain volatile, given macroeconomic and geopolitical uncertainties and inflationary pressures. This has driven significant changes in interest rates in recent years in the Group's major markets.

Given the Group's current financial leverage, financial market volatility could affect the quantum and/or cost of the Group's future refinancing activities.

2025 response

- We repaid the remaining €150m due on our July 2025 bond from existing liquidity. Throughout the year we have monitored financial market conditions through our key relationship banks and our debt advisers, as we assess medium-term financing needs.
- We drove various cash management actions, following our rigorous capital allocation policy, focusing on working capital management, cost reductions and improving cash generation.
- We further extended the receivables factoring facilities.
- We managed our divestment projects in line with our strategy.
- We continue to keep under review additional measures to enhance our operating leverage.

2026 plans

- The steps taken in April 2026 to refinance our bank debt as described in the Financial review are intended to provide the appropriate near and medium-term liquidity and financial covenant headroom alongside a covenant package to deliver the Group's plans.
- We will:
  - Continue to drive focus on cash management and working capital management
  - Manage further divestment projects in line with our strategy
  - Seek additional opportunities to strengthen our financial position over time, supporting our ambition to reduce leverage towards 1-2x in the medium term.

Key to strategy icons (our strategy is described on page 3)

- Organic growth in attractive end markets
- Rigorous and consistent portfolio management to build focused, leading positions
- Operational and commercial excellence in how we run our business
- Differentiated steering in how we allocate capital and talent
- Diversity, equity and inclusion, and holistic people development

Non-financial disclosures

58 Climate Action report
63 Section 172(1) statement and stakeholder engagement
64 Going concern and Viability statement
65 Non-financial and sustainability information statement

Guided by our purpose: creating innovative and sustainable solutions for the benefit of customers and society.

Climate Action report

Climate change, together with its associated environmental and socioeconomic impacts, presents both current and emerging risks to Synthomer's operations, supply chains, customers and end markets.

At the same time, as a speciality chemicals business, the transition to a lower-carbon, more sustainable economy presents opportunities for innovation, product development and long-term value creation.

This section provides information pertaining to climate-related financial disclosure requirements following the framework of recommendations set out by the Task Force on Climate-related Financial Disclosures.

Synthomer has actively assessed and responded to climate-related risks and opportunities for many years. We remain committed to taking action and to supporting policies that are aligned with the goals of the 2015 Paris Climate Agreement to limit the increase in global average temperatures to well below 2°C above pre-industrial levels, while striving to limit warming to 1.5°C.

In 2025, we worked with a leading climate analytics firm to initiate the second phase of our climate risk assessment and scenario analysis. This phase aimed to:

- Identify and prioritise material physical and transition climate-related risks and opportunities across all Synthomer's operations
- Quantify the potential financial impacts of these risks and opportunities
- Integrate climate considerations into our enterprise risk management, business strategy, innovation and financial planning
- Enhance the quality of our disclosure, while ensuring it is aligned with emerging global sustainability standards.

The results of this analysis confirmed that the five primary responses to manage climate-related risks and capture associated opportunities – identified in our 2021 and 2022 analyses – remain appropriate and robust across a range of possible future scenarios. These responses reinforce the importance of taking tangible action now, irrespective of how future climate pathways evolve. We set out a summary of our primary responses and progress to date in the table below, which is supported by more information throughout this Annual Report, as well as in our **Climate Action insight paper** and our online **ESG Data Pack**.

	TCFD recommendation	Our disclosure	Supplementary/complementary information	
	Governance			
a	Describe the Board's oversight of climate-related risks and opportunities.	• The Board is responsible for the overall oversight of strategic risk management, including climate-related risks and opportunities. • The Board reviews our risk profile twice a year. The material is prepared by the Executive Risk Committee (ERC), which reports to the Audit Committee. • The Audit Committee ensures that the Board's risk management is effective. Climate-related risks are part of the agenda. • Any large capex, M&A and business plan proposals, including sustainability projects, are approved by the Board – climate change risks and our internal carbon price are considered as factors when assessing these plans. • The Board engages quarterly with the Vice President, ESG, to review and monitor progress against the Vision 2030 goals and objectives associated with addressing climate-related issues. They also review the climate-related risks and opportunities in relation to Synthomer's ability to drive strategic value.	Managing risk: page 44 to 56 Our governance framework: page 74 The Board's year: pages 75 to 77 Audit Committee report: pages 88 to 94	F

Consistency with TCFD recommendations

Fully consistent

TCFD recommendation	Our disclosure	Supplementary/complementary information
Governance continued		
b Describe management's role in assessing and managing climate-related risks and opportunities.	• The ERC is chaired by the CFO and includes all members of the Executive Committee and key functional vice presidents (including VP, ESG). It meets twice-yearly to identify, assess and manage the risks and opportunities for Group strategy (including those related to climate change). • The Executive Sustainability Steering Committee is chaired by the CEO and includes all members of the Executive Committee and key functional vice presidents (including VP, ESG). It meets quarterly and its role includes ensuring that our plans for climate change are strategically aligned across Synthomer, properly resourced and coordinated, and that our climate-related metrics and targets are managed effectively. • Each Divisional President is a sponsor of the climate transition action plan (CTAP), including the delivery of the science-based Scope 1 and 2, and Scope 3 targets as they relate to their division. They are responsible for ensuring we have the right plans in place to deliver within the 2030 timeframe. • The Divisional Presidents each undertake quarterly innovation portfolio assessments to assess and prioritise product development, including for lower-carbon products.	Sustainability in focus: pages 26 to 31 F Managing risk: pages 44 to 48 Innovation in focus: pages 34 to 35
Strategy		
a Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Our enhanced deep-dive scenario analysis conducted in 2025 assessed potential climate-related risks and opportunities across all Synthomer operations under five shared socioeconomic pathways (SSPs): Paris Ambition SSP1-1.9, Paris Agreement SSP1-2.6, Stated Policy SSP2-4.5, Current Policy SSP3-7.0 and No Policy SSP5-8.5. We conducted the analysis over three time horizons: the near-term (to 2025), mid-term (to 2030) and long-term (to 2050), using CMIP6 climate models. The analysis assessed the following risk categories: • **Transition risks:** policy, technology, market demand, litigation and reputation • **Physical risks:** flood (coastal, riverine and flash), drought/water stress, temperature and wind. The following specific climate-related issues could potentially have a material financial impact: **Transition risks** across all three time horizons include the risk to earnings value as a result of evolving carbon price/tax regulations, particularly in Europe, related to our raw materials and own operations, as well as increasing energy costs. In addition, in the medium term, we also expect to see increasing market and environmental policy changes drive the need for a transition in our future product portfolio, requiring greater low-carbon product innovation. Failure to deliver Scope 1 and 2, and Scope 3 GHG emissions reductions by 2030, in line with our science-based targets, could give rise to market and reputational risk. **Physical risks** do not increase materially across each of the three time horizons, meaning that the level of site exposure and vulnerability that we are experiencing today will likely continue in the short, medium and long term. Flash flooding, riverine flooding and heatwave were shown to be the three physical risk categories with the greatest potential for supplier and facility disruption, giving rise to revenue loss and asset damage costs.	Managing risk: pages 44 to 48 F Sustainability in focus: pages 26 to 31 Climate Action insight paper at **Synthomer.com**

TCFD recommendation	Our disclosure	Supplementary/complementary information	
Strategy continued			
a *Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term – continued.*	**Opportunities** **Growth in demand for products and services** that will service a low-carbon or circular economy in various markets and regions. In the short term, we have had increased positive engagement with key customers regarding the potential for lower-carbon products and have already sold some, including our ISCC PLUS and CLIMA products (see pages 26 to 33). The enabling environment is still maturing, but in the medium term we expect new business models, regulatory frameworks and end-market requirements to drive increased demand for such products and services and deliver higher medium-term EBITDA. **Cost savings and market growth** through the early adoption of low-carbon technologies, for example using renewable energy or switching to lower-carbon and renewable raw materials. This depends on the speed at which such technologies or materials become cost effective and widely available. **Competitive advantage from our network of sites across the world.** Since we can service customers from a variety of manufacturing sites, with a variety of raw material sources, our network makes us a more reliable supplier, meaning we are more resilient to physical operational risks. **Our strategic direction towards a more speciality portfolio** where sustainability benefits including lower-carbon options are integrated into our innovation pipeline and support the customer proposition.	Managing risk: pages 44 to 48 Sustainability in focus: pages 26 to 31 Climate Action insight paper at **Synthomer.com**	F
b Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	• Synthomer identifies transition risk (carbon pricing, including the EU ETS) as the most significant climate-related risk, affecting both current profitability and forward planning; with physical risks (flooding, water stress) shaping site-level resilience. • In the medium term (to 2030), around 80% of any potential financial impact of the risks from climate change for our business will come from transitioning to a low-carbon, circular economy (mainly policy-driven higher costs). The remaining 20% will come from physical risks under a 2°C temperature rise scenario. • Under this scenario, we also see the greatest potential opportunity for growth in demand from our customers and their consumers, for those products that offer lower-carbon or circularity benefits. • Looking beyond 2030, transitioning to a low-carbon economy would remain our most significant potential climate-related financial risk; by 2040 and 2050 the relative weighting of transition risks compared to physical risks will increase (approximately 8:1 versus approximately 4:1 in 2030). • Synthomer's strategy is informed by its CTAP, which structures actions across three time horizons (2025; 2026–2030; 2030–2050). • The CTAP is focused on four specific areas: integrating GHG emissions forecasting into business plans; reducing operational emissions; reducing value chain emissions; and improving our strategic understanding of the financial impact of climate risk. • Indirect emissions from our value chain (Scope 3) make up almost 90% of our total carbon footprint, of which Category 1 (Purchased goods and services) accounts for almost 90%. • We focus, therefore, on reducing our value-chain GHG emissions with lower-carbon/circular products and ISCC PLUS mass-balance feedstocks underpinning downstream opportunity and portfolio shift.	Sustainability in focus: pages 26 to 31	F

Consistency with TCFD recommendations

Fully consistent

TCFD recommendation	Our disclosure	Supplementary/complementary information
Strategy continued		
c Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**Key features demonstrating the resilience of our strategy** • The SBTi's Target Validation Team has determined our Scope 1 and 2 target is in line with a 1.5°C trajectory, while our Scope 3 target is in line with a <2°C trajectory. • Transition risks (particularly carbon pricing) remain the dominant financial driver in <2°C aligned scenarios, and Synthomer integrates these impacts into capital planning and its CTAP. • Physical risks (e.g. flooding, drought, heat stress) are evaluated for all global sites. • We perform sensitivity analysis for our Scope 1 and 2, and Scope 3 GHG emissions, taking account of each division's strategic business plans to inform and assess the resilience of our business planning. • Overall, Synthomer demonstrates strategic resilience by integrating scenario-based insights into capital allocation, R&D priorities, site improvements and commercial strategy, with explicit modelling under <2°C pathways. • Through our scenario analysis we identified five primary strategic responses, whichever climate scenario ultimately plays out. The five responses have already been incorporated into Synthomer's strategic objectives, CTAP and Vision 2030 goals. • Our five responses (in order of priority) and the work conducted in 2025 are: 1 **Work with selected suppliers**: we have begun to engage key raw materials suppliers to identify options to source the lowest-carbon monomers from existing feedstocks. This is where we have the potential to make the most immediate impact on our Scope 3 emissions. Our models suggest initial action taken in 2025 would have reduced our Scope 3 emissions by more than 2% if secondary data sources had not been revised upwards. In the medium term, we are also working to identify and introduce alternative feedstocks, including those from bio-based or circular sources where they offer a lower-carbon solution, although we may have to consider trade-offs with other environmental factors, such as land use change. 2 **Reduce our Scope 1 emissions:** we have already taken significant action by ending the use of coal in our manufacturing sites. In the short term, we have continued to decarbonise our operations through process optimisation as part of our Manufacturing Excellence programme. In the medium term, we have identified projects focused on electrification, heat pumps and solar power. And for the long term, we are involved in a feasibility project for the use of green hydrogen at one of our key European sites. 3 **Reduce our Scope 2 emissions:** we will continue to work towards sourcing 80% of our purchased electricity from renewable sources by 2030, reducing and optimising electricity and heat consumption, and exploring options to enter into or expand power purchase agreements linked to clean-energy generation. 4 **Innovate to decarbonise our products:** we are continuing to create and respond to demand from our customers for more sustainable products. In 2025, we successfully delivered our first ISCC PLUS certified bio-products and CLIMA products, and continue to focus on lower-carbon product development for commercialisation in the medium term. 5 **Enhance our physical resilience:** using the World Resources Institute (WRI) Aqueduct tools, we have assessed the water-related risks at our own operations. We are now implementing improvement plans for the three sites identified as being at high risk. In 2026, we will use the results of our physical risk assessment to adjust business continuity planning and site level investments.	CEO review: pages 7 to 9 Innovation in focus: pages 34 to 35 Sustainability in focus: pages 26 to 31 F

TCFD recommendation	Our disclosure	Supplementary/complementary information	
Risk management			
a Describe the Company's processes for identifying and assessing climate-related risks.	• We conduct quantitative and qualitative climate risk assessment and scenario analysis for Synthomer's direct operations in all geographies across five CMIP6 pathways, including Paris Ambition SSP1-2.6 (<2°C) over three time horizons. • We used a digital twin to determine the likelihood of a risk occurring, its impact and velocity, and to stress-test revenue and EBITDA to enable robust forward planning. • Synthomer has a structured, organisation-wide process for identifying, assessing and prioritising risks. The way we identify and assess climate-related risk is integrated into the following risk management activities: – Our enterprise risk management (ERM) framework integrates risks, including climate-related risks, into strategic, operational, compliance and financial risk categories – Our divisions and functions conduct bottom-up risk assessments, which are recorded in a Group risk register and assessed using a standard likelihood × impact × velocity matrix – The Executive Risk Committee (ERC) conducts a top-down review, validating emerging and principal climate-related risks – Our double materiality assessment (DMA), which includes stakeholder engagement.	Sustainability in focus: pages 26 to 31 Managing risk: pages 44 to 48 How the Board engages: pages 78 to 82	F
b Describe the Company's processes for managing climate-related risks.	• We address actions to mitigate climate-related risk as an integrated part of our risk management activities and through the work of the Executive Sustainability Steering Committee. • We prioritise risks according to their residual risk score, from which we determine responses and actions (terminate, treat, transfer or tolerate). • In 2024, we updated our 2021 sustainability materiality assessment with our first DMA, which highlighted climate-related risks as a material issue. The DMA helps us identify our most material sustainability topics.	Sustainability in focus: pages 26 to 31 Managing risk: pages 44 to 48	F
c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Company's overall risk management.	• Climate-related risk management forms an integrated part of Synthomer's ongoing risk management work. Significant risks are addressed in alignment with our ERM framework, where the Board of Directors oversees the effectiveness of risk management in Synthomer.	Managing risk: pages 44 to 48	F

Consistency with TCFD recommendations

Fully consistent

	TCFD recommendation	Our disclosure	Supplementary/complementary information
	Metrics and targets		
a	Disclose the metrics used by the Company to assess climate-related risks and opportunities in line with its strategy and risk management processes.	• We report on environmental targets and KPIs in our Annual Report and our online ESG data pack. • Relevant climate metrics include energy consumption (by type), leading and lagging absolute GHG emissions (Scope 1 and 2, and Scope 3), GHG intensity (Scope 1 and 2, and Scope 3), % Scope 1 emissions operating under carbon tax regulations, % capex for climate-related projects, number of sites in areas of high water risk, volume of water use and consumption, % revenue from sites in areas of extremely high water risk, % new products with enhanced sustainability benefits, % procurement spend with a sustainability rating.	Sustainability in focus: pages 26 to 31 Our Vision 2030 progress: pages 41 to 43 Environmental performance summary: pages 203 to 206 F
b	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks.	• We report intensity and absolute GHG emissions on Scope 1, 2 and 3 in our Annual Report. • We report according to the Greenhouse Gas (GHG) Protocol and our data reporting is subject to a limited assurance statement by an independent auditor.	Sustainability in focus: pages 26 to 31 Environmental performance summary: pages 203 to 206 F
c	Describe the targets used by the Company to manage climate-related risks and opportunities and performance against targets.	• We have set validated science-based targets for Scope 1 and 2, and Scope 3 GHG emissions. • Scope 1 and 2 targets are included in the Long-Term Incentive Performance Share Plan (PSP).	Sustainability in focus: pages 26 to 31 Directors' remuneration report: pages 113 to 126 F

Section 172(1) statement and stakeholder engagement

We value our engagement with all our stakeholders, including our key stakeholders: customers, employees, communities, suppliers, investors, and governments and authorities. Our s.172 compliance statement, which is on pages 78 to 82, describes how the Directors have had regard to stakeholders' interests and other matters when discharging Directors' duties set out in Section 172 of the Companies Act 2006. It includes examples of how stakeholders' interests were considered during principal decisions taken as part of the year.

Going concern and Viability statement

Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. On 30 April 2026 the Group completed a full refinancing of the €300m multi-currency RCF facility and the €288m and $230m UKEF term loans, as described in the Financial review on page 19. The refinancing arrangement has introduced a new quarterly leverage covenant threshold requirement along with minimum liquidity requirements and has extended the maturity dates of the facilities out to 2029.

The current economic conditions continue to create uncertainty, particularly over the level of demand for the Group's products. The Group's forecasts and projections take account of reasonably possible changes in trading performance and a severe but plausible downside scenario has been prepared, linked to our principal risks. The reasonably possible scenario does not threaten the Group's ability to operate within the level of its facilities under the agreed terms of the refinancing. Modelling has been updated to reflect the new covenant thresholds and requirements. No mitigating actions have been included for any of the scenarios and, should it need to, the Group could take action quickly to significantly reduce costs and cash outflows as demonstrated during the course of the COVID-19 pandemic in 2020. The severe but plausible downside scenario, offset by mitigation actions as required, does not threaten the Group's ability to operate within the level of its current facilities.

Having assessed the principal risks and the other matters discussed in connection with the Viability statement below, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Viability statement

In accordance with the requirements of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a five-year period to December 2030, being the period covered by the Group's approved strategic plan. This plan is updated annually, in a process led by the Executive Committee with input from the respective businesses and functions. It includes analysis of product and profit performance, cash flow, investment programmes and returns to shareholders. The plan is presented to the Board each year as a part of its annual strategic review.

The Directors consider this period to be an appropriate time horizon for the strategic plan, being the period over which the Group actively focuses on its long-term product development and capital expenditure investments. A period beyond December 2030 is considered by the Directors to be too long, given the uncertainties that exist beyond this time frame.

In making their assessment, the Directors have considered the diverse activities and product offering of the Group in terms of geographies, chemistry and end markets. The Directors have also considered the Group's current financial position, including the recently refinanced and future committed financing facilities, which have been assumed to be refinanced at maturity as required.

A sensitivity analysis has been undertaken, focusing on the impact of the principal risks (detailed above on pages 49 to 56) over the five-year period, and the availability and likely effectiveness of mitigating actions. The risks have been assessed for their potential impact on the Group's business model, future trading and funding structure. The sensitivity analysis has considered a number of severe but plausible scenarios, linked to the risks considered to have the most significant financial impact. In all cases, the impact was considered on both liquidity and the borrowing covenant.

The scenarios included:

- Trading downturns as a result of increased competition or lack of demand
- Delayed re-stocking and economic recovery in end markets
- Failure to successfully commercialise new products and benefit from innovation, leading to lower sales volumes
- Price inflation for the Group's key raw materials and energy
- Failure to deliver on transformation programmes
- Significant foreign exchange rate appreciation against sterling.

Various mitigating actions have been identified so that, should any of these scenarios crystallise, the Group could take action quickly to significantly reduce costs and cash outflows, as demonstrated during the course of the COVID-19 pandemic in 2020. While this sensitivity analysis did not consider all the risks that the Group may face, the Directors consider that it is reasonable in the circumstances of the inherent uncertainty involved.

None of these scenarios individually, or when combined, threaten the Group or its ability to take appropriate mitigations to address them, and the combined impact of these scenarios has been evaluated as the most severe stress scenario.

Directors also considered the possible impact of climate change on future cash flows, in particular carbon pricing. In the event of global coordination of carbon pricing, the Directors consider it likely that the Group would be able to pass such costs on to our customers if material. The sensitivity analysis has therefore not been amended to include reduced profits from carbon pricing.

Based on the analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

Non-financial and sustainability information statement

The table below summarises where key elements of our governance reporting (including non-financial matters as required by the Non-Financial Reporting Directive) can be found, some of which are integrated into other sections of our Annual Report. This year, we have also expanded our reporting on ESG matters through our Sustainability insights, available at Synthomer.com

Reporting requirement	Relevant policies and standards that govern our approach	Where to read more in this report	Where to read more on our website
Environmental matters	Code of Conduct Environmental Policy Water Management Policy Sustainable Procurement Policy and Strategy Task Force on Climate-related Financial Disclosures (TCFD) Recommendations	Sustainability in focus, pages 26 to 31 People in focus, pages 36 to 40 Our Vision 2030 progress, pages 41 to 43 Climate Action report, pages 58 to 63 Managing risk: pages 44 to 48 The Board's year, pages 75 to 77	Environment insight paper Governance insight paper Group Policies
Employees	Our values Code of Conduct Health & Safety Policy	People in focus, pages 36 to 40 Our Vision 2030 progress, pages 41 to 43 How the Board engages (s.172 compliance), pages 76 to 81 The Board's year, pages 75 to 77	Social insight paper Governance insight paper Group Policies
Social matters	Responsible Care Guiding Principles Synthomer Cares	Our business model, page 2 People in focus, pages 36 to 40 Our Vision 2030 progress, pages 41 to 43	Social insight paper Group Policies
Respect for human rights	Code of Conduct Modern Slavery Act Statement Conflict Minerals Policy Statement Sustainable Procurement Policy and Strategy Human Rights Policy	Sustainability in focus, pages 26 to 31 People in focus, pages 36 to 40 Our Vision 2030 progress, pages 41 to 43	Social insight paper Governance insight paper Group Policies
Anti-corruption and anti-bribery	Code of Conduct Ethics Helpline Our values Anti-Bribery and Corruption Policy Non-retaliation Policy Whistleblowing Policy	Compliance risks, page 55 People in focus, pages 36 to 40	Governance insight paper Group Policies
Our business model		Our business model, page 2 Our strategy, page 3	
Principal risks and uncertainties	Risk Management Framework Risk Management Policy	Managing risk: pages 44 to 48	Group Policies
Non-financial KPIs		Our key performance indicators, page 11 Our Vision 2030 progress, pages 41 to 43	ESG Data Pack

Governance report

A speciality solutions platform serving customers in attractive growth markets.

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The Chair's introduction

"I have seen at first hand the dedication and commitment shown by everyone at Synthomer as they navigate difficult market conditions while transforming our business to become a speciality chemicals platform that drives value creation."

On behalf of the Board, I am pleased to share our Governance report for 2025.

In my first full year as Chair, I have seen at first hand the dedication and commitment shown by everyone at Synthomer as they navigate difficult market conditions while transforming our business to become a speciality chemicals platform that drives value creation.

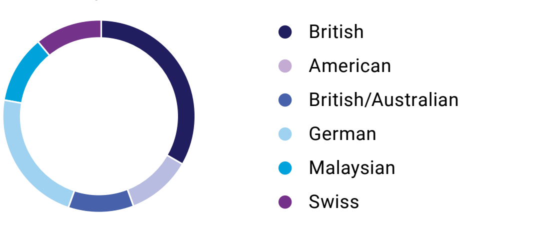
The Board had an active programme this year, providing support and challenge to the senior leadership, and engaging the stakeholders on whose support Synthomer's success relies, while ensuring that the Group continues to demonstrate robust, transparent governance. I would like to thank all our stakeholders for their support for Synthomer – and my colleagues on the Board, for their ongoing commitment to the Company's good governance and success.

Peter Hill, CBE
Chair

Shortly before publication of this Annual Report on 30 April 2026, Lily Liu informed the Board of her intention to step down from her role as Chief Financial Officer (CFO) and Executive Director of the Group on 15 May 2026, in order to take up the role of Executive Vice President and CFO at Umicore SA.

The Board at a glance

Nationality



Board tenure

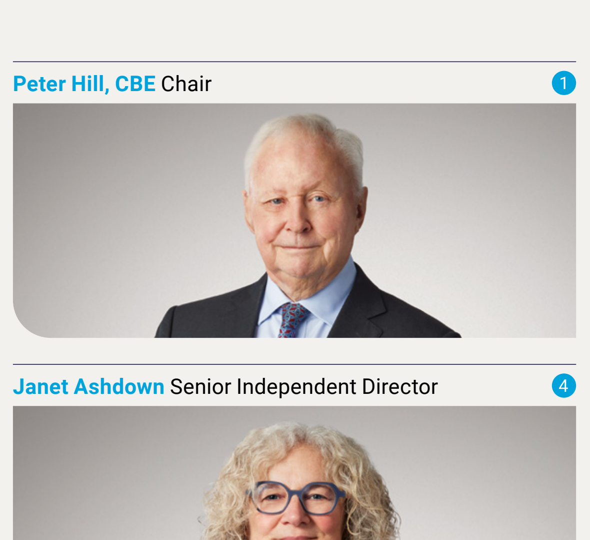
0-3 years	3-6 years	6 years +
5	2	2
Peter Hill, CBE Janet Ashdown Martina Flöel Uwe Halder Jonathan Silver	Michael Willome Lily Liu	Dato' Lee Hau Hian Holly A Van Deursen

Individual Directors' skills

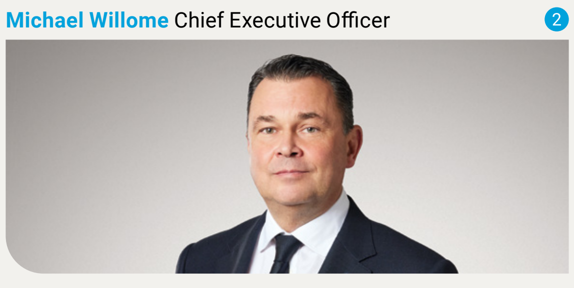
We asked our nine Directors to rate themselves on each of 28 skills. For simplicity, we grouped those skills into the 15 categories above. For each category, we added up the rating points and divided the result by the total possible points available for that category to represent an approximate number of Directors with skills in that category.

Our Board of Directors

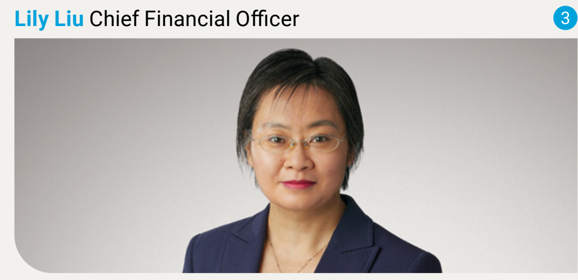
Peter Hill, CBE Chair (1)



Michael Willome Chief Executive Officer (2)

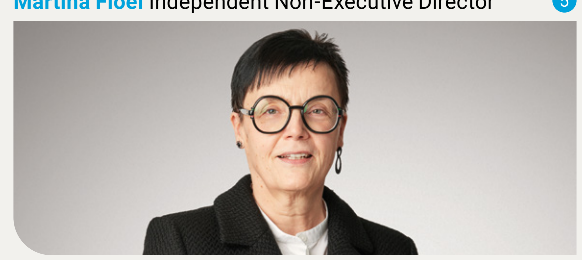


Lily Liu Chief Financial Officer (3)



Janet Ashdown Senior Independent Director (4)

Martina Flöel Independent Non-Executive Director (5)



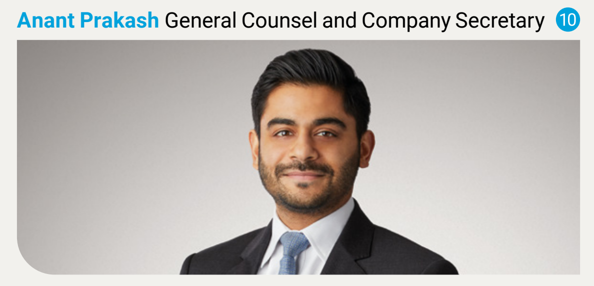
Uwe Halder Non-Executive Director (6)

Dato' Lee Hau Hian Non-Executive Director (7)

Jonathan Silver Independent Non-Executive Director (8)

Holly A Van Deursen Independent Non-Executive Director (9)

Anant Prakash General Counsel and Company Secretary (10)



Peter Hill, CBE

Chair

Nationality British
Appointed to the Board September 2024; appointed Chair from 1 January 2025
Key expertise International, strategy/M&A, CEO/Board leadership, people/culture/change, finance/investment, PLC governance, risk, broader industrials, SHE/regulatory, supply chain

Background

Peter has strong public company governance and international manufacturing experience in a range of industries. He was previously chair of Keller Group plc, Petra Diamonds Limited, Volution Group plc, Imagination Technologies plc and the speciality chemicals company Alent plc. Peter was chief executive officer of Laird plc from 2002 to late 2011, and previously held senior roles at BTR plc, Invensys plc and Costain Group plc, latterly as an executive director. He has been a non-executive director of four other publicly listed companies and three UK government organisations.

N D

Michael Willome

Chief Executive Officer

Nationality Swiss
Appointed to the Board November 2021
Key expertise International, strategy/M&A, people/culture/change, finance/investment, risk, chemicals, sales/marketing

Background

Michael has a track record of driving performance through strong operational management and strategic actions, including M&A. He was previously CEO of Conzzeta AG (now Bystronic AG) in Zurich, and spent 18 years with Clariant AG, leading its global industrial and consumer specialities division. Before that, he held leadership roles in Asia-Pacific, based in Hong Kong, and in Canada and Türkiye.

External appointments

Non-executive director of Glaston Oyj (Nasdaq Helsinki), sits on subsidiary boards of the Indutrade Group

Lily Liu 3

Chief Financial Officer

Nationality British/Australian
Appointed to the Board July 2022
Key expertise Strategy/M&A, people/culture/change, finance/investment, PLC governance, risk, chemicals, broader industrials

Background

Lily is a highly experienced CFO. She has worked in the manufacturing and engineering sectors for more than 20 years, and joined Synthomer from Essentra plc, a FTSE 250 components and solutions business, where she was CFO. Lily was previously CFO at Xaar plc, a UK-listed inkjet technology developer, and at Smiths Detection business, a division of Smiths Group plc.

External appointments

Non-executive director and member of the audit committee of DCC plc

Janet Ashdown

Senior Independent Director

Nationality British
Appointed to the Board July 2025
Key expertise CEO/Board leadership, people/culture/change, risk, broader industrials, sales/marketing, supply chain, sustainability

Background

Janet has significant experience of the process and chemicals industries. She had a 30-year executive career at BP plc until 2010, running the UK retail and commercial fuel business in her last role there. She then became chief executive of Harvest Energy, until 2013. Janet has chaired corporate remuneration committees for more than 10 years.

External appointments

Non-executive director and remuneration committee chair of Victrex plc, non-executive director and chair of the remuneration and corporate sustainability committees at RHI Magnesita N.V., non-executive director of Stolt-Nielsen Limited

Martina Flöel
5

Independent Non-Executive Director

Nationality German
Appointed to the Board September 2023
Key expertise Strategy/M&A, CEO/Board leadership, people/culture/change, risk, chemicals, SHE/regulatory, innovation

Background
Martina has considerable executive experience in the chemicals industry, leading what became OXEA GmbH between 2003 and 2016. Before this, she held a number of senior roles at Celanese AG and its predecessor Hoechst AG, focusing on strategy, operations and capital investment, human resources, and innovation and technology. Martina began her career as a research chemist and holds a PhD in chemistry.

External appointments
Non-executive director of Sasol Limited since 2018, and of Neste Oyj from 2017 to 2023

Uwe Halder

Non-Executive Director

Nationality German
Appointed to the Board September 2024
Key expertise Chemicals, SHE/regulatory, innovation, sustainability

Background
Uwe's entire career has been in the global chemicals industry. He worked in the USA at BASF SE and as president of DyStar USA, and in Europe at CHT/BEZEMA and Archroma, before joining a business acquired by KLK OLEO, part of the global oleochemical and manufacturing division of Kuala Lumpur Kepong Bhd (KLK).

External appointments
Member of the KLK OLEO chemicals boards in Europe, subsidiaries of Synthomer's largest shareholder KLK

Dato' Lee Hau Hian

Non-Executive Director

Nationality Malaysian
Appointed to the Board 2002 as a Non-Executive Director; first joined the Board in 1993
Key expertise Strategy/M&A, CEO/Board leadership, broader industrials, SHE/regulatory

Background
Hau Hian has experience in organisational transformations, acquisitions, chemicals and manufacturing operations and sustainability matters.

External appointments
Non-executive director of KLK, which is Synthomer's largest shareholder; managing director of Batu Kawan Bhd, a listed Malaysian investment holding company, which is a 47% shareholder of KLK

Jonathan Silver

Independent Non-Executive Director

Nationality British
Appointed to the Board July 2025
Key expertise Strategy/M&A, finance/investment, risk, broader industrials, supply chain

Background
Jonathan has significant international experience in finance and accounting, risk and controls, treasury, investment management and mergers and acquisitions. His 30-year career at Laird plc included serving as CFO. Jonathan is a chartered accountant and a member of the Institute of Chartered Accountants of Scotland. He was previously a non-executive director, senior independent director and audit committee chair at Spirent Communications plc.

External appointments
Non-executive director and audit committee chair at Baillie Gifford China Growth Trust plc and Henderson High Income Trust plc

Holly A Van Deursen 9

Independent Non-Executive Director

Nationality American
Appointed to the Board September 2018
Key expertise Strategy/M&A, risk, chemicals, broader industrials, innovation, digital

Background

Until 2005, Holly was group vice president, petrochemicals at BP plc. She has worked in the global chemicals industry for more than 25 years and held senior positions across North America, Europe and Asia. Since 2016, Holly has held non-executive director roles for global companies headquartered in the USA and spent 12 years on the board of a Norwegian listed company.

External appointments

Non-executive director and chair of the talent, culture and compensation committee of Kimball Electronics Inc, non-executive director and chair of the safety, sustainability, operations and capital investment committee of Albermarle Corporation

Anant Prakash

General Counsel and Company Secretary

Nationality British
Appointed to the Board December 2022

Background

Anant joined Synthomer having spent five years at defence and security company Ultra Electronics Group plc, latterly as general counsel, Europe and Asia-Pacific. Before moving into industry, he worked at international law firm Slaughter and May, where he developed a broad corporate, commercial and M&A practice, including experience working in Hong Kong and Spain.

External appointments

Non-executive council member at City St. George's, University of London

Our non-independent Board members

The Board recognises the unusual nature of having non-independent members. This is a voluntary arrangement that has been in place for 40 years and reflects the major shareholdings in the Company that they represent.

Dato' Lee Hau Hian and Uwe Halder are the Board's representatives for our largest shareholder, KLK (27%).

Hau Hian's extensive leadership experience in chemical manufacturing and experience of organisational transformations and acquisitions means he offers the Board and Executive Committee invaluable insights when making business decisions. He also offers an important perspective on the Malaysian and Southeast Asian business landscape.

Uwe joined the Board with effect from 1 September 2024. His extensive experience in global chemicals is a significant benefit to the Company, as is his expertise in R&D and innovation, and in strategy and SHE management.

Other Board members in 2025

The Hon. Alexander Catto stepped down from the Board at the AGM on 1 May 2025. Ian Tyler and Roberto Gualdoni stepped down from the Board on 12 December 2025.

Board Committee key

- A Audit Committee
- R Remuneration Committee
- N Nomination Committee
- D Disclosure Committee
- Committee Chair

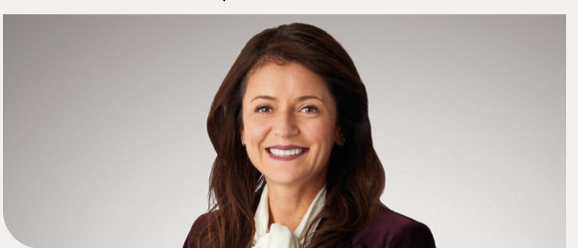
Our Executive Committee

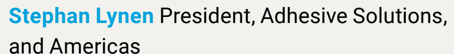
Michael Willome Chief Executive Officer

Lily Liu Chief Financial Officer

Anant Prakash General Counsel and Company Secretary

Ana Perroni Laloe President, Coatings & Construction Solutions, and EMEA 1





Stephan Lynen President, Adhesive Solutions, and Americas 2

Rob Tupker President, Health & Protection and Performance Materials, and Asia 3

Jan Chalmovsky President, Strategy and M&A 4

Gayla Cowie Chief Human Resources Officer 5

Biographies for **Michael Willome**, **Lily Liu** and **Anant Prakash** can be found on pages 69 and 71.

Ana Perroni Laloe (1)

President, Coatings & Construction Solutions, and EMEA

Nationality Brazilian

Appointed to the Executive Committee
February 2022

Background

Ana has more than 20 years' global sales and marketing experience, with a strong track record of successfully commercialising solutions for end markets. She started her career at Ciba Specialty Chemicals in Brazil. Elected president of RadTech South America for two consecutive terms, Ana is one of the pioneers of introducing UV curing technology in the region.

Stephan Lynen (2)

President, Adhesive Solutions, and Americas

Nationality German

Appointed to the Executive Committee
May 2023

Background

Stephan has more than 25 years' leadership experience in the chemicals industry, principally at Clariant AG, the global speciality chemicals company he worked for in several countries, especially in Asia. He led different Clariant businesses, including its additives unit, before becoming CFO. Stephan brings experience in commercial and operational activities, strategy, finance, M&A, post-merger integration and transformation.

Rob Tupker (3)

President, Health & Protection and Performance Materials, and Asia

Nationality Dutch

Appointed to the Executive Committee
September 2018

Background

Rob was previously with Honeywell International Inc, where he held a variety of senior business leadership positions in its performance materials and home and building technologies divisions. Before that, he worked with Süd-Chemie (now Clariant AG) and Unilever/ICI's (now Givaudan SA's) flavour and fragrance division. Rob worked for seven years in Asia-Pacific, five years in the USA and 20 years across Europe, with a consistent focus on growing and transforming global businesses in the chemical and process industries.

Jan Chalmovsky (4)

President, Strategy and M&A

Nationality German

Appointed to the Executive Committee
September 2022

Background

Jan has more than 15 years' experience in strategy and mergers and acquisitions, most recently as head of strategy and M&A at global industrial company Conzzeta AG (now Bystronic AG). Before that, he spent nine years at McKinsey & Company, including as an associate partner, focusing on strategy, corporate transformations and corporate finance.

Gayla Cowie

Chief Human Resources Officer

Nationality British

Appointed to the Executive Committee
October 2025

Background

Gayla has more than 25 years' experience in HR, for major multinationals across sectors including automotive, consumer technology and chemicals. She started her career with Nissan Motor Co., ltd, where she worked in Europe, Africa, the Middle East and Asia. Gayla also worked for Dyson Group and Johnson Matthey Plc, and brings expertise in talent management and driving a high-performance culture.

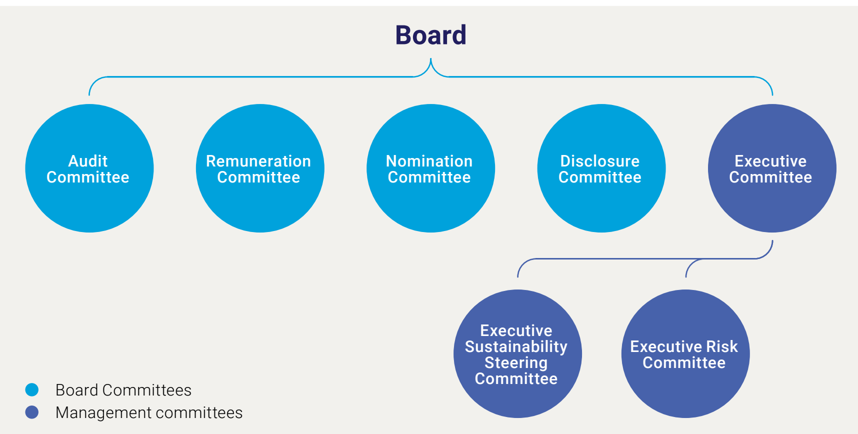
Our governance framework

Our governance framework is designed to focus the Board on setting the Group's purpose, values and strategy, on monitoring performance and on ensuring sound governance, including appropriate controls and balanced risk assessment.

We delegate certain oversight and management responsibilities to various Committees. Executive management is responsible for implementing strategy and leading our colleagues across the Group to deliver that strategy.

As a UK-listed company, we follow the UK Corporate Governance Code and so have an established governance structure. For more detail about how we apply its principles and comply with its provisions, see pages 83 to 87.

Our Board Committees and management committees



Our Disclosure Committee supports the Board and monitors compliance with disclosure controls and procedures for material information, and is responsible for identifying inside information. It comprises the Chair, Senior Independent Director, CEO and CFO, who meet after each scheduled Board meeting, and is advised by the General Counsel and Company Secretary and the Vice President, Investor Relations. The Committee's terms of reference are available on our **website**.

The Company's progress against our sustainability strategy, Vision 2030 targets and 2050 net zero pledge is under the Board's direct supervision. Given that these environmental, social and governance (ESG) matters are a key part of our strategy, we want to clearly show that the Board retains ultimate oversight of, and responsibility for, delivering against our stated ESG goals.

At the Executive Committee level, the Executive Sustainability Steering Committee is chaired by the CEO, meets quarterly and is attended by the full Executive Committee. It oversees our overall sustainability agenda and progress on each of our Vision 2030 sustainability goals. These goals are owned and sponsored by an Executive Committee member, who is responsible for making sure we have the right plans in place to deliver within the timeframe.

The Company also has an Executive Risk Committee, which has been in place since 2022. This Committee is chaired by the CFO and ensures a robust process for identifying, prioritising, managing and controlling significant risks affecting the Group. It is attended by the full Executive Committee and the Vice President, Risk, Audit and Compliance. It makes sure the Group has risk management policies and procedures in place – including those covering project governance, sanctions, human rights, fraud prevention, cyber security and business management. See Managing risk on pages 44 to 48.

All Executive Committee members also attend a substantial number of our Board meetings, except when certain sensitive matters are discussed. As a Board, we have debated this approach and continue to believe that this provides us with great insight into the business. It allows deeper discussion and direct challenge to our different businesses and promotes a unified approach to implementing governance and strategy. We continue to have strong positive feedback from Board members – new and continuing – and Executive Committee members on this approach. For more details, see The Board's year on pages 75 to 77.

» For more information on our Board Committees and their work this year, see the Committee reports from pages 88 to 126 and on our **website**. A table of Directors' attendance at Committee meetings can be found on page 77.

The Board's year

The Board's focus remained largely unchanged this year: supporting and challenging the Executive Committee as they navigated market challenges while delivering robust operational performance and sustaining Synthomer's strategic transformation.

Activities included reviewing and approving key decisions to strengthen Synthomer's balance sheet, optimise capital allocation and refine its portfolio. At the same time, the Board continued to refresh its membership and maintained a keen interest in the Company's sustainability agenda, with a particular focus on people.

A robust balance sheet

The Board's main priority over the past year was to support the Executive Committee through ongoing work to improve the Company's balance sheet, including preparations for the refinancing of key debt facilities in 2026.

During the year, the Board considered the Company's short-term financial position and medium-term arrangements. This included assessing options to ensure we have a robust financial framework in place to manage short-term challenges while supporting longer-term value creation. So, towards the end of financial year 2025, the Board approved a new receivables purchasing arrangement worth £50m, intended to support the balance sheet and unlock additional liquidity, and oversaw the work of management and advisors to prepare for the 2026 refinancing.

The Board also monitored measures to strengthen the way Synthomer manages inventory levels.

» We provide more information in the Financial review on pages 18 to 19.

" The Board has been mindful throughout capital allocation discussions of the need to balance short-term cost challenges with longer-term investment for future success."

Peter Hill, CBE
Chair

Rigorous focus on capital allocation

A robust balance sheet depends on a disciplined approach to capital allocation, particularly under tough market conditions. Given the broader outlook, the Board has encouraged the Executive Committee to focus on options with the greatest return in terms of increased volume and margin improvement.

A good example of this in 2025 was the Board's decision to approve a $10m upgrade to improve efficiency and increase output at our Adhesive Solutions (AS) site in Longview, USA. The Board carefully considered the capital investment required at a time of significant balance sheet constraints, and the fact that the upgrade required a temporary pause in production, which affected revenue and EBITDA in the short term. The Board also interrogated the business case for a strong return on investment and rapid pay-back, as well as the strategic benefits of enhancing APO capacity, before approving the project.

Everyone is responsible for health and safety at Synthomer, and the Board continues to work closely with the Executive Committee to ensure that SHE investment is safeguarded when making capital allocation decisions. The Board was pleased to see Synthomer outperform its annual recordable injury case rate objective for the third consecutive year, while noting that a number of minor issues at two sites, now the focus of action plans, affected process safety metrics.

» We provide more information in Section 172 on page 79.

Reviewing and refining our portfolio

The Board is firmly committed to Synthomer's strategy to become a more focused, stronger speciality chemicals business. As well as its annual deep-dive session in June 2025, the Board discusses the strategy with the Executive Committee at every meeting.

This year, that included considering the merits of retaining our William Blythe business in the UK given its improved profitability in the first half of 2025. However, following a robust discussion, the Board concluded that divesting the business was the correct decision to align with the Group's strategy. The business was sold in May 2025. The sale is part of our ongoing programme to divest non-core businesses and product lines to reduce complexity and enable greater focus of capital, time and other resources on our core operations.

At the June 2025 strategy deep-dive, the Board considered a number of additional portfolio changes to accelerate the Group's deleveraging and further focus the portfolio, including giving consideration to broadening the divestment programme. This currently includes four other non-core divestments under discussion with third parties. Any proceeds from these sales will be used to pay down debt and strengthen the balance sheet.

"The Board was kept informed throughout Synthomer's headcount reduction programme. This is a sensitive process that was handled carefully by all involved."

Holly Van Deursen
Designated Non-Executive Director for workforce engagement

Self-help measures and cost reduction

The ongoing market challenges facing the business have made it necessary to continue making cost savings across divisions and functions, and the Board has supported the Executive Committee's work here.

In 2025, this included robust discussions between the Board and the Executive Committee about staffing levels to ensure that the business is appropriately resourced and able to respond to changes in demand. The Board recognises that reducing headcount is never easy, but agreed with the Executive Committee that it was necessary given that market conditions are unlikely to recover in the short term. As a result, the Group took the difficult but necessary decision to reduce headcount by 250 roles. Nonetheless, the Board and Executive Committee continue to discuss the importance of long-term investment in our people to support growth, and the Board is pleased to note the Group's ongoing commitment to investing in its graduate and leadership development programmes.

The Board continues to play an active role in overseeing the Company's broader efforts to drive cost savings, tighten operational execution and deliver further efficiencies in areas including procurement. Taken together, Synthomer's operating cost reduction programmes are expected to deliver c.£20-25m in incremental benefits in 2026.

Refreshing the Board and processes

Three Board members – the Hon. Alexander Catto, Ian Tyler and Roberto Gualdoni – stepped down in 2025. This marked the latest stage in a significant multi-year evolution in Board composition.

The Board was conscious of the need to replace their considerable skills and experience, and worked closely with the Nomination Committee to identify their successors. In July 2025, the Board appointed Jonathan Silver and Janet Ashdown as Independent Non-Executive Directors. Jonathan succeeds Ian as Chair of the Audit Committee, and Janet is now our Senior Independent Director. Since their arrival, the Board has benefited greatly from their extensive experience in the chemicals industry and complex multinational organisations.

» We provide more detail on our recruitment and induction programme in our Nomination Committee report on page 97.

Board and Committee meeting attendance

	Board	Audit	Remuneration	Nomination	Disclosure
Peter Hill, CBE	7/7			6/6	4/4
Michael Willome	7/7	4/4			4/4
Lily Liu	7/7	4/4			4/4
The Hon. Alexander Catto[1]	3/3			3/3	
Martina Flöel	7/7	4/4	4/4	6/6	
Roberto Gualdoni[2]	6/7	4/4	4/4	6/6	
Uwe Halder	7/7			6/6	
Dato' Lee Hau Hian	7/7			6/6	
Ian Tyler[3]	7/7	3/4	3/4	6/6	4/4
Holly Van Deursen	7/7	4/4	4/4	6/6	
Janet Ashdown[4]	3/3	2/2	2/2	2/2	
Jonathan Silver[5]	3/3	2/2	2/2	2/2	

1 The Hon. Alexander Catto retired in May 2025.
2 Roberto Gualdoni retired in December 2025.
3 Ian Tyler retired in December 2025.
4 Janet Ashdown joined in July 2025.
5 Jonathan Silver joined in July 2025.

Driving innovation and sustainability into everything we do

Innovation and sustainability underpin our purpose and inform our growth strategy, making them fundamental topics for Board discussion.

This year our Innovation Taskforce worked with our internal business excellence and continuous improvement team (SynEx) to redesign Synthomer's full innovation operating model.

As well as continuing to receive quarterly sustainability updates from our Vice President, Environmental, Social and Governance, the Board now receives regular updates on our people agenda from our new Chief Human Resources Officer. In addition to supporting Board oversight of the commercial opportunities in serving customers with specific sustainability requirements, these updates have also helped the Board deepen its understanding of employee-related topics such as retention, training and succession planning, enabling a richer discussion during Board meetings. That deeper understanding helped inform the Board's thinking during discussions about headcount and the need to balance short-term market challenges with longer-term investment in training and development.

» For more on the Innovation Taskforce's work this year, see page 35.

How the Board engages (s.172 compliance)

Understanding the issues that are important to our stakeholders is essential to how we develop and implement our business strategy. It is also critical to our long-term success.

Our approach to Section 172

Our Section 172 statement describes how the Board has carried out its responsibility to promote the success of the Company, recognising that the key decisions it makes today will affect long-term performance. The statement considers paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006 and includes details of how the Board has considered and engaged with stakeholders.

When making decisions, the Board considers the needs of our different stakeholder groups as well as the likely outcome that any action taken might have. The Board receives papers that include Section 172 information, which it uses to inform strategic discussions, including any implications for the resilience of our business and the potential impact on our communities and environment. It is the Chair's responsibility to ensure that the Board considers Section 172 when making its decisions.

We recognise that it is not always possible to provide a positive outcome for all stakeholders and that, sometimes, the Board has to make decisions based on competing priorities. The Board regularly assesses the outcomes of its decisions and is available to talk to stakeholders. This engagement helps the Board to better understand what matters most to our stakeholders and supports discussion of relevant issues. It also helps the Board choose the course of action that will best lead to high standards of business conduct and success for Synthomer in the long term.

Stakeholder engagement in 2025

We made no changes to our list of key stakeholders this year, which we set out on pages 80 to 82 alongside a discussion of how we engaged with and responded to them in the year.

The Board has continued to ensure it understands, and considers, the issues that matter most to all our stakeholder groups, particularly when making key decisions.

We consider our understanding of the sustainability issues that matter most to our stakeholders through periodic materiality assessments. Our double materiality assessment requires us to assess the actual or potential effects of our operations on people and the planet, as well as how sustainability issues might affect our financial performance and position.

» We explain more about the assessment and its findings on page 30.

Principal decisions in 2025

As a Board, we made a number of significant decisions this year. Here we set out how we considered our stakeholders and Section 172 obligations when making three of those decisions.

Reviewing and refining our portfolio: divesting the William Blythe business

Background
Synthomer's programme of refining and focusing its portfolio of products and businesses has been running and supported by the Board since 2022, and has included a number of divestments of non-core operations so that capital allocation and resources can be targeted more effectively. As part of the programme in 2025, we considered divesting the William Blythe business which as an inorganic chemistry business with limited synergies with the rest of the Group, was designated as a non-core business.

Decision
A proposal was received in early 2025 to divest the William Blythe business, in a buy-out led by the existing management team. In a year of trading headwinds and difficult conditions for Synthomer generally, however, the Board reviewed William Blythe's strong commercial performance in the first quarter of the year and considered whether it would be more appropriate to retain the business within Synthomer's portfolio for a period. The Board reviewed the terms of the proposal including the overall consideration and structure, and concluded that the divestment was the right decision and aligned with Synthomer's strategy.

Outcome

The William Blythe business was sold in May 2025, for a total consideration of £30m, all net proceeds being used to pay down existing debt. The divestment also marked a strategic milestone for Synthomer, which has now met its target of having fewer than 30 global manufacturing sites (down from 43 in 2022).

Rigorous focus on capital allocation: investing in APO manufacture at Longview

Background

Synthomer has maintained a disciplined approach to capital allocation, particularly under the market conditions of recent years. As a Board we have encouraged the Executive Committee to focus on capital investment options with the greatest return in terms of increased volume and/or margin improvement.

Decision

Opportunities were identified in 2025 for debottlenecking and efficiency gains in manufacturing APO at the AS site in Longview, USA. The proposed investment of $10m would require a manufacturing shutdown, with associated impacts on revenue and EBITDA – but would materially improve production capacity if it went ahead. We concluded that there was a robust business case for a strong return on investment and rapid pay-back, and strategic benefits to enhancing APO capacity.

Outcome

The investment was made and, since late 2025, Longview has increased APO manufacturing volumes by 10%.

Self-help and cost reduction: simplifying our structure and reducing roles

Background

The market challenges facing the business have made it necessary to continue making cost savings across divisions and functions. In 2025, management conducted a comprehensive review of our staffing structure and headcount across the Group, including the functions, in line with our strategy. Following this review, the Executive Committee proposed a reduction of 250 roles across the global Group and a more streamlined management structure.

Decision

The Board conducted robust discussions with the Executive Committee about staffing levels to ensure that the business is appropriately resourced and able to respond to changes in demand. While recognising that reducing headcount is never easy and has a clear impact on the affected employees, the Board agreed with the Executive Committee that it was necessary given that market conditions are unlikely to recover in the short term, and approved the reduction in roles.

Outcome

The role reduction process took place across the second half of 2025, taking a people-first approach which treated affected individuals with empathy and respect and provided as much support as possible. The Board is pleased to note the Group's ongoing commitment to investing in its graduate and leadership development programmes.

» Find out more about these decisions on page 76.

Key to our stakeholder groups

- Cu Customers
- E Employees
- Co Communities
- Su Suppliers
- In Investors
- G Governments and authorities

Our key stakeholder groups

Customers

We work with more than 6,000 customers worldwide, providing the products and solutions they need to serve their own customers in a range of end markets.

How the Board engaged

- The Executive Committee attended part of all scheduled Board meetings, and divisional presidents provided customer-related information to the Board.
- We received deep-dive AS business updates at each scheduled Board meeting, and held deep-dive HPPM and CCS working sessions during the year, as part of which the divisional presidents provided in-depth market intelligence and customer feedback.
- We received reports from management about its engagement with customers across the business. These reports were especially important given the ongoing volatility and lack of visibility across the chemicals industry and our end markets.
- We also received regular reports about ongoing SynEx projects, which focused on commercial and operational excellence.

How the Board responded

- Given that a number of areas of our business continue to see soft demand, we supported management's focus on improved reporting, forecasting and innovation to strengthen customer relationships.
- We also reviewed and discussed ongoing operational changes needed to optimise production and costs – including plant capacity, shift planning and headcount reduction.
- Having held our annual deep-dive strategy review, we reaffirmed our commitment to the strategy announced in 2022, which focuses on getting closer to our customers and growing, principally organically, in attractive end markets.
- Members of the Board are part of Synthomer's Innovation Taskforce.

Employees

Our success relies on the talent of our around 3,800 entrepreneurial and highly skilled employees. We want to foster a culture that values diversity and inclusion, fairness and transparency.

How the Board engaged

- In 2025 the full Board visited Synthomer's Le Havre and Ribécourt sites in France. Employees at the sites appreciated the opportunity to engage directly with Board members.
- The Board received regular reports about our Employee Voice programme and quarterly updates on our people priorities and support. We also received summaries of management townhalls held across the business.
- We received reports summarising the status of Synthomer's graduate programme.

Employee Voice programme

- Every year, our designated Non-Executive Director for workforce engagement, Holly Van Deursen, carries out a comprehensive programme of Employee Voice engagement sessions on behalf of the Board.
- Holly hears from groups across different businesses and geographies, in person and by video. In 2025 she held sessions with 62 employees in six workforce engagement sessions. These included engaging with employees during Board site visits, which this year saw Holly meet with colleagues at our Harlow and London sites in the UK and at Ribécourt and Le Havre in France.
- Holly reports back to the Board about the themes of her discussions, and we receive a summary of actions taken by site leaders in response to the feedback.

Employees continued

How the Board responded

- On our visits to sites we heard from a wide range of employees, who showed their innovative thinking to develop stronger customer relationships and an entrepreneurial mindset. We were impressed by the teams' positivity and tenacity in responding to the challenges of recent years.
- These broader Board interactions with employees supported our Board decisions on talent management throughout 2025.

Employee Voice programme

What our colleagues value most

- We continue to hear from employees that Synthomer's focus on safety, health and the environment is motivating and differentiating compared to many of our peers.
- We also heard that the opportunity to work across a global organisation, with exposure to new technical, customer, market and team challenges, creates an enriching professional experience and opportunity to develop new skills.
- A regular theme is that supportive team members create a sense of belonging where employees feel their views are heard.

Employees' ideas for change

- Employees shared their ideas for improvements in maintenance and succession planning (including plant operators), for better networking and knowledge sharing, for new approaches to hiring talent in a market downturn, for simplifying our business processes and technology systems, and for how we continue to improve communication with employees.

Employee Voice discussions in action

- In 2025, our HR team and divisional and site leadership teams followed up on employees' feedback, contributing to work to develop the internal communications strategy.

Communities — **We want the communities who live near our sites to see us as a good neighbour.**

How the Board engaged

- The health and safety of our people and local communities is critically important, and updates on this area of activity are always the first item of business at every Board meeting.
- The Board receives updates from divisional leaders about developments that affect communities around Synthomer's sites.

How the Board responded

- We continued to monitor and challenge how management implements the SHE management system at all Synthomer's sites.
- The Board continues to support the work of the Synthomer Foundation and a range of community projects local to the sites.

Su Suppliers	Our suppliers deliver the raw materials and services we need to make our products. We look for ways to work in partnership with suppliers to create a more sustainable supply chain.
How the Board engaged	• Management kept us informed about how it was engaging with utility suppliers and site hosts as it worked to reduce operational risks. • The Board received updates on the Group's engagement with suppliers and customers on whole-value-chain approaches to decarbonisation.
How the Board responded	• Through feedback from the Group's direct and indirect engagement with suppliers this year, we continued to broaden our understanding of what is important to them and to deepen our relationships, particularly around sustainability.

In Investors	As a public company listed on the London Stock Exchange, we aim to deliver sustainable financial performance and long-term value creation for our investors.
How the Board engaged	• The CEO and CFO updated us about their meetings with investors, and our Vice President, Investor Relations shared IR developments at every Board meeting. • Before each meeting, the Board received analysts' forecasts and consensus for financial performance, plus a summary of the externally prepared shareholder analysis report, showing our top 20 shareholders and their movements, alongside top buyers and sellers. • Analysts' reports and notes are shared with the Board as they are issued. • We held an in-person Annual General Meeting in May 2025, with the option for shareholders to submit questions in advance. • We also have regular correspondence with investors, responding to suggestions and queries, and Board members make themselves available to shareholders.
How the Board responded	• Board engagement with investors encompassed how management is addressing the volatile market environment.

G Governments and authorities	As a member of the chemicals industry and scientific community, it is important we engage on issues such as policy, education and skills, compliance and collaboration.
How the Board engaged	• We engaged with legislative and regulatory processes through our membership of industry groups in the UK, Europe and the USA. • We received reports on the changing regulatory landscape, including in respect of proxy adviser guidance, various consultations, sustainability reporting and broader corporate governance themes.
How the Board responded	• The Board continued to oversee the Company's processes and procedures to comply with all relevant laws and regulations.

Compliance with the Code

Here we set out how we applied the principles of the UK Corporate Governance Code (Code) in 2025.

We complied with all the Code's provisions from the start of 2025 until the date of this report, except one.

Provision 11 states that at least half the Board, excluding the Chair, should be Independent Non-Executive Directors. From 1 January 2025 until 1 May 2025, the Board comprised two Executive Directors, three non-independent Non-Executive Directors and four Independent Non-Executive Directors, alongside the Chair. So, the composition of the Board did not comply with Provision 11 for this period. The Board and Nomination Committee reflected on this situation and considered conflicts and whether any one group could dominate decisions. We were satisfied this was not the case.

For the remainder of 2025 until the date of this report, we complied with Provision 11. From 1 May 2025 – when Alexander Catto stepped down as a non-independent Non-Executive Director at the AGM – until 1 July 2025, we had two Executive Directors, two non-independent Non-Executive Directors and four Independent Non-Executive Directors, alongside the Chair. From 1 July 2025 – when we completed the recruitment of Janet Ashdown and Jonathan Silver as Independent Non-Executive Directors – until 12 December 2025, we had two Executive Directors, two non-independent Non-Executive Directors and six Independent Non-Executive Directors. On 12 December 2025, Independent Non-Executive Directors Ian Tyler and Roberto Gualdoni stepped down from the Board.

Accordingly, as at the date of this report, the Board comprises two Executive Directors, two non-independent Non-Executive Directors and four Independent Non-Executive Directors, alongside the Chair.

The Code is available in full on the FRC's website at **frc.org.uk** and should be read alongside our Strategic and Governance reports.

1	Board leadership and Company purpose	
A	**The role of the Board**	The Board continues to lead the Group's strategic direction and long-term objectives. The Board's year on pages 75 to 77 sets out the Board's main activities and outcomes for 2025 and shows how it provided strong governance, challenge and support to the business. The Board met eight times during 2025, and all Directors continue to act in what they consider to be the best interests of the Company, consistent with their statutory duties.
B	**The Company's purpose, values and strategy**	Our culture – including an overview of our values and how the Board ensures alignment with our purpose, values and strategy – is described on page 96.
C	**Resources**	The Board delegates allocation of day-to-day resources to management through the CEO and the Executive Committee. We regularly discuss resourcing with the Executive Committee and the CEO, challenging, for example, resource allocation across our divisions and functions in line with the differentiated steering pillar of our strategy.

1	**Board leadership and Company purpose** continued	
D	**Shareholders and stakeholders**	The Board engaged actively throughout 2025 with shareholders and other stakeholders (as described on pages 80 to 82). The Chair held a number of meetings with our largest corporate shareholder and with some of our major institutional shareholders to discuss the role of the Board and other general governance issues, and reported back to the Board. The CEO and CFO met extensively with new and existing shareholders through regular trading updates and in bilateral discussions. The Board continues to review its mechanism for workforce engagement, as required by Provision 5 of the Code. Holly Van Deursen, our Remuneration Committee Chair, was appointed as designated Non-Executive Director for workforce engagement and, being based in the USA, has proved very effective in reaching more parts of our business. Holly also has extensive people leadership roles in the chemicals industry. The Board concluded that the employee engagement programme adds value and insight both to the Board and to executive management, and we regularly reflect on employee views during Board deliberations. We have also had feedback that colleagues feel the direct engagement with a Board member promotes open and inclusive discussions and valuable feedback. More details of our Board employee engagement are set out on pages 80 to 81.
E	**Workforce policies and practices**	The Board oversees the Group's workforce policies and practices and delegates day-to-day responsibility to the CEO and Chief Human Resources Officer to make sure they are consistent with the Company's values and support its long-term success. Employees are able to report matters of concern confidentially through our dedicated and independent whistleblowing hotline. The Board and/or Audit Committee routinely reviews reports from the hotline, which summarise calls and ensure cases can be investigated and followed up as appropriate.
2	**Division of responsibilities**	
F	**The Chair**	Peter Hill, CBE led the operation and governance of the Board and its Committees in 2025. The Chair was in post from January 2025, having joined the Board as an Independent Non-Executive Director in September 2024. The Senior Independent Director conducted an annual review of the Chair's performance, which is also discussed in the Nomination Committee report.

2 Division of responsibilities continued

G Board composition

The Nomination Committee regularly reviews the size and composition of the Board and its Committees to ensure the appropriate combination of Executive and Non-Executive Directors.

Provision 10 of the Code considers the independence of Non-Executive Directors and circumstances that might impair their independence, including holding office for more than nine years. Provision 11 states that at least half the Board, excluding the Chair, should be Independent Non-Executive Directors. From 1 January 2025 until 1 May 2025, the Board comprised two Executive Directors, three non-independent Non-Executive Directors and four Independent Non-Executive Directors, alongside the Chair. So, the composition of the Board did not comply with Provision 11 during this period. The Board and Nomination Committee reflected on this situation and considered conflicts and whether any one group could dominate decisions. We were satisfied this was not the case.

For the remainder of 2025 until the date of this report, we complied with Provision 11. From 1 May 2025 – when Alexander Catto stepped down as a non-independent Non-Executive Director at the AGM – until 1 July 2025, we had two Executive Directors, two non-independent Non-Executive Directors and four Independent Non-Executive Directors, alongside the Chair. From 1 July 2025 – when we completed the recruitment of Janet Ashdown and Jonathan Silver as Independent Non-Executive Directors – until 12 December 2025, we had two Executive Directors, two non-independent Non-Executive Directors and six Independent Non-Executive Directors. On 12 December 2025, Independent Non-Executive Directors Ian Tyler and Roberto Gualdoni stepped down from the Board.

Accordingly, as at the date of this report, the Board comprises two Executive Directors, two non-independent Non-Executive Directors, and four Independent Non-Executive Directors, alongside the Chair.

H Non-Executive Directors

Directors' existing commitments are carefully reviewed before they are appointed, and regularly after that to make sure they have sufficient time for the Group. If a Board member wishes to accept an additional substantive role, the Board must review and approve this.

The Board believes that Directors should be able to accept other appointments where there are no conflicts of interest and provided that the Director is able to carry out their duties effectively. Other appointments allow Directors to develop greater skills and experience, which the Company benefits from.

The terms of appointment for Non-Executive Directors outline the time they will be expected to commit to fulfil their role. Each year, the Chair reviews the time each Non-Executive Director dedicates to the Company as part of the internal performance review of Directors – see page 96 for more details. We are satisfied that their other duties and time commitments do not conflict with those as Directors. For more details about meeting attendance, see page 77.

The role of Senior Independent Director, fulfilled by Janet Ashdown (who succeeded Ian Tyler in the role in December 2025), provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders. Janet also led the annual performance review of the Chair – see page 96.

Either after or before each Board meeting, Non-Executive Directors and the Chair meet without Executive Directors being present.

I Policies, processes, information and resources

The Chair and Company Secretary ensure that the Board and its Committees have the necessary policies and processes in place and that they receive timely, accurate and clear information. The Board and its Committees also have access to the Company Secretary, independent advice and other necessary resources at the Company's expense.

3	Composition, succession and evaluation	
J	**Appointments**	The Nomination Committee considers succession plans in line with evolving strategy, business requirements, tenure and diversity. The overall process of appointing and removing Directors is overseen by the Board as a whole, through the Nomination Committee. All our Directors retire and seek election or re-election at each Annual General Meeting. The Nomination Committee also supports the Board in succession planning for senior management.
K	**Skills**	A key part of Board succession planning is a regular review of Board skills, which the Nomination Committee does each year – see page 96. The Chair and Company Secretary ensure that new Directors receive a full induction induction, and that all Directors continually update their skills and have the requisite knowledge and familiarity with the Group to fulfil their role. The Executive and Non-Executive Directors have significant commercial, financial and operational experience of the markets and sectors within which the Group operates, as well as wider industry. Their diverse range of skills and leadership experience enables them to monitor the performance of the management team and provide constructive challenge and support to them.
L	**Annual performance review**	Each year, the Board undertakes an internal or external effectiveness review. Provision 21 of the Code states that an externally facilitated Board performance review should take place at least every three years. Our last external Board performance review was carried out in 2023. An internal performance review, including a review of all Directors, took place in December 2025 (see page 96).
4	**Audit, risk and internal control**	
M	**Audit functions**	All members of the Audit Committee are Independent Non-Executive Directors. Jonathan Silver, the Chair of the Committee (who succeeded Ian Tyler in the role in December 2025), has recent and relevant financial experience, and the Committee as a whole has competence relevant to the sector in which we operate. The Audit Committee reviewed the effectiveness of the Group's Internal Audit function and also assessed external auditor PwC LLP's performance during 2025, including its independence, effectiveness and objectivity. For details of these reviews, see the Audit Committee report on pages 93 to 94.
N	**Assessment of the Company's position and prospects**	The Board considers the Annual Report, taken as a whole, to be fair, balanced and understandable and to provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. Its Statement of Directors' responsibilities is set out on page 129. The Directors have also concluded it is appropriate to prepare accounts treating the Group as a going concern and this is set out on pages 127 to 128. An explanation of the Group's performance, business model, strategy and the risks and uncertainties relating to the Group's prospects, including the viability of the Group, is set out in the Strategic report.

4	**Audit, risk and internal control** continued
O Risk management	The Board determines the nature and extent of the principal risks the organisation is willing to take to achieve its strategic objectives – it sets the risk appetite. We carried out an assessment of the principal and emerging risks facing the Group during the year, including those risks that would threaten the Group's business model, future performance, solvency or liquidity, and reputation. The Board and Audit Committee monitor the Group's risk management and internal controls systems and review their effectiveness each year. Throughout the year, the Board has directly – and through delegated authority to the Executive Committee, the Executive Risk Committee and the Audit Committee – overseen and reviewed all material controls, including financial, operational and compliance controls. For more detail, see pages 92 to 93.
5 Remuneration	
P Remuneration policies and practices	Holly Van Deursen chairs the Remuneration Committee. Holly is a hugely experienced Non-Executive Director and has been chair and member of several international remuneration committees. The Remuneration Committee is responsible for developing executive remuneration policy and determining the remuneration packages of Directors and senior management.
Q Procedure for developing policy on executive remuneration	Details of how the Directors' remuneration policy was implemented in 2025 are set out on pages 113 to 118. Provision 41 of the Code requires engagement with the workforce on how executive remuneration aligns with wider Company pay policy. The Board's engagement activity is diverse and includes face-to-face meetings, site visits, attendance at employee events and virtual meetings. During the year, feedback was gathered on a wide range of topics, including pay. No individual Director is involved in deciding their own remuneration outcome.
R Independent judgement and discretion	The Remuneration Committee has formal discretions in place in relation to outcomes under the annual bonus and Performance Share Plan, and these are disclosed as part of the remuneration policy. The Committee may, at its discretion, adjust the level of vesting of an award, if it considers that the outcome is not appropriate or does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period, or that such a payout level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When deciding this, the Committee may consider other factors it feels are relevant. Information about how the Remuneration Committee considered discretion in 2025 is set out on page 99.

Audit Committee report: introduction from the Chair

> “ In another busy year for the Committee, and largely under Ian Tyler’s stewardship, we have made sure our systems and processes are supporting Synthomer to deliver now and for the long term.”
>
> **Jonathan Silver**
> Audit Committee Chair

The Audit Committee continued to focus on the fundamentals in 2025, making sure our processes and controls are robust and fit for future success.

In another year in which Synthomer has been focused on responding to challenging markets and changes in the external economic environment, the Audit Committee has maintained its commitment to challenging and supporting our executives – and to ensuring that our systems of control and governance frameworks provide value and stability, so that Synthomer delivers now, and is in the best possible position for when markets improve.

My predecessor, Ian Tyler, diligently guided that work over the past three years. That means I have inherited a strong audit agenda as the new chair – one that I look forward to building on with the help of my fellow Committee members.

Strengthening internal audit

An important role for our Committee is leading the oversight of Synthomer’s internal audit processes. In the year, we approved Synthomer’s internal audit charter – including the mandate for internal audit – and endorsed combining corporate compliance with internal audit and risk as one function, with the appointment a Vice President for Risk, Audit and Compliance in July 2025.

The Vice President has now developed an improvement plan for 2026 to better align the sources of risk and assurance and to improve alignment with our strategy, for both risk management and internal audit activities. And our Committee approved a revised purpose statement for internal audit in December 2025, which included an increased focus on identifying value through potential operational efficiencies, EBITDA and cash improvements.

Our Committee also oversaw the delivery of the 2025 Internal Audit Plan and approved a 2026 plan based on Synthomer’s key risk exposures and an assessment of the internal audit universe.

Reviewing our material controls

The Committee appointed a third-party expert in November 2024 to help identify, review and test Synthomer's material controls, in line with Provision 29 of the updated UK Corporate Governance Code (the Code).

The results of this work, including identified gaps, were reported to the Committee in December 2025. The Internal Audit and Risk Management function will review and provide assurance over the design and effectiveness of material controls, with reporting to the Committee for the half-year and full-year position in 2026. These will in effect be dry runs to ensure compliance with Provision 29 for the year ending 31 December 2026.

Preparing for the changing sustainability landscape

Synthomer's sustainability reporting remains an important area of review for our Committee, not least as we prepare for future sustainability reporting standards, such as the EU's Corporate Sustainability Reporting Directive (CSRD) and UK Sustainability Reporting Standards (SRS).

The Committee plays a key role in the governance of climate-related risks and opportunities. We will continue to oversee ESG initiatives and related reporting requirements to make sure the Group continues to take a thoughtful and pragmatic approach to reporting, compliance and assurance.

Looking ahead

Everyone at Synthomer – from my fellow Committee members to our colleagues working in our manufacturing facilities – has continued to do a great job of staying focused on the fundamentals this year, even with external headwinds. We will continue that focus over the next 12 months to make sure Synthomer is well placed to capitalise on the broader market recovery when it does materialise.

Jonathan Silver
Chair

30 April 2026

Audit Committees and the External Audit: Minimum Standard

As part of our activities in the year, the Committee again reviewed and considered the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard. This became effective from 1 January 2025 as part of the Code, which was published in January 2024. We reviewed the standard in conjunction with the Code and the FRC's Guidance on Audit Committees.

We believe we are compliant with the standard, which focuses on overseeing the external audit process, external audit tendering processes and reporting of work performed by the Committee. The significant issues we considered as part of our activities in the year are detailed on pages 90 to 93, with our oversight of external audit detailed on pages 93 to 94.

Audit Committee's role

On the Board's behalf, we monitor the integrity of financial statements, oversee the adequacy and effectiveness of the internal controls and risk management processes, and lead the oversight of external and internal audits. Our full terms of reference are available on our **website**.

Committee members

Our Committee comprises four Independent Non-Executive Directors. We are chaired by Jonathan Silver, who was appointed to the Board in 2025 and as chair the Committee from December 2025, taking over from Ian Tyler. Our composition complies with the Code.

The Board considers Jonathan to have recent and relevant financial experience in line with Provision 24 of the Code, given his extensive executive and board experience. Jonathan has also been a non-executive director for international organisations and a FTSE 250 audit committee chair.

Together, our Committee members have a wide range of financial, operational and commercial experience across the chemicals and engineering sectors, which is set out on pages 68 to 71.

Committee meetings and operation

The Committee met three times in 2025 and has met twice since the end of the financial year.

Other Board members have a standing invitation to attend our meetings, unless notified otherwise. We are very pleased that the Chair of the Board, CEO and CFO routinely attend our Committee meetings, often with the rest of the Board. Our programme of risk reviews and updates has also allowed us to invite high-potential members of the management team to attend. These include senior Group Finance and Group IT team members and the newly appointed Vice President Risk, Audit and Compliance.

Our external auditors, from PwC, have attended all meetings of the Audit Committee.

As well as at our scheduled meetings, the Committee regularly meets with PwC and the Vice President Risk, Audit and Compliance without management present. This provides more opportunity for open dialogue and feedback.

As Committee Chair, Jonathan also liaises with the Remuneration Committee Chair to discuss matters such as setting Executive Director compensation targets.

Beyond formal meetings, our Chair regularly meets one-to-one with the CEO, CFO, Group Finance team members, the Vice President Risk, Audit and Compliance and PwC to develop the Committee's programme of work and to review progress on agreed actions. This allows us to explore and understand key issues as they arise – and to make sure we have appropriate information prepared on, and time to address, those issues in our meetings.

Significant areas of activity

Financial narrative

To enable the Committee and the Board to assess going concern and viability, management set out its assumptions and the potential risks to the business, together with economic and business scenarios and possible mitigations, at the April 2026 Committee meeting.

There was a particular focus on the funding requirements of the Group over the next 18 months, as existing financing arrangements mature. We also continued to considered the impact of the prolonged demand uncertainty and subdued markets in the chemicals industry, with continued limited visibility.

The process – which management conducted and the Committee reviewed to support the Board's statement – included:

- Reviewing the Group's sources of funding and, in particular, reviewing the leverage covenant in our financing arrangements and assessing available headroom
- Reviewing the short-, medium- and long-term cash flow forecasts, including requiring management to refresh its five-year plan, in various severe but plausible downside scenarios, as well as reverse stress-testing forecasts
- Assessing the Group's current and forecast activities and factors likely to affect its future performance and financial position
- Discussing the going concern and viability statements at the April 2026 Committee meeting, recommending that the Board provide the statements on page 64.

Significant financial judgements and estimates

In applying the Group's accounting policies, management is required to make judgements and estimates, some of which may have a significant effect on the amounts recognised in the Annual Report and Accounts. Management presented its view on key accounting issues and resulting considerations to the Committee throughout the year.

The Committee reviewed the most significant financial judgement areas and estimations, details of which are explained in the table below. In each case, the Committee considered and challenged the key facts and judgements that management presented and consulted with PwC as external auditor to establish its professional view on the judgements. This included a review of the disclosures included within the Annual Report and Accounts.

Issue/area of judgement	Committee action and conclusion
Impairment of goodwill and intangible assets Synthomer's market capitalisation remains below the net asset value of the Group. Combined with a lower-than-anticipated trading performance in the year, there continue to be indicators of a potential risk of impairment to goodwill and intangible assets.	Management presented a summary of the impairment of goodwill and intangible assets for the cash generating units of the Group to the Committee for review. This included key assumptions, including discount and growth rates, and potential sensitivities. The Committee also received a paper from management that considered the enterprise value of the Group and current market capitalisation in respect of potential indicators of impairment. The Committee challenged the key assumptions made by management and concluded that there was no impairment to any of the segments.
Special Items The Group discloses Special Items – which are either irregular or technical adjustments to ensure compliance with IFRS requirements – separately to provide a clearer indication of underlying performance. For more detail, see note 4 to the Consolidated financial statements on pages 153 to 154.	The Committee regularly challenges management on what are considered Special Items. It reviews in detail the spend that is excluded or separated from reported Underlying profit and considers guidance from the FRC and the external auditor. The Committee is satisfied that it is helpful to a reader of the financial statements to report Underlying profit, together with IFRS profit, without Special Items – and that all Special Items reported met with the Group's definition of such items.

Integrity of reporting and governance

We assessed whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and provide the necessary information for shareholders to assess the Group's financial position and performance, business model and strategy. The work done to make this statement is detailed in the table on page 92.

Our Committee also reviews the interim financial reporting as part of the reporting cycle. This includes challenge to estimates, judgements and going concern assumptions.

We received and reviewed a number of FRC thematic reviews, and other reporting and governance updates, during the past 18 months. These included the:

- FRC's Annual Review of Corporate Governance Reporting 2025
- FRC's UK Corporate Governance Code update, effective from 1 January 2025
- FRC's 2025 Guidance on the Strategic Report.

We continue to review the division of responsibilities between our Committee and the Executive Risk Committee to ensure our effectiveness.

Climate-related reporting and governance

The Committee plays a key role in the governance of climate-related risks and opportunities. We will continue to oversee ESG initiatives and related reporting requirements to make sure the Group continues to take a thoughtful and pragmatic approach to reporting, compliance and assurance.

Climate disclosures and emissions reporting can be complex. During 2025, the Committee reviewed the emerging legislation expected to come into effect over the near to medium term and the implications for the Group. This includes the EU Corporate Sustainability Reporting Directive and UK Sustainability Reporting Standards.

In 2026 we will define and revise key performance indicators for each material topic as appropriate and establish a revised sustainability reporting and assurance framework, for agreement by the Committee, for the year ending December 2026.

Risk management and internal control environment

Each year, the Board is required to conduct a review of the effectiveness of the Group's systems of risk management and internal control. At our March 2026 meeting, our Committee reviewed management's assessment of the key elements of these systems and confirmed their overall effectiveness.

Our conclusion drew on:

- The internal audit programme – approved by the Committee and completed during 2025 – and progress in implementing the actions from it
- Our programme of risk reviews and discussions with senior managers and other staff across the Group throughout the year
- Ongoing management assurance – through Committee papers, and Board and Committee presentations and discussions – to review the Group's key financial controls to ensure they support our continued growth
- The key financial controls questionnaire, which is completed and signed by each Group operating unit each quarter
- Representations to the CFO from the divisions' financial and commercial management that the financial information reported to the Group has been prepared according to our accounting policies and that all relevant information has been provided to prepare the Group's Annual Report and Accounts. These representations are made twice a year in line with our external reporting timetable
- Progress on identifying material controls for compliance with Provision 29 of the updated Code, which was issued in January 2024.

Fair, balanced and understandable

In supporting this statement, the Committee oversaw work that included:

- Forming a Group-level team of suitably qualified specialists to coordinate and oversee the preparation of the Annual Report and Accounts, meeting regularly to ensure disclosures remained appropriate for all stakeholders and that drafting progressed as planned
- Engaging an external corporate communications and reporting adviser to assist in drafting, editing and proofreading the Annual Report
- Considering the equal prominence of GAAP and non-GAAP financial measures presented in the Annual Report
- Ensuring that the latest guidance issued by the FRC, together with other relevant regulatory developments, was fully considered during the reporting process
- The CEO and CFO confirming that, in their opinion, the Annual Report was fair, balanced and understandable and that they were not aware of any material misstatements
- Requiring certain key contributors, for example divisional presidents and finance directors, to sign a declaration confirming the accuracy of their information
- Engaging external remuneration consultants to review and advise on the Directors' remuneration report
- The Vice President, Group Finance compiling an audit trail for material data underpinning non-financial information disclosed in the Annual Report
- Circulating drafts of the Annual Report to PwC, the Audit Committee and the Board for review and approval.

The Committee discussed the fair, balanced and understandable statement at our March 2026 Committee meeting and, in light of the above, recommended that the Board provided the statement on page 129.

Effectiveness of material controls

Following publication of the updated Code, preparations are well underway to ensure compliance with the requirements of Provision 29 for the year ending 31 December 2026.

Materiality, for the purposes of complying with Provision 29, has been informed by the Group's principal risks and risk appetite, as well as by detailed governance and risk assessments and key controls documentation. It considers the size, nature and complexity of our operations as well as the requirements of various reporting regimes, laws and regulations that we are obliged to comply with.

We have defined our material controls as those that are most important to mitigating key risks that threaten the long-term sustainability of the business, and where a failure of their effective operation, or a resulting omission and/or misstatement of information caused by the control failure, is likely to influence decisions made by users of the information.

While the Code does not require independent or external assurance to be obtained, for those material controls that have the highest impact on the long-term sustainability of the organisation and that are most likely to influence decision makers, we engaged a third party to identify, review and challenge the controls to make sure they accurately represent our material controls.

An assessment of the strength of current assurance activities over the material controls has been performed. The results of this assessment, including identified gaps, were reported to the Committee in December 2025.

The Internal Audit and Risk Management function will review and provide assurance over the design and effectiveness of material controls, with reporting to the Committee for the half-year and full-year position in 2026. These will in effect be dry runs to ensure compliance with the requirements of Provision 29 for the year ending 31 December 2026.

Internal Audit and Risk Management function

With a reporting line to our Committee Chair, the Vice President Risk, Audit and Compliance independently assesses the effectiveness of our internal control and risk management processes, highlights key issues, makes recommendations, and monitors how mitigations and recommendations are being implemented. Synthomer's dedicated in-house Internal Audit and Risk Management function draws on specialist resources as required.

At each of our Committee meetings in 2025, we reviewed progress against the internal audit annual plan and explored areas needing action. We also reviewed completed audit reports, looking at recurring themes that might need Group action and at areas where the report findings were different from self-assessments.

In December 2025, our Vice President Risk, Audit and Compliance helped the Board to update our risk appetite and risk appetite statements, and introduced a methodology to help the Committee and the Board identify – and report – risks that may be outside our risk appetite.

Looking ahead to 2026, the Committee approved an improvement plan in 2025 to better align the sources of risk and assurance and to improve alignment with the strategy, for both risk management and internal audit activities. This improvement plan also ensures the function has the appropriate resources to deliver the required improvements.

2025 external audit

The Committee reviewed and recommended to the Board the continued appointment of PwC as the Group's external auditor, approving its remuneration and terms of engagement for 2025.

PwC presented the strategy and scope of the audit for the year ended 31 December 2025 at our Committee meeting in December 2025. These key topics were discussed:

December 2025	Committee action or outcome
PwC's audit risk assessment (pages 131 to 133)	PwC undertook a detailed risk assessment, setting out its view of the significance of key risks and the potential risk of material misstatement.
Materiality level for the audit (page 134)	PwC proposed an audit materiality level of £8.9m, based on 0.5% of revenue. This is consistent with the approach adopted in recent years, given the recent volatility of profit levels.
PwC's audit plan	We reviewed the audit coverage and agreed scope (pages 131 to 133) in detail, agreeing they were appropriate. The Committee noted and approved the continued high level of coverage and the timetable for the audit to be completed.
PwC's resources	With PwC, we reviewed and discussed its resources – particularly the experience of the teams covering key overseas territories, given changes to scoping. We held a number of meetings with the lead audit partner during the year to discuss any changes to resourcing required.
Audit fee and terms of engagement	The Committee reviewed PwC's fee proposal in light of the risks identified and proposed scope. We approved the proposed fee of £2.59m – this includes an increase in the number of overseas statutory audits performed by PwC and an inflationary increase on 2024's £2.47m fee. The fee is partially offset by other scope changes and identified efficiencies.

At our April 2026 Committee meeting, we discussed these key topics with PwC in relation to the 2025 audit:

March 2026	Committee action or outcome
Confirmation of PwC's audit plan	PwC confirmed that the audit materiality had been revised to £8.7m to reflect the actual results of 2025.
Audit findings, significant issues and other accounting judgements (pages 131 to 137)	These were discussed with PwC and management – the work of the Committee is described earlier in this report.
Management representation letter	The Committee reviewed and approved this.
PwC's independence and objectivity, and quality-control procedures	The Committee evaluated and confirmed PwC's independence and objectivity, and quality-control procedures.

During the year, the Committee Chair was in regular discussion with PwC's lead audit partner to discuss the progress of the audit. The Committee met PwC without management present after the April 2026 Committee meeting. No significant issues were raised.

The Committee evaluated the performance and effectiveness of the external auditor in the following ways:

Audit quality – how we reviewed PwC's performance

External evidence	The Committee reviewed the FRC's 2024/25 Audit Quality Inspection Report, summarising its findings from an assessment of a selection of PwC audits. The report noted PwC's ongoing commitment to high audit quality and well-developed audit culture, with inspection results showing an improvement on previous years with a high level of audits meeting the FRCs requirements. Areas for improvement were also outlined, with actions taken by PwC in response.
Management evidence	At our request, management sought feedback from people across the business who were involved in working with PwC on the year-end financial statements. The feedback was broadly positive, indicating that PwC had performed its audit well, particularly given lower levels of materiality. It was noted that the timeliness and communication of the audit plan and information requests, and consistency and knowledge of the business from the audit team, was beneficial.
Audit Committee evidence	The lead audit partner attended all Committee meetings during the year. In assessing the quality of the audit, the Committee noted the professionalism, pragmatism and robustness of challenge to management, particularly with regard to judgemental items and key business risks.

Auditor independence, objectivity and length of service

In addition to our Committee's annual review of PwC's effectiveness, we considered its independence and objectivity. We concluded that PwC continues to demonstrate appropriate independence and objectivity.

As part of this review, PwC provided assurances to the Committee in relation to its independence, including safeguards implemented, confirmation of compliance with ethics and independence policies and procedures by audit-related staff, and confirmation of independence in respect of non-audit services provided. This included one-off work done in relation to the bond issuance in the year.

PwC has been the Group auditor since 2012 and successfully re-tendered for the audit in 2016 and in 2024. PwC's audit partner, Craig Skelton, was appointed to be the lead partner for Synthomer for the 2024 financial year onwards. Given its tenure as external auditor since 2012, a new firm will need to be appointed for the financial years ending 31 December 2032 onwards.

The Committee has a clear policy on the provision of non-audit services by the external auditor and has defined the very limited non-audit services it can provide, in line with the FRC Ethical Standard. The Committee also periodically reviews a log of all services provided by major external audit firms, to ensure the Company has sufficient options in the case of any future audit tender.

Nomination Committee report

> "In another year of change, the Nomination Committee has worked closely with the Board to ensure the Company has the breadth and depth of experience needed to support and challenge the Executive Committee."
>
> **Peter Hill, CBE**
> Nomination Committee Chair

This has been a productive year for the Nomination Committee, with the appointment of two new Independent Non-Executive Directors taking up a significant proportion of our time.

A changing Board

The Board's evolution continued this year, with the Hon. Alexander Catto stepping down as a Non-Executive Director at our Annual General Meeting in May 2025, followed by Ian Tyler and Roberto Gualdoni, who both stepped down in December 2025. I would like to thank all of them for their long-standing commitment to Synthomer.

Identifying and appointing Ian and Roberto's successors was a significant undertaking for the Nomination Committee, given the breadth of experience both Directors brought to the Board. The Committee appointed Henrok Consulting, an independent executive search firm, to lead two parallel searches for Independent Non-Executive Directors: one to succeed Ian Tyler as Chair of the Audit Committee in due course, and a second to further strengthen the Board.

Following market mapping and initial screening, a longlist of six candidates was identified for each role. After references were taken, three candidates for each role were shortlisted and interviewed by the Committee Chair and relevant Committee Chairs. A final shortlist of two candidates per role then met with the full Board.

Having considered the feedback received, the Committee agreed to recommend Janet Ashdown for appointment as an Independent Non-Executive Director and prospective Chair of the Remuneration Committee, and Jonathan Silver for appointment as an Independent Non-Executive Director, identifying him as the successor-designate to the Audit Committee Chair role in due course.

As a result, the Board appointed Jonathan Silver and Janet Ashdown as Independent Non-Executive Directors in July 2025. Both bring considerable expertise to Synthomer. Janet has significant experience of general management, primarily in the process and chemicals industries, including a 30-year career at the oil and gas company BP. She also brings expertise in environmental and sustainability matters. Jonathan, meanwhile, has significant international experience in finance and accounting, risk and controls, treasury, investment management and M&A, having served in a variety of senior roles, including chief financial officer, during his 30-year career at the electronics and technology company Laird plc. Both are also experienced UK public company non-executive directors.

Janet and Jonathan are members of the Audit, Remuneration and Nomination Committees, with Jonathan succeeding Ian as Chair of the Audit Committee and Janet taking on his responsibilities as our Senior Independent Director. They have settled into their new roles well, working collaboratively with their fellow Board and Committee members.

The Nomination Committee worked with both to design comprehensive induction programmes, including specific strategy sessions with Synthomer's divisional presidents, our M&A team, the Company Secretary and the Committee Chairs. They also met key functional teams, including our global SHE experts, and external advisers. For Jonathan, this included specific sessions with our auditors. Janet and Jonathan also visited our site in Harlow, UK, to get a deeper understanding of our day-to-day operations and to hear directly from some of our employees.

Planning for future Board changes

While I do not anticipate as much Board change in the coming 12 months, we know that Holly Van Deursen will reach the end of her nine-year tenure as an Independent Non-Executive Director in April 2027. Janet will succeed Holly as Chair of the Remuneration Committee, and the Nomination Committee will begin the process of identifying and appointing a new Independent Non-Executive Director in due course.

As always, Board changes are an opportunity for the Committee to ensure we have a good mix of skills and experience. Looking ahead, the Committee will continue to prioritise strong financial and audit expertise and proven committee leadership capability, while remaining attentive to broader experience relevant to complex transformation environments and emerging areas such as technology and AI.

Culture and diversity

An important part of the Committee's work to refresh Board composition is ensuring that we draw on candidates from the widest possible pool of skills and backgrounds. With Janet's appointment, we now meet or exceed the FTSE Women Leaders Review's recommendations to maintain at least 40% female representation on the Board and for at least one of four key roles – Chair, CEO, Senior Independent Director or CFO – to be held by a woman. We also fully endorse the Financial Conduct Authority's updated Listing Rule requirements.

Supporting diversity in all its forms, underpinned by an inclusive culture, is an essential part of how we can drive greater innovation, and it is why diversity and inclusion is one of Synthomer's five strategic pillars. We are making steady progress in our metrics at all levels of the Company, with women now representing 38% of our Executive Committee and 35% of our senior leadership. This second figure means we exceeded our 2025 objective of 33%, and the Committee continues to monitor work towards our Vision 2030 target to have women represent 40% of senior leadership.

Gender diversity aside, we continue to comply with the guidance that at least one Board member be from an ethnically diverse background, and I am pleased to note that we also exceeded our 2025 objective to have 20% of senior leaders from ethnically diverse backgrounds, reaching nearly 22%.

This progress is welcome, but there is always more we can do. One of the best ways we can ensure it endures is by making sure our talent pipelines and succession plans reflect the communities where we live and work. A great example of this is Synthomer's new Aspire programme. Designed to help future senior leaders develop advanced leadership skills (see page 38 for more information), the programme's first cohort has been selected from across the business, representing a broad mix of backgrounds and experience.

Responding to evaluation feedback

During the 2025 financial year, the Committee reviewed and discussed the findings and feedback from the internal Board and Committee effectiveness review carried out in December 2024. As a result of that feedback, the Board placed increased emphasis on succession planning, committee leadership strength and the overall balance of skills, which directly informed Board refreshment activity, including the scope, sequencing and priorities of the non-executive director search process undertaken during the year.

In December 2025, the Board and its Committees undertook a further internal effectiveness review. The review confirmed that the Board and its Committees remained effective, cohesive and resilient during a year of sustained operational and financial challenge, with strong trust, open debate and disciplined decision making. The Board noted tangible progress in committee leadership, information quality and financial oversight, while identifying targeted development priorities for 2026, including streamlined information flow, enhanced forward-looking financial analysis, clearer succession visibility and more structured oversight of innovation.

Reviewing senior level skills

In April 2025, the Nomination Committee participated in Synthomer's annual global talent review, receiving a detailed update from management on succession coverage, internal pipelines and development priorities for the Group's most senior leadership roles. The Committee discussed the depth and resilience of those pipelines, opportunities to strengthen internal progression and the importance of supporting the development of future leaders alongside continued selective external recruitment.

The insights from this review informed the Committee's ongoing discussions on succession planning and Board composition, complementing the non-executive director search process underway at the time.

Board and Executive Committee diversity

The following tables provide data on gender identity and ethnic background across our Board and Executive Committee as at the date of this report. The information was collected on a self-reporting basis.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, SID, CFO)	Number in Executive Committee	Percentage of Executive Committee
Men	5	56%	2	5	62%
Women	4	44%	2	3	38%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, SID, CFO)	Number in Executive Committee	Percentage of Executive Committee
White British or other White (including minority-white groups)	7	78%	3	6	75%
Mixed/multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	22%	1	2	25%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Looking ahead

The changes on Synthomer's Board over the past few years have added significant strength and depth in key areas, but the challenges and opportunities facing the business are changing faster than ever. Over the coming year, the Committee will continue overseeing work to ensure we have the right range of skills, experience and capabilities to support the business, with particular consideration for the skills we will need to replace as the Board's composition continues to evolve.

In addition, the Committee will continue to focus on orderly succession planning at both Board and senior management level, maintaining a diverse and high-quality pipeline of potential future leaders, and ensuring that the Board's composition remains resilient as the business navigates an extended period of strategic and financial change. The Committee will also oversee preparation for the externally facilitated Board effectiveness review scheduled for 2026, to ensure it is informed by recent developments and is suitably forward-looking.

Peter Hill, CBE
Nomination Committee Chair

30 April 2026

Directors' remuneration report: introduction from the Chair

"We strive to maintain the balance between rewarding our executives in challenging market circumstances and aligning that reward with shareholder experience."

Holly Van Deursen
Remuneration Committee Chair

We have comprehensively reviewed our Directors' remuneration policy, to make sure that it continues to support the delivery of our business strategy and that it considers the interests of all our stakeholders.

We strive to maintain the balance between rewarding our executives in challenging market circumstances – as they continue to deliver our strategy against significant headwinds – and aligning that reward with stakeholder experience.

2025 performance

This has been another challenging year for Synthomer, with ongoing weak demand across many of our markets. Against this backdrop, we have continued our focus on delivering our strategy, and on developing and investing in differentiated, speciality products, which together have led to increased EBITDA margin. We have expanded our self-help cost-reduction programmes and focused on strong operational execution and positive cash generation.

2025 incentive outcomes

Our Executive Directors continue to deliver resilient results in difficult market conditions. We have made progress on EBITDA margin as a result of driving our strategy and have maintained positive operating cash and debt levels that are well within our covenants. This is a testament to the management team who have delivered resilient results despite the ongoing market headwinds, and who have maintained strong operational performance while implementing significant cost-reduction programmes.

Once again, when considering the appropriate level of reward, the Committee has reflected on the level of challenge faced by the management team in delivering these results, balanced with the experience of all our stakeholders.

Annual bonus

The 2025 annual bonus plan was designed to reward delivery of our key financial metrics: EBITDA and operating cash. Cash was reintroduced as a metric for 2025 (with a 20% weighting) to reflect the importance of generating positive cash and reducing costs in a challenging environment. The remainder of the bonus was based on personal strategic objectives linked to ongoing business transformation and on SHE measures aligned to our ongoing commitment to safety.

Performance of our main financial metric, EBITDA, did not meet the targets set at the beginning of the year because of difficult market conditions; however, the management team delivered a strong operating cash outturn. The Committee recognised that the management team has maintained focus on the key aspects of delivering the business strategy, in particular, the focus on higher-margin speciality products, improving reliability and delivering cost savings. In addition, the sale of William Blythe was successfully delivered and operational cash optimised. This was reflected in the 10% awarded to both Executive Directors for their personal performance.

The continued focus on health and safety also delivered an outturn of 5% of the overall bonus.

When determining the annual bonus plan outcome, our Committee considered the achievements of the management team in a challenging market environment – delivering resilient financial results, optimising operational cash and successfully divesting William Blythe – balanced with the experience of other stakeholders, including the wider workforce, and affordability.

As a result, and taken in the round, discretion was applied to reduce the formulaic outturn of 35% of maximum to 15%. The management team and the Committee both considered this to be a fair result for the year, which effectively balances all stakeholder interests.

Performance Share Plan (PSP)

The earnings per share (EPS), total shareholder return (TSR) and leverage metrics for the 2023 PSP, based on the three-year performance to 31 December 2025, did not achieve the threshold level set when the awards were made.

The new and protected products (NPP) ratio and carbon reduction metrics exceeded the maximum levels set by the 2023 PSP.

The additional PSP award of 50% of salary made to the Executive Directors in 2023 did not achieve the threshold level, which was upper-quartile relative TSR performance.

We considered that the overall outturn of 20% was fair and did not apply any discretion.

Directors' remuneration policy

Our Committee spent significant time in the year reviewing the existing remuneration policy, which was approved by shareholders at the 2023 AGM. We focused on whether the existing policy remained fit for purpose in terms of supporting the delivery of our business strategy while appropriately rewarding our Executive Directors in the current difficult market conditions.

We particularly considered potential alternative long-term incentive plan designs and metrics, given the low vesting levels during the term of the current policy – and despite the management team taking decisive action in challenging circumstances. We also considered the experience of our stakeholders over the same period and the feedback we have received from them over the past 12 months.

On balance, we decided that the current policy, including the incentive design, remains motivational for our management team – and that with a focus on improving financial performance, aligns closely with the expectations of our wider stakeholders. So, we are not proposing any substantive changes to the policy, other than removing the requirement for deferral of one third of bonus into shares for Executive Directors once their shareholding requirements have been met. See pages 103 to 112 for more details.

Performance measures for 2026 incentives

Our short-term and long-term incentive opportunities remain at the same levels as 2025.

Annual bonus

In 2025 we reintroduced operating cash (20% weighting) as a financial metric, alongside EBITDA (60% weighting), reflecting feedback from our stakeholders on the importance to them of improving operational cash generation. As part of the remuneration policy review, our Committee considered whether these two metrics remain the most appropriate, taking into account the business imperatives for 2026.

However, we also considered it necessary to introduce a specific metric aligned to the strategic focus for the year. We will add a strategic financial objective at 10% weighting, while reducing the operating cash metric to 10% to accommodate this. EBITDA will stay at 60% weighting. Our Committee believes this approach appropriately incentivises and rewards management for making the critical strategic decisions that will generate future value creation.

The 2026 measures will continue to include a small weighting for non-financial metrics – with 10% for achieving SHE objectives and up to 10% for achieving strategic personal objectives – aligned to the delivery of our strategy.

PSP

In looking at the design and metrics for our long-term incentive plan as part of the policy review, we concluded that the current design remained the best fit for all stakeholders for 2026, with the metrics intended to be broadly aligned with those used in the prior year.

However, given the continued significant share price volatility and the debt refinancing process, the Committee determined that it was not appropriate to proceed with the 2026 grants at this time, because these conditions presented material challenges to granting awards and setting meaningful targets. So, full details of the approach to the award – including final confirmation of the approach to performance metrics, weightings and targets – will be disclosed at the time of grant.

When the 2026 grants are made, we intend to maintain the primary incentive award for the CEO at 200% of base salary and for the CFO at 150%, with the opportunity to receive an additional 50% of base salary under the additional PSP award. The additional PSP award of 50% of base salary will continue to be based wholly on more challenging relative TSR targets. This award will continue to use the FTSE 250 (excluding investment trusts) as a comparator group and will only start to vest for achieving upper-quartile performance, with maximum vesting achieved at upper decile to align the Executive Directors' reward with our stakeholders' experience.

The Committee retains discretion to review the level of payout award at the end of the vesting period, and to scale back vesting if, at that time, we consider that the outcome does not align with shareholder and wider stakeholder experience during the period.

Wider workforce reward

The Committee considers the context of the wider workforce reward programmes when making decisions on executive remuneration, looking to align salary increases and performance metrics where practical. We also reviewed how incentive metrics aligned across the organisation to make sure they reflect our business priorities and provide line of sight to our key financial metrics for all employees. This has resulted in the introduction of a cash metric in the bonus plan for the wider workforce in 2026.

When determining increases for senior management, our Committee considered the percentage pay increases awarded to levels below the Executive Committee. As a result, we have chosen to adjust our Executive Directors' base salaries by 2.5% relative to 2025 levels. These increases are in line with the average increase for the UK management population.

Committee changes

Jonathan Silver and Janet Ashdown joined the Board on 1 July 2025 and became members of the Remuneration Committee from the same date.

Looking ahead

Our Committee continues to work effectively together, with robust discussions on the Directors' remuneration policy in 2025 and a specific deep dive into incentive design. As markets continue to be volatile, the same challenges remain for the Committee in 2026: to provide motivating rewards for Executive Directors while aligning with stakeholder expectations.

Holly Van Deursen
Remuneration Committee Chair

30 April 2026

Remuneration at a glance

Here we highlight the performance and remuneration outcomes for the year ended 31 December 2025. More detail is provided in the annual report on remuneration from pages 113 to 126.

Policy for Executive Directors

The current Directors' remuneration policy was approved in 2023, so is due to be renewed at the AGM in June 2026.

During its meetings in 2025, the Remuneration Committee discussed the important role the policy plays in supporting delivery of Synthomer's strategy in challenging industry conditions. We considered a number of changes, specifically around incentive design. On balance, however, we felt that the current policy was broadly the most appropriate to reward performance and motivate the management team – while aligning with stakeholder interests – in the current difficult climate in the chemicals industry. That means the proposed policy is substantially the same as the current policy, with a minor change related to bonus deferral once shareholding requirements have been met, and some other small changes to align to investor guidelines and current best practice. The full proposed policy is set out on pages 103 to 112.

Remuneration type

- Base salary
- Benefits
- Pension
- Annual bonus
- Performance Share Plan (PSP)
- Shareholding requirements

Base salary

Generally reviewed each year. Salary increases will usually be awarded in line with the average increase for the UK management population. Base salaries were increased by 2.5% from 1 January 2026, in line with the average increase awarded to the UK management population. Salaries at 1 January 2026 are:

Michael Willome £740,810	Lily Liu £501,471

Benefits

Include private health insurance, life insurance, car allowance and costs related to business moves (relocation) or international assignments. The CEO also receives a housing allowance.

Pension

Cash allowance of 7% of base salary for the CEO and CFO, which is aligned with that of the UK workforce.

Annual bonus (audited)

Maximum up to 150% of base salary. At least 70% assessed against financial metrics (80% in 2025), with up to 30% assessed against strategic and operational measures (20% in 2025). Awards in relation to financial performance of:

20%	50%	100%
of maximum for threshold	of maximum for target performance	of maximum for out-performance.

The Committee determines performance against strategic individual objectives in the round, taking into account performance against objectives set and each executive's overall contribution. A proportion of the bonus earned is deferred into shares for two years, until the shareholding requirement is reached. For current Executive Directors, this is one third of any bonus.

Performance Share Plan (PSP)

Shares awarded may not exceed 250% of salary (primary award 200%, additional award 50%).

Vesting based on performance over three years. For the primary award, at least 70% based on financial measures and up to 30% on strategic and sustainability performance measures linked to delivering the business strategy. There is a two-year post-vesting holding period requirement. For the additional PSP award, relative TSR will be the single performance metric, with threshold vesting for upper-quartile performance and maximum vesting at upper-decile performance.

Maximum of 25% for each element will vest for threshold performance.

Shareholding requirements

CEO 220% and CFO 200% of base salary.

Requirements expected to be built up over five years.

Incentive outturns

Annual bonus

Actual performance against the three annual bonus metrics are set out below.

	Weighting	Threshold	Target	Maximum	Actual	Bonus
EBITDA	60%	Threshold £141.4m	Target £157.1m	Maximum £172.8m	£136.5m	0%
Operating cash	20%	Threshold £67.6m	Target £75.1m	Maximum £82.6m	£109.6m	20%
SHE – OSHA incidents	5%		0.20		0.15	5%
SHE – Process safety	5%		0.20		0.25	0%
Individual strategic and operational goals	10%				10%	10%
Total bonus as a % of maximum before discretion applied	**100%**					**35%**
Total adjusted bonus as a % of maximum after discretion applied						**15%**

PSP 2023 award

Actual performance against the five elements of the PSP are set out below.

	Weighting	Threshold	Maximum	Actual	PSP
Relative TSR	20%	Median quartile	Upper quartile	below median	0%
EPS growth (targets restated post share consolidation and rights issue)	30%	61.8p	72.1p	-37.2p	0%
Leverage ratio (Group net debt/adjusted EBITDA)	30%	3x	2x	4.7x	0%
NPP	10%	14% of 2025 sales volume to come from new products launched in the five years to December 2025	21%	23.8%	10%
Carbon reduction	10%	20% reduction in CO_2 emissions compared with 2019 baseline	30%	32.1%	10%
Total outcome	**100%**				**20%**

Our key principles for Executive Directors' remuneration

At Synthomer, our key principles for Executive Directors' remuneration are that it:

- Should be clear and simple with maximum award levels being clearly defined
- Is sufficient to attract and retain Executive Directors of the ability and expertise necessary to achieve the strategic goals of the Company
- Incentivises Executive Directors by rewarding performance and driving the right behaviours while ensuring appropriate safeguards are in place to mitigate risk
- Aligns Executive Director reward with the experience of stakeholders.

As well as considering the reward, incentives and conditions of employees throughout the Group when looking at the remuneration of Executive Directors and senior management, the Committee also considers corporate governance requirements and best practice in terms of remuneration structures and the process of setting executive remuneration.

The Committee reviews performance targets regularly to make sure they do not encourage or motivate inappropriate risk-taking. When assessing performance, the Committee will also, when necessary, consider any ESG events and the Audit Committee's reviews of the effectiveness of internal controls and risk management.

Proposed new remuneration policy

Summary of proposed changes to the Directors' remuneration policy

As outlined in the Chair's introduction, we have made no material changes to the Directors' remuneration policy for 2026. The one change we are proposing to the current 2023 policy is to remove the requirement to defer a portion of an Executive Director's annual bonus into shares once they have met their shareholding guideline.

Setting out the Directors' remuneration policy for 2026

The proposed policy for 2026 (proposed policy), which is intended to replace the policy shareholders approved at the 2023 Annual General Meeting (current policy), is subject to a binding vote by shareholders at the Annual General Meeting on 22 June 2026. If approved, it will come into effect from that date and is intended to apply until the 2029 Annual General Meeting.

The Remuneration Committee undertook a thorough review of Directors' remuneration arrangements and determined that the current policy was broadly fit for purpose. Only one change is proposed, which is to remove the requirement for annual bonus deferral once the Executive Directors have met the shareholding guideline. Once an Executive Director has met their guideline, the Committee believes they are already well aligned with the interests of shareholders and incentivised to make sustainable long-term decisions – so deferring a portion of the annual bonus is no longer required to achieve this goal. We have also proposed some minor amendments to the wording of the current policy to align with best practice.

In determining the proposed policy, the Committee followed a robust process, which included discussions about its content at Remuneration Committee meetings during the year. The Committee considered input from management and our independent advisers, as well as best practice and guidance from major shareholders, proxy agencies and institutional investor representative bodies. We have also consulted with major shareholders on our proposed policy. While we did not consult specifically with employees on this proposed policy for executive remuneration, we considered general feedback provided through our designated employee Non-Executive Director.

The proposed policy in detail

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	Supports the recruitment and retention of Executive Directors. Reflects the individual's skills, experience, performance and role within the Company, and its size and complexity.	The Committee reviews salary levels at appropriate intervals. When reviewing salary levels, the Committee considers: • The individual's skills, experience and performance • The size and scope of the role • Pay of the wider workforce • Pay at companies of similar size, complexity and international scope • Any other relevant factors.	There is no overall maximum for salary opportunity or increases. Salary increases will normally be in line with or below the increases awarded to the wider workforce. Larger increases may be made under certain circumstances, including, but not limited to: • An increase in the scope and/or responsibility of the individual's role • The development of the individual within the role • Alignment to market levels • Material change in market practice • Significant change in the size and complexity of the organisation • Corporate events such as a significant acquisition or Group restructuring that affects the scope of the role • Other exceptional circumstances. For 2026, Executive Director salaries are: • M Willome: £740,810 an increase of 2.5% • L Liu: £501,471 an increase of 2.5%.	None, although individual and Company performance are considered when looking at salary increases.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits	Provided to support the retention and recruitment of Executive Directors.	Benefits to Executive Directors may include private health insurance, life insurance and a fully expensed car or car allowance. The Committee has the discretion to review the benefits provided and may remove benefits or introduce other benefits if it considers it is appropriate to do so. Where Executive Directors are required to relocate on a permanent or temporary basis, the Committee may offer additional benefits – either on a one-off or ongoing basis – or vary benefits according to local practice. Expenses incurred may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the expenses. Executive Directors may participate in any all-employee share schemes or other benefit arrangements on the same basis as other employees.	There is no overall maximum for benefits, because the cost of insurance benefits may vary from year to year depending on individual circumstances, and the level of any relocation benefits, allowances and expenses will depend on the specific circumstances.	None.
Pension	Provide a competitive level of retirement benefits to support the retention and recruitment of Executive Directors.	Executive Directors are eligible to participate in the Group personal pension plan. Executive Directors may receive payments in whole or part as a cash allowance, which they may use either in conjunction with that plan and/or to enable them to make their own arrangements.	A maximum percentage of base salary aligned to the pension contribution rate available for the majority of the UK workforce (currently 7% of base salary).	None.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual bonus	Incentivises the delivery of financial, strategic and operational objectives selected to support our business strategy within the year.	The Committee will determine performance targets for each performance period and assess performance against these targets following the end of the performance period. If an Executive Director has not met their shareholding guideline, then two thirds of the bonus will normally be delivered in cash with one third of the bonus deferred into shares for two years. If an Executive Director has met their shareholding guideline, then their entire annual bonus will normally be delivered in cash. The Committee may, at its discretion, adjust annual bonus payments, if it considers that the outcome is not appropriate or does not reflect the underlying financial or non-financial performance of the participant or the Group in the relevant period – or, that such a payout level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When deciding this, the Committee may take into account other factors it considers relevant. The Committee may reduce, cancel and/or forfeit the payment of annual bonus, including in the circumstances of serious misconduct, if there are circumstances giving rise, or that could give rise to material reputational damage to the Group, or if there has been a material misstatement of the Group or any member of the Group's financial statements, or if there has been an error in determining a performance condition or other condition, or in the event of a corporate failure. The Committee may reduce, cancel or claw back deferred bonus awards normally up to three years after grant in the same circumstances as set out above for the reduction of the annual bonus. The Committee considers the malus and clawback timeframes to be a reasonable period over which incentive pay should remain at risk.	The maximum opportunity in respect of a financial year is up to 150% of salary. For 2026, the bonus opportunity will be: • M Willome: 150% of salary • L Liu: 150% of salary.	Normally, a minimum of 70% of awards are subject to financial measures, such as EBITDA and other relevant financial metrics. A maximum of 30% of awards are subject to strategic and operational measures, including personal objectives. For 2026 awards, performance measures will be 60% EBITDA, 10% Group operating cash, 10% Strategic financial objectives, 10% SHE objectives, and 10% personal strategic and operational objectives. The award for threshold performance is normally 20% of maximum. The award for target performance for the financial measures is normally 50% of maximum. Normally, strategic, personal and SHE targets are set as single binary targets.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Performance Share Plan	Incentivises Executive Directors to deliver sustained performance and sustainable returns for shareholders over the longer term.	The vesting of awards is conditional on the Group's performance against long-term targets over a performance period that will normally be at least three years. The Committee may adjust the extent to which an award may vest if it considers that the outcome is not appropriate, including when considering the underlying financial or non financial performance of the Group or any member of the Group, business area or team, the performance, conduct or capability of the participant, the impact of any material safety, health or environmental incident or otherwise which gives rise to material reputational damage to the Group, the experience of stakeholders, corporate failure or windfall gains. The Committee may lapse an award in circumstances where the participant is summarily dismissed or leaves in circumstances where the participant's employer would have been entitled to summarily dismiss them. The Committee may reduce, cancel or claw back awards up to three years after vesting in the same circumstances as set out in the annual bonus section of this policy table. Vested awards are subject to a holding period post-vesting of an additional two years.	The value of shares awarded to an individual in respect of any one year may not normally exceed 250% of salary. For 2026, the present intention is that annual awards to current Executive Directors are: • M Willome: 250% of salary, comprising a primary award of 200% and an additional award of 50% • L Liu: 200% of salary, comprising a primary award of 150% and an additional award of 50%.	• For the primary PSP award, at least 70% based on financial measures. This may include TSR, EPS, Return on Invested Capital (ROIC) or any other measure the Committee considers appropriate. • Up to 30% based on strategic and sustainability performance measures. • The additional PSP award of 50% of base salary will be entirely based on relative TSR, with threshold vesting beginning at upper quartile performance and maximum vesting at upper decile. A maximum of 25% of each element will vest for threshold performance.
Shareholding guidelines during and post-employment	The Company operates shareholding guidelines for Executive Directors to strengthen the alignment between their interests and those of our shareholders. The CEO and CFO will be expected to build interests in shares of at least 220% and 200% of salary, respectively, within five years of appointment. Executive Directors who step down from their role will normally be expected to maintain their minimum shareholding (or actual shareholding, if lower) for the first 12 months after leaving the Board, and 50% of their minimum shareholding (or actual shareholding, if lower) for the next 12 months. The Committee has the discretion to waive this guideline if it is not considered appropriate in the specific circumstances.			

Provisions to withhold or recover sums paid under incentives are detailed in the table above and the relevant governing plan rules and award terms. No other elements of remuneration are subject to recovery provisions.

Applying the policy

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the proposed policy set out in the previous table where the terms of the payment were agreed (i) before the proposed policy came into effect, provided that the terms of the payment were consistent with any applicable shareholder-approved Directors' remuneration policy in force at the time they were agreed or were otherwise approved by shareholders; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the proposed policy applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than the time the award is granted.

The Committee may make minor adjustments to the proposed policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Awards granted under the PSP may:

a Be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect

b Have any performance conditions applicable to them changed by the Committee if an event occurs that causes the Committee to reasonably consider it appropriate to do so

c Incorporate the right to receive an amount equal to the value of dividends that would have been paid on the shares under an award that vests up to the time of vesting – or, where the award is subject to a holding period, release. This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis

d Be settled in cash at the Committee's discretion. For Executive Directors, this provision will only be used in exceptional circumstances, such as where for regulatory reasons it is not possible to settle awards in shares

e Be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may materially affect the Company's share price.

Deferred bonus shares may be granted as conditional share awards in line with the rules of the Deferred share bonus plan.

Performance measures and targets

Annual bonus

The annual bonus performance measures are chosen to provide an appropriate balance between incentivising Executive Directors to meet financial targets for the year and to deliver specific strategic and operational goals. The balance allows the Committee to effectively reward performance against key elements of our strategy.

The Committee sets the bonus targets each year to ensure that Executive Directors are appropriately focused on the key objectives for the next 12 months. Targets are set by reference to the Company's business plan.

Performance Share Plan

The performance measures under the PSP are set to align with the long-term strategy of the Company and long-term value creation for shareholders. Measures for 2026 awards may include:

- EPS – reflecting the financial performance of the Company. The Committee sets targets to be appropriately stretching, with regard to a number of internal and external reference points generally using previous years' EPS as a base for growth
- Reduction in leverage, which addresses a current primary concern for shareholders
- Relative TSR – reflecting the Company's ultimate delivery of value to shareholders. The Committee considers that this promotes alignment between the interests of Executive Directors and the shareholder experience. Relative TSR will be in two bands: threshold-to-maximum payouts being median to upper quartile for the primary award, and upper quartile to upper decile for the additional PSP awards

- ESG and/or strategic measures directly incentivising management to deliver the Company's key ESG and strategic priorities.

The Committee considers that this performance framework represents an appropriate and balanced basis on which to measure the performance of the Company.

Difference in policy for Executive Directors and other employees

The remuneration policy for our Executive Directors is designed according to the same principles that underpin remuneration for the wider employee population, and this was taken into account when revising the current policy. The wider workforce also participates in performance-based incentives. Throughout the Group, base salary and benefits levels are set according to the prevailing market conditions. Differences between Executive Director pay policy and other employee pay reflect the seniority of the individuals, the prevailing market conditions and the corporate governance practices for Executive Director remuneration. The key difference in policy is that, for Executive Directors, a greater proportion of total remuneration is based on incentives.

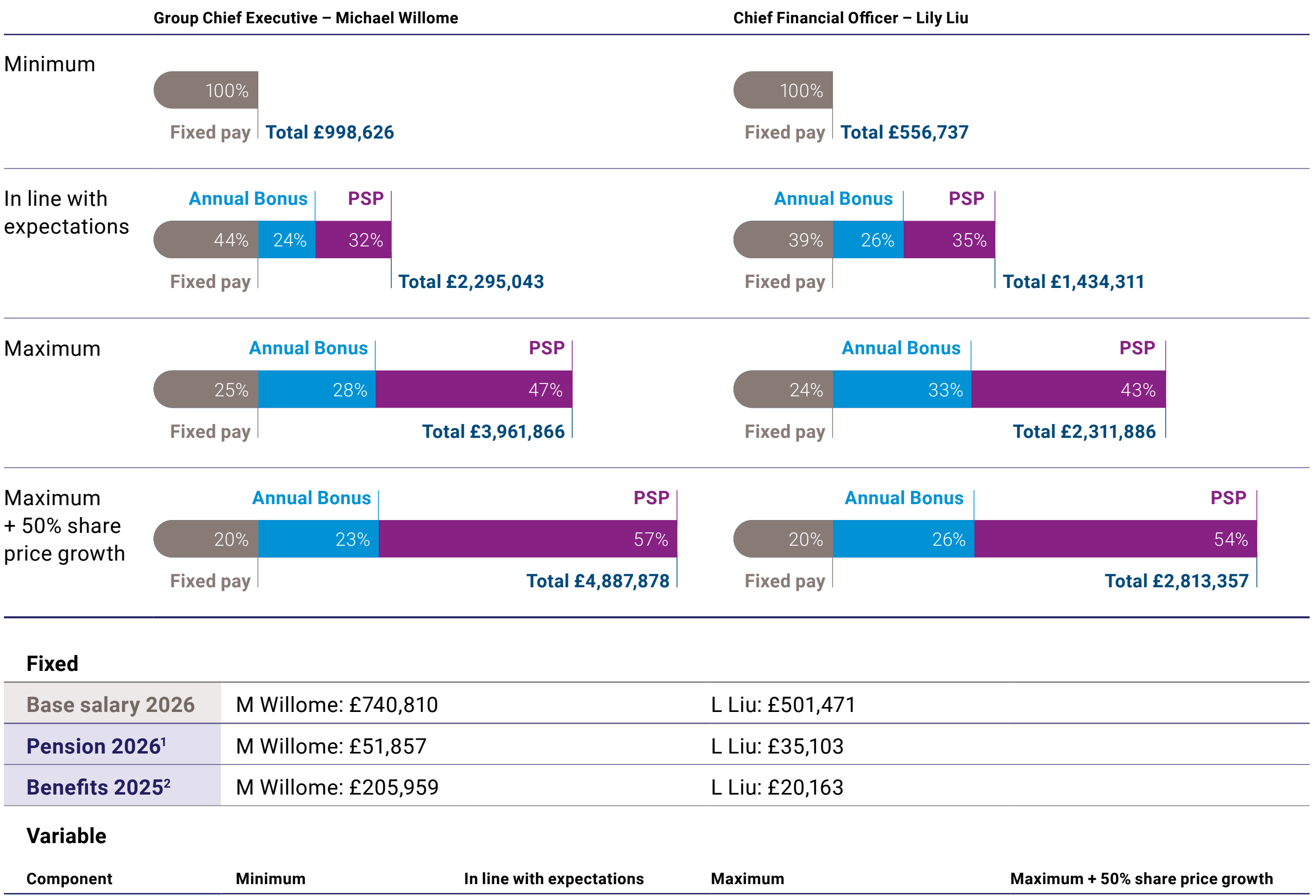
Non-Executive Directors' fees

Non-Executive Directors' fees	The Board reviews Non-Executive Director fees at appropriate intervals. When reviewing fee levels, the Board may consider the scope and time commitment of the role, the skills and experience of the individual and the fee levels at other companies. Non-Executive Directors do not participate in determining their own fees. Non-Executive Directors may receive a base fee for Board membership, plus additional fees for chairing Board Committees, or for being a member of a Board Committee or the Senior Independent Director. Additional fees may be paid to reflect additional Board or Committee responsibilities or time commitment as appropriate. Expenses incurred in performing Non-Executive Director duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the expenses. Non-Executive Director fees are normally paid in cash but may be delivered in shares. Non-Executive Directors do not participate in incentive arrangements or receive pension or benefits. Non-significant additional benefits may be introduced if considered appropriate.
Chair's fees	The Committee reviews Chair fees at appropriate intervals. When reviewing fee levels, they may consider the scope and time commitment of the role, the skills and experience of the individual and the fee levels at other companies. The Chair does not participate in determining the fee level. Expenses incurred in performing duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the expenses. The Chair does not participate in incentive arrangements or receive pension or benefits. Non-significant additional benefits may be introduced if considered appropriate.

Total fees to Non-Executive Directors, including the Chair, operate within the cap defined in the Articles of Association, which is currently £750,000 a year.

How we would apply the proposed policy

The following charts illustrate the different elements of the Executive Directors' remuneration under four different performance scenarios: minimum, in line with expectations, maximum and maximum plus 50% share price increase. The assumptions used are provided below the charts. The illustrations are based on annual bonus awards for 2026 and PSP awards to be granted in 2026.



Fixed

Base salary 2026	M Willome: £740,810	L Liu: £501,471
Pension 2026[1]	M Willome: £51,857	L Liu: £35,103
Benefits 2025[2]	M Willome: £205,959	L Liu: £20,163

Variable

Component	Minimum	In line with expectations	Maximum	Maximum + 50% share price growth
Annual bonus	0% of maximum	50% of maximum	M Willome: 150% of salary L Liu: 150% of salary	Same as maximum
PSP[3]	0% vesting	40% vesting[4] 38% vesting[4]	M Willome: 250% of salary[5] L Liu: 200% of salary[5]	Maximum plus 50% share price growth

1 Value of cash supplement for 2026.
2 Taxable value for annual benefits provided in 2025, as disclosed in the single figure.
3 The value for the PSP is based on the face value of annual awards under the proposed policy and base salaries for 2026. The calculation excludes share price growth or dividends during the performance period other than where stated.
4 Being 50% of the primary award and 0% of the additional award.
5 Comprising a primary award of 200% of salary and an additional award of 50% of salary for the CEO, and 150% and 50% for the CFO.

Recruitment policy

Executive Directors
The Committee considers the following principles when agreeing the components of a remuneration package for a new Executive Director:

- Base salary will be set considering the principles set out in the table on page 104 and may be set at a higher or lower level than the previous incumbent. Where a base salary is set to be lower, it may be subject to larger increases in the initial years of appointment. Pension arrangements for any external recruit as an Executive Director will be as set out in the same table. Other benefits will be provided in line with the policy for existing Executive Directors
- The Committee may, on appointing an Executive Director, need to 'buy out' remuneration arrangements or other contractual entitlements forfeited as a result of joining the Company. Any buy-out will consider the terms of the arrangements – for example, form of award, performance conditions and timeframe – being forfeited. The form of any award would be determined at the time and the Committee may, if necessary, make use of LR 9.3.2 of the Listing Rules (for the purpose of buy-out awards only). The overriding principle will be that any replacement buy-out awards will, in the Committee's opinion, be on a broadly like-for-like basis
- The maximum variable pay opportunity on recruitment (excluding buy-outs) is 400% of salary, consistent with the maximums in the policy table on pages 106 to 107
- Performance measures for awards in the first year of appointment may be subject to different performance conditions as determined by the Committee
- If an Executive Director is required to relocate, the Committee may offer additional benefits – either on a one-off or ongoing basis – or vary benefits according to local practice.

Other
For interim positions, a cash supplement may be paid rather than salary – for example, a Non-Executive Director taking on an executive function on a short-term basis.

Where an executive is appointed from within the Company, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions, and that they would be appointed on a new service contract. Similarly, if an Executive Director is appointed following the acquisition or merger with another company, legacy terms and conditions would be honoured.

Non-Executive Directors and Chairs
When appointing a new Non-Executive Director or Chair, remuneration arrangements will be in line with the principles detailed in the table on page 109.

Service contracts
The current contracts in place for Executive Directors are:

Director	Date of contract
M Willome	22 June 2021
L Liu	25 November 2021

There is no unexpired term because the Executive Directors' contracts are on a rolling basis. Save in circumstances justifying summary termination, the notice period for each of the above contracts is one year. Service contracts for new Executive Directors will be limited to 12 months' notice. The Company may, at the Committee's discretion, make a payment in lieu of notice equal to the salary, pension contributions and contractual benefits that would have been paid during any unworked notice period. This payment may be made at the Committee's discretion as a lump sum or monthly instalments, and may be subject to mitigation if the Director finds an alternative position during the notice period.

The Executive Directors are also entitled to 25 working days' holiday, plus public holidays, each calendar year.

All Non-Executive Directors are appointed in writing. Letters of appointment do not include entitlement to participate in the Company's share incentive plans or any other of its employee benefits, and do not currently have a notice period. The Company may add a notice period of no more than three months. The Non-Executive Directors are subject to annual re-election. There is no right to compensation for loss of office if they are not re-elected or if the Company terminates the appointment because the Non-Executive Director has accepted a position with another company without prior Board approval and that the Board reasonably considers this likely to give rise to a material conflict. In the event that a notice period is included in letters of appointment, the Company reserves the right to make a payment in lieu of notice.

Directors' service contracts and letters of appointment are available for inspection at the Company's registered office during normal business hours and will be available at the Annual General Meeting.

Policy on payment for loss of office
The Committee considers a number of factors when determining leaving arrangements for an Executive Director.

- Where either party gives notice of the termination of an Executive Director's employment, the Committee may make a payment in lieu of notice of any unworked notice period. Other than this provision – the obligation to pay accrued but untaken holiday, and those outlined in the table on page 112 regarding bonus and the PSP – service contracts make no provision for pre-defined compensation on termination.

- The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of existing legal obligations, or by way of damages for breach of such an obligation, or by way of a compromise or settlement of any claim arising in connection with the cessation of the Director's office or employment. Any such payment may include, but is not limited to, paying any fees for outplacement assistance and/or the Director's legal or professional advice fees in connection with their cessation of office or employment.
- The Committee may award an annual bonus for leavers in particular circumstances. Any bonus would normally be subject to performance and time pro-rating and would not be made in circumstances of poor performance. Any such bonus may be paid wholly in cash.
- On ceasing employment, the Executive Director will retain any deferred bonus shares, and the deferred period will normally continue to the original release date. For Executive Directors who are appointed to the Board after the date that the current policy came into effect, any deferred shares would normally be forfeited for 'bad leavers'. 'Good leavers' (as defined under the PSP) would be entitled to retain their deferred shares, which would vest on the normal date, unless the Committee determines otherwise.
- The treatment of outstanding PSP awards is governed by the PSP rules, under which Executive Directors may currently hold awards in the form of share options or conditional rights to receive shares. If an individual leaves holding vested PSP awards that are still subject to a holding period, the underlying shares will either be released at the end of the original holding period, or at an earlier date determined by the Committee.

Where an award is made for the purpose of recruitment – for example, a buy-out award – then the leaver provisions would be determined at the time of award, having regard to the circumstances of the recruitment, the terms of awards being bought out and the principles for leavers in the current policy.

In the event of a change of control of the Company, the Committee will determine the extent to which unvested awards will vest after taking into account all relevant factors at the time, including the extent to which any performance conditions have been achieved and the period of time that has elapsed from the award date to the date of the relevant event.

In the event of a demerger, special dividend or other similar event that, in the Committee's opinion, would materially affect the market price of shares, the Committee may allow PSP awards to vest or deferred bonus shares to release on the same basis as for a change of control.

Plan	'Good leaver' categories	Treatment for 'good leavers'	Treatment for 'other leavers'
Performance Share Plan	• Death • Injury, ill health or disability • Transfer of employing company or business outside the Group • Retirement with agreement of the Committee • Redundancy • Any other reason as determined by the Committee	• Awards will vest subject to achieving performance conditions as determined by the Committee and – unless the Committee determines otherwise – will be time pro-rated to reflect the proportion of the vesting period that has passed at the time of leaving. • The vesting date for such awards will normally be the original vesting date, although the Committee may determine that awards can vest when employment ceases, subject to the assessment of any performance condition. Where unvested awards are subject to an additional holding period, the Committee will determine the extent to which the holding period applies following cessation. • Awards in the form of options that vest early due to cessation of employment may be exercisable until the earlier of (i) 12 months from the date of vesting, and (ii) the normal expiry of the exercise period. Following this date, unexercised awards will lapse. • If the participant ceases employment after the normal vesting date, options may be exercisable until the earlier of 12 months from the date of cessation, or the normal expiry of the exercise period. Following this date, unexercised awards will lapse.	• Unvested awards lapse in full.

Annual report on remuneration

Single figure of remuneration for Executive Directors (audited)

	Year	Base salary £	Benefits £	Other £	Pension £	Total fixed remuneration £	Annual bonus £	Long-term incentives[1] £	Total variable remuneration £	Total £
Executive Directors										
M Willome	**2025**	**722,741**	**205,959**	**–**	**50,592**	**979,292**	**163,159**	**19,123**	**182,282**	**1,161,574**
	2024	701,690	201,729	–	49,118	952,537	547,318	39,947[2]	587,265	1,539,802
L Liu	**2025**	**489,240**	**20,163**		**34,247**	**543,650**	**110,446**	**9,709**	**120,155**	**663,805**
	2024	474,990	16,342	205,672	33,249	730,253	370,492	11,397[2]	381,889	1,112,142

1 For 2025, the values relate to awards granted under the PSP in 2023, which vest on 4 April 2026. More information about the level of vesting is provided in this report. Given these awards have not yet vested, they have been valued based on the average share price for the period 1 October 2025 to 31 December 2025 of 60p, along with any accrued dividends from the date of grant. The number of shares subject to the award was adjusted to reflect the share consolidation and rights issue. This will be restated next year to reflect the actual value at the date of vesting. There was no share price appreciation that affected the value of the awards, so the Committee did not exercise discretion in respect of the share price changes.

2 The 2022 PSP award value has been restated to reflect the actual value on vesting on 10 March 2025 and 9 August 2025.

Additional information for single figure remuneration (audited)

Benefits

	Relocation expenses £	Car expenses/ benefit £	Other £	Total £
M Willome	176,604[1]	24,000	5,355	**205,959**
L Liu	–	15,000	5,163	**20,163**

1 Given M Willome moved from Switzerland to the UK, he receives a monthly relocation allowance of £7,800 for a four-year period. The allowance is grossed up for tax.

Pension entitlements (audited)

Both current Executive Directors receive a cash allowance in lieu of pension contributions of 7% of base salary in line with the pension provision for the wider UK workforce.

Annual bonus (audited)

2025 award

For 2025, the Company operated a bonus plan for the Executive Directors related to the achievement of EBITDA targets, operating cash, SHE targets, and individual strategic and operational goals, weighted as follows:

- EBITDA – 60%
- Operating cash – 20%
- SHE – 10%
- Individual goals – 10%.

The maximum bonus level for M Willome and L Liu was 150% of salary.

Executive Directors	Maximum bonus as a % of salary	Total bonus as a % of maximum	Total bonus £
M Willome	150%	15%	**163,159**
L Liu	150%	15%	**110,446**

For M Willome and L Liu, one third of the bonus has been deferred into shares for two years.

The formulaic outturn for the 2025 annual bonus was 35% of maximum. The Committee and management team held detailed discussions about the appropriate level of bonus awards for Executive Directors, taking into account the achievements of the management team in the context of a challenging environment, affordability considerations, stakeholder views and feedback, and the broader shareholder experience. As a result, our Committee applied discretion to reduce the formulaic outturn of 35% of maximum to 15% for the Executive Directors.

More information about the individual elements of the 2025 bonus is as follows:

1. EBITDA (60%)

	Threshold	Target	Maximum	Achieved
Level of award (% of element)	20%	50%	100%	0%
EBITDA[1]	£141.4m	£157.1m	£172.8m	£136.5m

1 The original targets were adjusted to reflect the sale of William Blythe.

2. Operating Cash (20%)

	Threshold	Target	Maximum	Achieved
Level of award (% of element)	20%	50%	100%	133%
Cash numbers	£67.6m	£75.1m	£82.6m	£109.6m

3. SHE (10%)

Targets with an aggregate weighting of 10% related to improvements in recordable injury and process safety.

	Recordable injury (recordable injury case rate)	Process safety (measured as process safety event rate)
Target	0.20	0.20
Level of award	0% for a rate greater than 0.20 5% for a rate less than 0.20	0% for a rate greater than 0.20 5% for a rate less than 0.20
Rate achieved	0.15	0.25
Award outcome	5%	0%

4. Individual strategic and operational goals (10%)

The Committee considered individual goals and achievements against them with an aggregate weighting of 10%, including:

	Chief Executive Officer	Chief Financial Officer
Target	**1 Build on the strategy delivery, with more progress on all five pillars and three enablers. Focus on pillar 2 (portfolio management)** **2 Achieve or exceed financial targets through disciplined self-help, and make more progress to plan to deleverage as necessary in absence of any reasonable market recovery** **3 Continue to enhance the company transformation, including through tangible innovation and digitalisation projects**	**1 Continue to develop and track Group and Finance function cost-reduction and efficiency programmes, including any stranded costs following non-core divestments** **2 Continue to develop the Company's financial resources and protect the covenants. Continue to improve cash performance** **3 Build on and develop the drive to digital transformation**
Level of award	Up to 10%	Up to 10%

	Chief Executive Officer	Chief Financial Officer
Performance against targets	**1 Build on strategy delivery, with focus on portfolio management. Achieve financial targets through self-help and plan for deleveraging** Successfully sold William Blythe, including environmental liabilities, after a failed process in 2023. Successfully sold Ningbo land to government with net proceeds of £5m, after transferring the production of antioxidants to a third-party toller at lower rates. Progressed Board approval processes for multiple divestment projects. Increased profit margins in line with speciality strategy.	**1 Continue to develop and track cost-reduction and efficiency programmes** Initiated Project Peak (cost-reduction programme), focusing on delivering sustainable cost savings, primarily in enabling functions. Established and delivered a comprehensive plan across functions, with a reduction of 250 roles across the full programme, and generated more than £20m in savings at a one-time cost of £9m.

	Chief Executive Officer	Chief Financial Officer
Performance against targets continued	**2 Achieve or exceed financial targets through disciplined self-help, and make more progress to plan to deleverage as necessary in the absence of any reasonable market recovery** Significant cost reduction achieved through decisive self-help measures. Leverage achieved well within covenant ratio by year end through active and comprehensive cash management. More margin progress year-on-year through strategy delivery and cost management, despite lower revenues as a result of end market demand weakness following tariff changes. **3 Deliver company transformation through innovation and digitalisation** Continued Synthomer transformation, with clear progress evidenced in product vitality and digitalisation across the organisation. Successful appointment of Chief Human Resources Officer to drive more cultural transformation and capability. CCS leadership team reorganised to bring renewed approach to markets and additional focus on the USA. Good progress with Board Innovation Task Force.	**2 Continue to develop financial resources, protect covenants and improve cash performance** Implemented daily focus on cash management, with daily reporting, collection targets and tracking. New factoring implemented in Asia for the first half of the year. In the second half, as the end markets continued to deteriorate, implemented a receivables purchasing programme with our largest shareholder, KLK, at the end of the year. **3 Drive digital transformation** Implemented a range of digital projects with a combination of function-based tools (intercompany matching automation, advanced financial close pilot), together with business-focused tools such as the pricing tool. These initiatives created value through small upfront investments with a short payback period.
Award outcome	10%	10%

Additional information for single figure remuneration (audited)

Long-term incentives – PSP

The primary awards made in 2023 for M Willome and L Liu under the PSP were subject to the following performance metrics:

- Relative TSR performance – 20%
- Absolute underlying earnings per share performance – 30%
- Leverage ratio – 30%
- Carbon reduction (Scope 1 and 2) – 10%
- NPP – 10%.

	Weighting	Threshold	Maximum	Outcome achieved	% vesting (of maximum)
Relative TSR	20%	Median	Upper quartile	Below median	0%
EPS[1]	30%	61.8p	72.1p	-37.2p	0%
Leverage ratio (Group net debt/ adjusted EBITDA)	30%	More than 3x	Less than 2x	4.7x	0%
Carbon reduction – in Scope 1 and 2 CO_2 emissions from the 2019 baseline	10%	20%	30%	32.1%	10%
NPP – by volume over the five-year period to end 2025	10%	14%	21%	23.8%	10%
Total	100%				20%

1 EPS targets have been restated to reflect the impact of the share consolidation and rights issue on the issued share capital. The original targets were: Threshold 21.7p, Maximum 25.3p.

25% vests for threshold performance. All metrics vest on a straight-line basis between threshold and maximum. In aggregate, 20% of the 2023 primary award vested. The Committee felt the final outcome to be fair and so no discretion was applied.

Additionally, because the share price is currently lower than that of the 2023 grant, the Committee considered that there was no windfall gain.

The primary 2023 award will vest for M Willome and L Liu on 4 April 2026 as follows:

	No. of shares[1] in original award	No. of shares that lapse	No. of shares that vest	Estimated value of shares that vest[2] £
M Willome	159,353	127,482	31,871	19,123
L Liu	80,903	64,722	16,181	9,709

1 Adjusted for the share consolidation and rights issue.
2 As these awards have not yet vested, they have been valued on the basis of the average share price for the period 1 October 2025 to 31 December 2025 of 60p. This will be restated next year to reflect the actual value at vesting.

The additional PSP award had a single metric of relative TSR. The threshold level of upper-quartile performance was not met, so this award will not vest.

	No. of shares[1] in original award	No. of shares that lapse	No. of shares that vest	Estimated value of shares that vest £
M Willome	62,285	62,285	0	0
L Liu	42,162	42,162	0	0

1 Adjusted for the share consolidation and rights issue.

Overall, the Committee considers that the remuneration policy has operated as it intended during 2025, and that the pay outcomes are fair when considering the efforts and achievement of the management team, and when taking into account the experience of shareholders and other stakeholders. The malus and clawback provisions have not been used in this period.

Single figure of remuneration for Non-Executive Directors (audited)

Non-Executive Director	Year	Base fee £	Committee membership fee £	Committee Chair fee £	Total £
CA Johnstone[1]	**2025**	**–**	**–**	**–**	**–**
	2024	244,400	–	–	244,400
The Hon. AG Catto[2]	**2025**	**19,998**	**–**	**–**	**19,998**
	2024	46,597	–	–	46,597
RC Gualdoni[3]	**2025**	**45,734**	**14,294**	**–**	**60,028**
	2024	46,597	15,000	–	61,597
Dato' Lee Hau Hian	**2025**	**47,995**	**–**	**–**	**47,995**
	2024	46,597	–	–	46,597
HA Van Deursen	**2025**	**47,995**	**15,000**	**10,000**	**72,995**
	2024	46,597	15,000	10,000	71,597
I Tyler[4]	**2025**	**55,263**	**14,294**	**9,529**	**79,086**
	2024	**56,597**	**15,000**	**10,000**	**81,597**
M Flöel	**2025**	**47,995**	**15,000**	**–**	**62,995**
	2024	46,597	15,000	–	61,597
U Halder	**2025**	**47,995**	**–**	**–**	**47,995**
	2024	15,532	–	–	15,532
P Hill[5]	**2025**	**251,320**	**–**	**–**	**251,320**
	2024	20,532	–	–	20,532
J Ashdown[6]	**2025**	**24,505**	**7,500**	**–**	**32,005**
	2024	–	–	–	–
J Silver[7]	**2025**	**23,998**	**7,500**	**579**	**32,077**
	2024	–	–	–	–
Total	**2025**	**612,798**	**73,588**	**20,108**	**706,494**
	2024	570,046	60,000	20,000	650,046

1 Stepped down from the Board on 1 January 2025.
2 Stepped down from the Board on 1 May 2025.
3 Stepped down from the Board on 12 December 2025.
4 Stepped down from the Board on 12 December 2025.
5 Appointed as Chair from 1 January 2025.
6 Appointed to the Board on 1 July 2025. Appointed as Senior Independent Director on 10 December 2025. Member fee includes an additional £10,000 prorated from 12 December 2025 for her role as Senior Independent Director.
7 Appointed to the Board on 1 July 2025. Appointed as Chair of the Audit Committee on 12 December 2025.

Directors’ shareholding and share interests (audited)

Director	Interests in Company shares 31 December 2025	Total unfettered interests in shares and vested options 31 December 2025	Deferred annual bonus award	Unvested performance-related options 31 December 2025[1,2]	Share options exercised during 2025	Share ownership requirements (% of salary)[3]	Interest in shares at 31 December 2025 (% of salary)
M Willome	316,943	151,718	165,225	2,461,955	28,822	220	26%
L Liu	142,107	65,738	76,369	1,336,281	–	200	17%
Dato’ Lee Hau Hian	163,604						
HA Van Deursen	24,000						
M Flöel	0						
U Halder	50,000						
P Hill	50,000						
J Silver	59,229						
J Ashdown	19,920						

1 Unvested performance-related options comprise the awards made under the PSP in 2023, 2024 and 2025. Details of the performance conditions attached to the 2023 awards are set out on page 117, and to 2025 awards on page 120.

2 The 2023 share awards under the PSP have been adjusted to reflect the impact of the share consolidation and rights issue.

3 Until this requirement is met, no sales of shares that vest under long-term incentive plans are permitted other than to satisfy tax liabilities that arise on the exercise of share awards under such plans. The Committee considers that unfettered unexercised vested nil-cost awards are economically equivalent to shares and, as such, that they should count (on a net-of-tax basis) towards compliance with the share ownership guidelines.

There have been no changes in the interests of the Directors in shares between 31 December 2025 and at such time as this report was signed on 30 April 2026.

2025 awards (audited)

The awards made on 20 March 2025 to M Willome and L Liu were as follows:

	Scheme	Basis of award	Number of shares	Face value	Percentage vesting at threshold performance
M Willome	PSP – nil-cost options (primary award)	200% of salary	1,220,846	£1,445,482	25%
	PSP – nil-cost options (additional award)	50% of salary	305,211	£361,371	25%
L Liu	PSP – nil-cost options (primary award)	150% of salary	619,813	£733,860	25%
	PSP – nil-cost options (additional award)	50% of salary	206,604	£244,620	25%

The face value of the awards was calculated using a share price of 118.4p per share, the average share price on the five dealing days before the date of grant.

The 2025 awards under the PSP are subject to the following performance conditions:

Primary award

	Definition	Weighting	Threshold (25% vesting)	Maximum
Relative TSR	Relative TSR performance against the FTSE 250 Index (excluding investment funds and financial services companies) over the three-year period ended 31 December 2027	20%	Median	Upper quartile
EPS	Earnings per share at 31 December 2027	30%	10p	35p
Leverage	Leverage ratio at 31 December 2027	30%	Targets will be disclosed retrospectively because of commercial sensitivity	
Carbon reduction – in Scope 1 and 2 CO_2 emissions from the 2019 baseline	Reduction in carbon emissions (Scope 1 and 2) from the 2019 baseline by 31 December 2027	10%	40%	45%
New Vitality Index	Gross margin of products launched in the past five years as a proportion of group gross margin (Vitality GM/Total GM)	10%	9%	12%
Total		100%		

All metrics vest on a straight-line basis between threshold and maximum.

Additional award

For the additional award, the sole performance measure is relative TSR performance versus FTSE 250 (excluding investment trusts and financial services companies):

- 25% of this element will vest for upper-quartile performance
- 100% will vest for upper-decile performance
- Vesting on a straight-line basis between these points.

Operation of the Executive Director remuneration policy for 2026

The proposed policy for 2026 will be presented to shareholders at the AGM on 22 June 2026 and, subject to approval, will be implemented as follows:

Base salary	A salary increase was awarded with effect from 1 January 2026 of 2.5% for the CEO and CFO, in line with the average increase for the UK management population awarded in the UK. 2026 salaries are: • M Willome: £740,810 • L Liu: £501,471
Pension and benefits	Pension contributions for Executive Directors are aligned with those of the UK workforce. Executive Directors receive a cash allowance in lieu of pension contributions, a car allowance, and private health insurance. Given M Willome has moved from Switzerland to the UK, the Company also agreed a monthly relocation allowance of £7,800 for a four-year period. The allowance is grossed up for tax. 2026 cash allowances in lieu of pension contributions are: • M Willome: 7% of salary • L Liu: 7% of salary
Annual bonus	For 2026, performance under the annual bonus will be measured on the following basis: • 60% subject to performance against EBITDA targets • 10% subject to performance against operating cash targets • 10% subject to performance against strategic financial objectives • 10% subject to performance measures against key SHE targets • 10% subject to performance against individual strategic and operational goals. Targets and objectives for 2026 are, by their financial and commercial nature, considered by the Board to be unsuitable for disclosure in advance. However, the Committee will provide information on targets and objectives retrospectively. 2026 maximum award opportunity: • M Willome: 150% of salary • L Liu: 150% of salary

PSP	For primary awards to be made in 2026, it is the Committee's current intention that performance will be measured subject to the following metrics: • Relative TSR • EPS • Leverage • Reduction in carbon • New Product Vitality. For the additional awards, the sole performance measure will be TSR performance versus FTSE 250 (excluding investment trusts and financial services companies): • 25% of this element will vest for upper-quartile performance • 100% will vest for upper-decile performance • Vesting on a straight-line basis between these points. It is the Committee's current intention that the 2026 maximum award opportunities will be: • M Willome: 250% of salary (200% primary award, 50% additional award) • L Liu: 200% of salary (150% primary award, 50% additional award). As noted in the Chair's introduction, given the continued share price volatility and the debt refinancing process, the Committee determined it was not appropriate to proceed with the 2026 PSP grants at this time. Full details of the award – including final performance metrics, weightings and targets – will be disclosed at the time of grant.
Shareholding guidelines during employment	The CEO and CFO are expected to build interests in shares of at least 220% and 200% of salary, respectively
Chair and Non-Executive Directors	The fees to be paid in 2026 to the Chair and the Non-Executive Directors have been increased by 2.5%, in line with the UK wider workforce from 1 January 2026 to £257,603 and £49,195 respectively.

Payments to past directors (audited)

There were no payments made to past Directors in 2025.

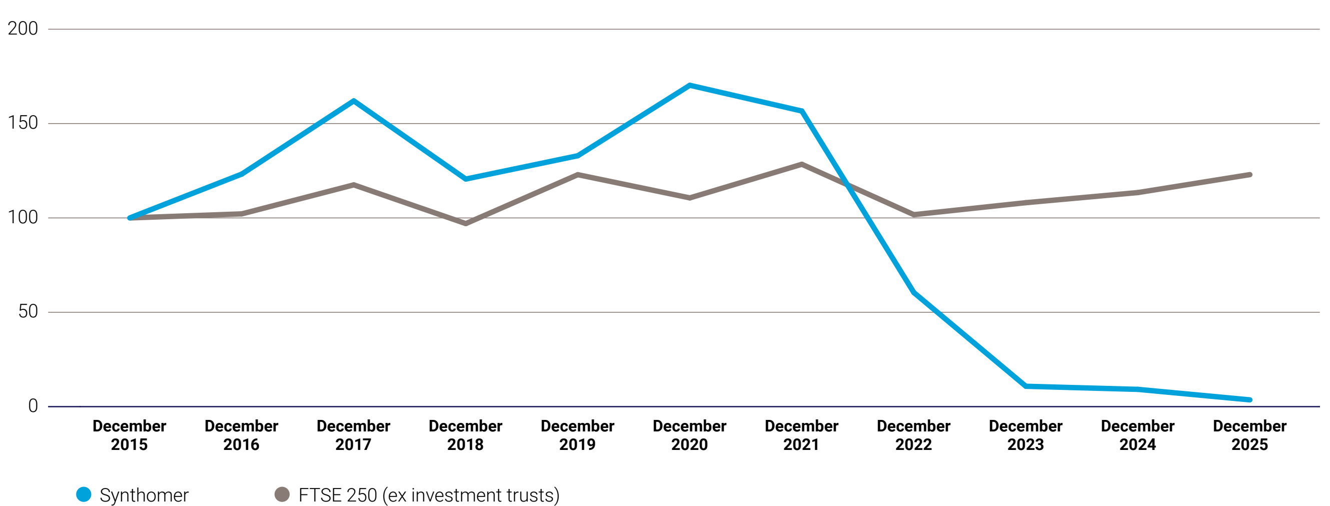
Payments for loss of office (audited)

No payments for loss of office were made during the year.

Performance graph and table

The graph and table below allow comparison of the TSR of the Company and the CEO remuneration outcomes over the past 10 years.

TSR chart



The chart above compares the TSR performance of the Company with that of the FTSE 250 (excluding investment trusts). This is considered to be the most appropriate index against which to make a comparison and was chosen because it represents a broad equity market index of which the Company has historically been a constituent and contains companies of similar complexity.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CEO	CG MacLean	CG MacLean	CG MacLean	CG MacLean	CG MacLean	CG MacLean/ M Willome	M Willome	M Willome	M Willome	**M Willome**
CEO total single figure remuneration (£'000)	1,218	2,516	1,807	890	1,805	2,279	987	1,338	1,551	**1,162**
Bonus (% of maximum awarded)	100.0	100.0	76.5	20.0	100.0	95.0	10	40	52	**15**
PSP (% of maximum vesting)	n/a	96.3	86.2	10.0	31.8	64.0	n/a	20	40	**20**

The CEO total single figure of remuneration includes salary, benefits and pension contributions paid in the year, together with bonuses and long-term incentive awards that vested based on performance in the year.

The 2021 single figure comprises the figure for CG MacLean, which covers the period to 31 October 2021, and the figure for M Willome, which covers the period from 1 November to 31 December 2021.

CEO pay ratio

The following table provides pay ratio data in respect of the CEO's total remuneration compared to employees at the 25th percentile, the median and 75th percentile.

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	**Option B**	**25:1**	**21:1**	**15:1**
2024	Option B	31:1	24:1	19:1
2023	Option B	32:1	26:1	19:1
2022	Option B	24:1	21:1	16:1
2021	Option B	54:1	44:1	31:1
2020	Option B	37:1	28:1	22:1
2019	Option B	28:1	23:1	16:1

The employees used for the purposes of compiling the table above were identified on a full-time equivalent basis at the pay period during which 5 April 2025 fell. Option B, which involves identifying the employees at the 25th percentile, the median and the 75th percentile from our gender pay gap report, was chosen as the calculation methodology. The selected employees' pay and benefits for the calendar year were then calculated using each element of employee remuneration consistent with the CEO and no element of pay has been omitted. Employees for the purpose of the gender pay gap are employees of Synthomer (UK) Limited (493 relevant employees as at the snapshot date of 5 April 2025). The ratio was determined at 31 December 2025.

Option B is considered the simplest and most accurate way of identifying relevant employees for Synthomer who best represent the data points. Using this methodology, we were able to identify specific employees to make the required comparisons.

The ratio decreased for 2025, because of the low level of incentive payouts.

The definition of pay used included annual salary, car allowances, all other cash allowances, all bonuses and incentive scheme payments for services delivered in the year, and private medical insurance.

The following table provides salary and total remuneration information in respect of the employees at each quartile:

Financial year	Element of pay	25th percentile employee	Median employee	75th percentile employee
2025	**Salary**	**£43k**	**£51k**	**£74k**
	Total remuneration	**£45k**	**£55k**	**£79k**

Our CEO pay is made up of a higher proportion of incentive pay than that of the majority of our employees. This is likely to introduce more variability in the CEO's total compensation and, so, in his pay ratio. This explains the change in values across the period.

The Board has confirmed that, in its view, the ratios are consistent with the Company's wider policies on employee pay, reward and progression.

Percentage change in remuneration of the Directors and employees

The table below sets out the increase in salary, benefits and annual bonus of the Directors compared with a selected group of employees. The parent company, Synthomer plc, does not have any direct employees, so a comparator group of employees of the Group's main UK trading subsidiary has been used, comprising 257 employees. The Directors consider that this employee population is the most relevant for comparison purposes, considering geographical location and remuneration structure.

	2025			2024			2023			2022			2021		
Director	Salary and fee % increase/ (decrease)	Benefits % increase/ (decrease)	Annual bonus % increase/ (decrease)	Salary and fee % increase	Benefits % increase/ (decrease)	Annual bonus % increase	Salary and fee % increase	Benefits % increase/ (decrease)	Annual bonus % increase	Salary and fee % increase	Benefits % increase/ (decrease)	Annual bonus % increase	Salary and fee % increase	Benefits % increase/ (decrease)	Annual bonus % increase
M Willome[1]	**3.0**	**2.1**	**(70.2)**	4.0	0.2	35.2	3.8	3.6	315	n/a	n/a	n/a	n/a	n/a	n/a
L Liu[2]	**3.0**	**29**	**(70.2)**	4.0	3.1	30.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CA Johnstone	**(100)**	**n/a**	**n/a**	4.0	n/a	n/a	n/a	n/a	n/a	24.0	n/a	n/a	2.5	n/a	n/a
The Hon. AG Catto	**(50.7)**	**n/a**	**n/a**	4.0	n/a	n/a	n/a	n/a	n/a	3.0	n/a	n/a	5.6	n/a	n/a
RC Gualdoni[1]	**(2.6)**	**n/a**	**n/a**	3.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dato' Lee Hau Hian	**3.0**	**n/a**	**n/a**	4.0	n/a	n/a	n/a	n/a	n/a	3.0	n/a	n/a	2.8	n/a	n/a
HA Van Deursen	**1.9**	**n/a**	**n/a**	13.8	n/a	n/a	5.3	n/a	n/a	2.2	n/a	n/a	3.6	n/a	n/a
I Tyler[2]	**3.1**	**n/a**	**n/a**	14.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M Flöel[3]	**2.3**	**n/a**	**n/a**	209.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
U Halder[4]	**203**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P Hill[4]	**1,124**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J Ashdown[5]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J Silver[5]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average change for employees	**5.7**	**9.7**	**(85.6)**	7.0	21.3	59.9	5.8	42.4	166.7	2.1	19.6	(73.2)	2.6	3.2	36.5

1 M Willome and RC Gualdoni were appointed to the Board in 2021.
2 L Liu and I Tyler were appointed to the Board in 2022, so only had a part-year salary for 2022.
3 M Flöel joined the Board in 2023.
4 U Halder and P Hill joined the Board in September 2024.
5 J Ashdown and J Silver joined the Board in July 2025.

Relative importance of spend on pay

The table below shows the relative importance of the Group's all-employee remuneration expense compared with returns to shareholders by way of dividends.

Financial year	2025 £m	2024 £m	% change
Dividends paid	**0**	0	0%
Total employee remuneration	**232.3**	251.5	2.2%

Dividends are the dividends paid in the year. There were no dividends paid in 2024 or 2025. Total employment remuneration is the consolidated salary and bonus cost for all Group employees.

External appointments

Executive Directors are permitted to accept external appointments with the approval of the Board, provided that there is no adverse impact on their role and duties to the Company. Any fees arising from such appointments may be retained by the Executive Directors where the appointment is unrelated to the Group's business.

M Willome has been a non-executive director of Glaston Oyj (Nasdaq Helsinki) since May 2020 and received a Board membership fee of €45,500 in 2025. M Willome has sat on European subsidiary boards of Indutrade AB since 2013 and received a board membership fee of CHF30,000 in 2025.

L Liu has been a non-executive director of DCC plc since 2021 and received a board membership fee of €93,730 in 2025.

Remuneration Committee

Remuneration Committee membership during 2025:

HA Van Deursen (Chair)
RC Gualdoni
I Tyler
M Flöel
J Ashdown (from July 2025)
J Silver (from July 2025)

Attendance at Committee meetings is set out on page 77.

Key duties of the Committee

During 2025, the Committee was responsible for determining the remuneration of the Executive Committee and for reviewing remuneration elsewhere in the Group, focusing on the Directors' remuneration policy and alignment with the wider workforce.

Advisers

The CEO, Company Secretary and Chief Human Resources Officer are invited to attend Committee meetings to contribute to the Committee's deliberations. However, no individual is involved in discussions, or is part of any decisions, relating to their own remuneration.

The Committee received independent advice from Deloitte LLP (Deloitte), which it appointed as its independent remuneration adviser in April 2013, following a tender process.

During the year, Deloitte provided advice on governance and market trends and other remuneration matters that materially assisted the Committee. The fees paid to Deloitte in respect of this work were charged on a time-and-expenses basis and totalled £75,800 for advice in 2025.

The Committee is comfortable that the Deloitte engagement team providing it with remuneration advice does not have connections with the Company or its Directors that may impair its independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. Deloitte also provided tax services and supported management with a review of financial and operational performance in part of the Group. The Committee was satisfied that this did not compromise the independence of the advice received.

Deloitte is a founding member of the Remuneration Consultants Group and adheres to its Code of Conduct. Deloitte was appointed directly by the Committee, and the Committee is satisfied that the advice received was objective and independent.

Statement of voting at the Annual General Meeting

The table below sets out the results of the votes on the Directors' remuneration report at the AGM on 1 May 2025 and the Directors' Remuneration Policy on 16 May 2023.

	Votes for		Votes against		Votes withheld
	Number	% of vote	Number	% of vote	Number
2024 Directors' remuneration report	**102,104,208**	**92.32**	**8,495,899**	**7.68**	**8,977,676**
2023 Directors' remuneration policy	**331,283,004**	**86.87**	**50,072,165**	**13.13**	**38,250**

By order of the Board

Anant Prakash
Company Secretary

30 April 2026

Other regulatory disclosures

The Directors submit their Annual Report and the audited consolidated financial statements for the year ended 31 December 2025. None of the matters required to be disclosed by UK Listing Rule 6.6.1R applies to the Company, except for:

- The amount of capitalised interest – see note 20 to the financial statements
- Details of long-term incentive programmes – see Directors' remuneration report on pages 98 to 126
- Shareholder waiver of dividends – see note 21 to the financial statements.

The Directors' report is covered on pages 67 to 126 as well as in the following sections of the Annual Report:

Item	Location in Annual Report
Statement of Directors' responsibilities	Page 129
Financial risk management	Financial statements – note 21
Present Board membership	Pages 68 to 70
Governance report	Pages 67 to 129
Strategic report (including principal activities)	Pages 2 to 65
Management of risk and viability statement	Pages 44 to 48, 64
Employee engagement	Pages 80 to 81
Directors' remuneration report	Pages 98 to 126
Share capital	Financial statements – note 26
Greenhouse gas emissions	Pages 203 to 206
Sustainability report	Pages 26 to 33

Results and dividends

The loss attributable to shareholders was £157.0m. In 2022 the Board announced the suspension of dividends. The Board has confirmed that dividends will remain suspended at least until the Group's net debt to EBITDA ratio is less than 2.5x.

Acquisitions and divestments

In May 2025 the Company completed the sale of William Blythe Limited in the UK.

Directors

All the Directors will seek election or retire and seek re-election at the forthcoming AGM.

None of the Directors seeking re-election has a service contract except Michael Willome and Lily Liu, who both have service contracts that contain a 12-month notice period.

Director indemnity provisions

Under the Company's Articles of Association, the Directors of the Company have the benefit of a qualifying third-party indemnity provision. This means the Company indemnifies them against certain liabilities, as permitted by Sections 232 and 234 of the Companies Act 2006, and against costs incurred by them in relation to any liability for which they are indemnified. The Company has purchased and maintains insurance against Directors' and Officers' liabilities in relation to the Company.

UK pension funds

The trustees have reviewed the independent investment management of the assets of the Company's UK pension schemes and assured themselves of the security and controls in place. In particular, it is the trustees' policy not to invest in Synthomer plc shares nor lend money to the Company.

Share capital and control

The Company's Articles of Association set out the rights and obligations attached to the Company's ordinary shares, being the only class of issued share capital, alongside the powers of the Company's Directors. Copies can be obtained from Companies House or downloaded from the Company's website (**Synthomer.com**). There are no restrictions on the voting rights attached to the Company's ordinary shares or on the transfer of securities in the Company. No person holds securities in the Company that carry special rights with regard to the control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. Unless expressly specified to the contrary in the Company's Articles of Association, those Articles of Association may be amended by special resolution of the Company's shareholders.

Other than in relation to its borrowings, which become repayable on a takeover unless certain conditions are satisfied, the Company is not party to any significant agreements that would come into effect, alter or terminate on a change of control prompted by a takeover bid. The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover.

All the Company's share programmes contain provisions relating to a change of control. Outstanding options and awards would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time.

Interests disclosed under DTR 5

As at 31 December 2025, the following information had been received by the Company, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules (DTRs), from holders of notifiable interests in the Company's issued share capital. It should be noted that these holdings may have changed since they were notified to the Company. Substantial shareholders do not have different voting rights from those of other shareholders.

	Ordinary shares (number)	Percentage of total voting rights*
Kuala Lumpur Kepong Berhad Group	**43,986,318**	**27%**
Artemis Investment Management LLP	**8,891,815**	**5.44%**
Lombard Odier Asset Management (Europe) Limited	**8,195,727**	**5.01%**
Janus Henderson Group plc	**8,044,764**	**4.92%**
Greater Manchester Pension Fund	**7,881,745**	**4.82%**

* Percentage based on ordinary shares in issue, as at the date the notification was received by the Company.

Between 31 December 2025 and 29 April 2026, being the lastest practicable date before publication of this Annual Report, the Company received a notification under DTR 5 from Artemis Investment Management LLP (8,027,401 ordinary shares, 4.91% of total voting rights).

Employment policies and employee involvement

The Group gives every consideration to job applications from disabled people. Employees who become disabled are given every opportunity to continue working for Synthomer under normal terms and conditions with appropriate training, career development and promotion wherever possible. The Group seeks to achieve equal opportunities in employment through recruitment and training policies.

The Group encourages employee involvement in its affairs. The Company regularly engages with employees to make them aware of the financial and economic factors affecting Group performance. Performance-related bonus programmes operate throughout the Group. Holly Van Deursen is the designated Non-Executive Director responsible for workforce engagement. More information on the Board's employee engagement work can be found on pages 80 and 81. The Group's approach to diversity and inclusion is explained on page 38.

Authority to purchase own shares

At the 2025 Annual General Meeting, shareholders passed a special resolution to authorise the Company, subject to certain conditions, to purchase on the market a maximum of 16,356,762 ordinary shares, at that time representing approximately 10% of the Company's issued share capital. This authority will expire at the conclusion of the 2026 Annual General Meeting. The Directors are seeking the renewal of this authority at the 2026 Annual General Meeting.

Subsidiaries

All the Group's subsidiaries, joint ventures and related undertakings are listed on pages 199 to 201.

Statement as to disclosure of information to auditors

Each Director of the Company confirms that, to the best of their knowledge, the Company's auditors are aware of all relevant audit information. Each Director also confirms that they have taken all necessary steps as a Director to make themselves aware of any relevant audit information and to establish that the information has been shared with the Company's auditors. For these purposes, relevant audit information means information needed by the Company's auditor in connection with preparing its report on pages 131 to 137. This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Going concern

The Directors have acknowledged the latest guidance on going concern and, in reaching their conclusions have considered the facts and circumstances of the Group as described in more detail on page 64.

After making enquiries and considering reasonably possible changes in trading performance, the Directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements of both the Group and Company.

Political donations

No political donations were made in the year (2025: nil).

Independent auditors

A resolution to appoint PricewaterhouseCoopers LLP (PwC) as the Company's auditor will be proposed at the next Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held at the offices of the Company at 10 Greycoat Place, London SW1P 1SB on 22 June 2026.

By order of the Board

Anant Prakash
Company Secretary

30 April 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, including the Strategic report, Governance report and financial statements, in accordance with applicable laws and regulations.

Company law requires the Directors to prepare consolidated financial statements for each financial year in accordance with IFRS, as adopted by the UK. The Directors have elected to prepare parent company financial statements in accordance with UK-adopted IAS, comprising FRS 101.

In addition, company law requires that Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and apply them properly and consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Present information in a manner that is relevant, reliable and comparable
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Assess the Group's and Company's ability to continue as a going concern.

The Directors are responsible for safeguarding the assets of the Group and Company and so for taking reasonable steps to prevent and detect fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions, and to disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (**Synthomer.com**). Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fair, balanced and understandable

On the advice of the Audit Committee, the Board considers the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group and Company's position, performance, business model and strategy.

Disclosing information to the auditor

In line with Section 418 of the Companies Act 2006, the Directors confirm that, as far as they are each aware, there is no relevant audit information that has not been brought to the attention of the Company's auditor. Each Director has taken all reasonable steps that they ought to have taken in line with their duty as a Director to make themselves aware of any relevant audit information and to make sure that the Company's auditor is aware of that information.

Directors' responsibility statement

The Directors consider that, to the best of each person's knowledge, the:

- Financial statements, taken as a whole, which have been prepared in line with IFRS as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company
- Strategic report, taken as a whole, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

Cautionary statement

The purpose of this report is to provide information to the members of the Company. It contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty, since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this report, and the Company is under no obligation to update these forward-looking statements. Nothing in this report should be construed as a profit forecast.

Details of the Company's Directors and their roles are listed on pages 68 to 70.

The Directors' report and Strategic report were approved by the Board on 30 April 2026 and signed on its behalf by

Lily Liu
Chief Financial Officer

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Controlling the controllables, while driving further specialisation.

Independent auditors' report

to the members of Synthomer plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Synthomer plc's Group financial statements and Company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2025 and of the Group's loss and the Group's cash flows for the year then ended
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework, and applicable law)
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report 2025 (the Annual Report), which comprise:

- The Consolidated balance sheet as at 31 December 2025
- The Company statement of financial position as at 31 December 2025
- The Consolidated income statement for the year then ended
- The Consolidated statement of comprehensive income for the year then ended
- The Consolidated statement of changes in equity for the year then ended
- The Company statement of changes in equity for the year then ended
- The Consolidated cash flow statement for the year then ended
- The Reconciliation of net cash flow from operating activities to movement in net debt for the year then ended
- The notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 7 to the consolidated financial statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements
- Audit scope covers procedures over 11 significant components due to risk or size, across six countries
- Audit procedures provide coverage of 73% of revenue for significant components due to risk or size

Key audit matters

- Impairment of goodwill assets (Group)
- Presentation of Special Items (Group)
- Recoverability of investments in subsidiaries (parent)

Materiality

- Overall Group materiality: £8,400,000 (2024: £9,900,000) based on 0.5% of revenue (2024: 0.5% of revenue).
- Overall company materiality: £7,560,000 (2024: £8,910,000) based on 1% of total assets capped at 90% of Group materiality (2024: 1% of total assets capped at 90% of Group materiality).
- Performance materiality: £6,300,000 (2024: £7,425,000) (Group) and £5,670,000 (2024: £6,682,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of defined benefit pension obligations (Group) and amounts owed by Group undertakings (parent), which were key audit matters last year, are no longer included because of the change of results from our assessment that the risk associated with the estimates and assumptions in pension valuations and amount owed by Group undertaking has decreased from the prior year. Our analysis indicates that these areas no longer present a risk of material misstatement, and the audit procedures involved have become more straightforward and routine. Therefore, these matters have been excluded from this year's key audit matters. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill assets (Group) As set out in note 13, the Group had goodwill of £443.0m (2024: £455.1m) at 31 December 2025, after an impairment of £nil (2024: £nil). This is significant in the context of the consolidated balance sheet of the Group. We consider this to be a key audit matter because the estimates underlying the recoverability of goodwill are subject to high estimation uncertainty, particularly in a year where the Group's performance and market capitalisation has significantly deteriorated. Management's assessment of the 'value in use' of the Group's cash generating units (CGUs) involves judgements about the future results of the businesses, particularly assumptions around short-term growth rates, long-term growth rates and the weighted average cost of capital applied to future cash flow forecasts, where there is a higher degree of sensitivity.	Procedures performed included: Understanding and assessing the design and implementation of business processes and controls related to the assessment of the carrying value of goodwill for impairment. Assessing the reasonableness of the impairment model and understanding management's process and judgements utilised for developing estimates and assumptions. This included testing of the underlying "value-in-use" calculations. Agreeing the inputs in management's impairment model to board approved plans. Performing a retrospective review of the previous year estimates by comparing this to actual results in the current year. Comparing future cash flow performance to historical levels, as well as to industry forecasts as part of our assessment as to whether the planned performance was considered achievable. Engaging with management's expert to understand and assess the key assumptions and methodology used in the calculation of the weighted average cost of capital. Engaging our internal valuation specialists to assist in the assessment of the reasonableness of the weighted average cost of capital and long-term growth rate assumptions used by management. Assessing corroborating or contradictory evidence relating to significant assumptions in the cash flow projections. Performing sensitivity analyses based on reasonably possible outcomes. Checking the mathematical accuracy of the calculations. Assessing the effect of climate change included in management's cashflow forecast. Reviewing the disclosures in the financial statements in respect of the carrying value of goodwill. Based on the procedures performed, we concluded that no impairment was required.
Presentation of Special Items (Group) The Group presents two measures of performance in the income statement: statutory and underlying, the latter after adjusting for certain items of income or expenses (Special Items), because management believes the additional underlying measure provides additional useful information on the underlying trends, performance and position of the Group. The determination of which items of income or expense are classified as Special Items is subject to judgement and therefore users of the financial statements could be misled if amounts are not classified appropriately. Descriptions are included of the amounts presented as Special Items are included in note 4 to the financial statements.	We considered the appropriateness of amounts classified as special items. To do this we considered: The Group's accounting policy on special items and pronouncements by the Financial Reporting Council on this matter. Assessing the income and expenses classified as special items against the Group's accounting policies. Challenging management on the appropriateness of the classification of such special items, being mindful that classification should be even-handed between gains and losses, the basis of the classification should be clearly disclosed and a clear reconciliation to statutory measures provided and applied consistently one year to the next. Challenging management on the quantum of the special items, and the estimates underpinning a number of these items. Having considered the nature and quantum of these items, overall we are satisfied that the presentation of special items in the financial statements for the year ended 31 December 2025 is materially appropriate and consistent with previous years.

Key audit matter	How our audit addressed the key audit matter
Recoverability of investments in subsidiaries (parent) As disclosed in note 3 of the Company's financial statements, the Company held investments in subsidiaries of £985.1m (2024: £896.2m) at 31 December 2025. This is significant in the context of the overall statement of financial position of the Company. We consider this to be a key audit matter because the estimates underlying the recoverability of investments in subsidiaries are subject to high estimation uncertainty, particularly in a year where the overall Group's trading performance and market capitalisation has significantly deteriorated. Management's assessment of recoverability of the carrying value of these investments, involves judgements about the future results of the businesses, particularly assumptions around short-term growth rates, long-term growth rates and the weighted average cost of capital applied to future cash flow forecasts, where there is a higher degree of sensitivity.	Our procedures included the following: Assessing the recoverable value with reference to the net assets of the underlying subsidiaries. Testing management's impairment assessment which is derived from the value in use model used to assess impairment for the Group's CGUs, adjusted to reflect the relevant cash flows. Therefore, where appropriate, we leveraged the audit procedures performed from our work over the impairment of goodwill assets, as set out above. Validating the required adjustments made in the model to support the investment value, including consideration of intercompany balances. Reviewing the disclosures in the financial statements in respect of the carrying value of investment in subsidiaries. Based on the procedures performed, we noted no material issues.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

As set out in note 5 Segmental analysis, the Group reports its results as three segments: Coatings & Construction Solutions, Adhesive Solutions,; and Health & Protection and Performance Materials. The Group's financial statements are a consolidation of reporting units, being holding companies, intermediate holding companies and operating companies, across more than 20 countries. Two countries, being the USA and the UK, account for a significant portion of the Group's results. We accordingly focused our work on five of the reporting units in these countries, which were subject to audits of their financial information. In addition, to increase our coverage of the Group's revenue we performed audit procedures on an additional six reporting units located in Germany, Malaysia, the Czech Republic and the Netherlands. All these components accounted for 73% of the Group's revenue.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group's financial statements as a whole. During the audit, senior members of the Group team held a number of meetings with all of the component teams and reviewed the work performed by these teams over those areas of higher audit risk.

At the Group level, we also carried out targeted analytical procedures on non-significant components not covered by the procedures described above. The Group engagement team also performed audit procedures over the consolidation process.

Synthomer plc (the Company) was in full scope and the audit procedures over the Company's transactions and balances were performed by the Group audit team. The Company's material financial statement line items which were in scope for the Group audit are other intangible assets, cash and cash equivalents, borrowings and other payables among others. The Company is also audited on a stand-alone basis, hence, testing has been performed on all material financial statement line items included in the Company standalone financial statements.

The impact of climate risk on our audit

As part of our audit, we made enquiries of management to understand the process management has adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and to support the disclosures made within the Task Force on Climate-related Financial Disclosures (TCFD) report. In addition to enquiries with management, we also read the governance processes in place to assess climate risk. We challenged the completeness of management's climate risk assessment by reading the Group's website and communications for details of climate-related impacts. Management has made commitments to achieve net zero carbon emissions by 2050, and with Vision 2030 they are working on their pathway towards this. Management considers that the impact of climate risk does not give rise to a potential material financial statement impact. Using our knowledge of the business, we evaluated management's risk assessment and its estimates as set out in note 2 of the financial statements and resulting disclosures where significant. We considered impairment of non-current assets, especially impairment of goodwill and intangible assets, as the area to potentially be materially affected by climate risk, and consequently we focused our audit work in this area. To respond to the audit risks identified in this area, we tailored our audit approach to address these – in particular, we challenged management on how the impact of climate commitments made by the Group would affect the assumptions within the discounted cash flows prepared by management that are used in the Group's impairment analysis. We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the TCFD section) within the Annual Report with the financial statements and our knowledge obtained from our audit. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2025.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£8,400,000 (2024: £9,900,000).	£7,560,000 (2024: £8,910,000).
How we determined it	0.5% of revenue (2024: 0.5% of revenue)	1% of total assets capped at 90% of Group materiality (2024: 1% of total assets capped at 90% of Group materiality)
Rationale for benchmark applied	In determining materiality, we considered both profit before tax and revenue as the acceptable benchmarks. We considered profit before tax to be an appropriate benchmark because it is one of the key metrics for investors and is used by the Board in measuring the Group's financial performance. We considered total revenue to be appropriate given the focus of investors on revenues and top line growth. This provided a wide range of acceptable materiality levels. In our judgement, the Group is currently experiencing volatile results but less volatile revenues and their operations remain largely consistent year on year. We therefore consider revenue to remain an appropriate benchmark to use. The materiality benchmark selected therefore is consistent at 0.5% of revenue based on which we determined a materiality of £8,400,000.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted benchmark. The value is capped for the purpose of the Group audit with reference to Group materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £1,000,000 and £7,980,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £6,300,000 (2024: £7,425,000) for the Group financial statements and £5,670,000 (2024: £6,682,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £420,000 (Group audit) (2024: £495,000) and £378,000 (Company audit) (2024: £445,000), as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding and evaluating the design and implementation of relevant controls related to the Directors' assessment of going concern
- Obtaining the Directors' going concern assessment – including cash flow forecast, liquidity requirements and forecast covenant calculations for the going concern period – based on the executed refinancing agreements, and performing integrity checks including testing the mathematical accuracy, and reconciling them to Board-approved budgets and forecasts
- Evaluating the key assumptions management has applied in developing its base case. We challenged various aspects of management's base case including consideration of potential downside risks
- Recalculating both debt and liquidity covenants and assessing compliance over the forecast period, in management's base case and severe but plausible downside scenario, including assessment of management's sensitivities and mitigations
- Evaluating and challenging management's stress-test modelling to understand the impact on the Group and the Company's liquidity and covenant ratios
- Obtaining and understanding the terms of the key refinancing documents and the related process, including term sheet, long-form documents and all other related documents to evaluate whether the terms and conditions are appropriate
- Performing inquiries with key stakeholders, including the financial advisors and the Company's external legal counsel, to corroborate management's position and independently verify management's assessment around the refinancing
- Assessing the conditions precedent to ensure that these have been appropriately completed to the extent required, to evidence the successful execution of the refinancing, and that any remaining conditions are administrative in nature and fully under the control of management
- Using the work of experts, including business restructuring experts, to support us in understanding aspects of management's assessment and informing our challenges to management
- Assessing the appropriateness of the disclosures within the financial statements, as disclosed in note 2, relating to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code (Code), we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors’ statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company’s compliance with the provisions of the Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Governance report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors’ confirmation that they have carried out a robust assessment of the emerging and principal risks
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated
- The Directors’ statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group’s and the Company’s ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements
- The Directors’ explanation as to their assessment of the Group’s and the Company’s prospects, the period this assessment covers and why the period is appropriate
- The Directors’ statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors’ statement regarding the longer-term viability of the Group and the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors’ process supporting their statement; checking that the statement is in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors’ statement that they consider that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group’s and the Company’s position, performance, business model and strategy
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors’ statement relating to the Company’s compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors’ responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental, health and safety and competition regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Listing Rules, UK tax legislation and equivalent local laws and legislations applicable to material component teams. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with management and internal audit as part of our fraud risk assessment, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud. This included review of Board minutes, internal audit reports and the report from the whistleblowing hotline
- Evaluation of management’s controls designed to prevent and detect irregularities

- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to impairment of goodwill and going concern
- Obtained a list of journals, confirmed its completeness, and used data auditing techniques to identify journals which we considered to be at a higher risk of fraud such as unusual account combinations like credits to revenue and debits to accounts other than debtors and intercompany, debits to non-current assets (except PPE) with credits to expenses and debits to Special Items where the credit is to expenses; we tested these journals back to supporting documentation
- Incorporated unpredictability into our audit procedures, which included performing a review of significant customers in the Group, a review of immaterial exceptional items to ensure appropriate classification, and a scan of additions of PPE to ensure appropriate capitalisation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not obtained all the information and explanations we require for our audit, or
- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- Certain disclosures of Directors' remuneration specified by law are not made, or
- The Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the Company for the financial year ended 31 December 2012. Our uninterrupted engagement covers 14 financial years.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R–4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Watford
30 April 2026

Consolidated income statement

for the year ended 31 December 2025

	Note	2025 Underlying performance £m	2025 Special Items £m	2025 IFRS £m	2024 Underlying performance £m	2024 Special Items £m	2024 IFRS £m
Continuing operations							
Revenue	5	**1,739.2**	**–**	**1,739.2**	1,933.1	–	1,933.1
Company and subsidiaries operating profit before Special Items		**36.2**	**–**	**36.2**	46.5	–	46.5
Amortisation of acquired intangibles	4	**–**	**(44.4)**	**(44.4)**	–	(45.1)	(45.1)
Restructuring and site closure costs	4	**–**	**(14.0)**	**(14.0)**	–	(15.1)	(15.1)
Acquisition costs and related gains	4	**–**	**0.1**	**0.1**	–	(0.6)	(0.6)
Sale of business	4	**–**	**(2.7)**	**(2.7)**	–	(3.1)	(3.1)
Software as a service implementation costs	4	**–**	**(1.1)**	**(1.1)**	–	–	–
Impairment charge	4	**–**	**(22.5)**	**(22.5)**	–	(5.7)	(5.7)
Pension past service cost	4	**–**	**(3.2)**	**(3.2)**	–	(4.4)	(4.4)
Company and subsidiaries operating profit/(loss)		**36.2**	**(87.8)**	**(51.6)**	46.5	(74.0)	(27.5)
Share of joint ventures	17	**1.4**	**–**	**1.4**	1.6	(0.3)	1.3
Operating profit/(loss)	6	**37.6**	**(87.8)**	**(50.2)**	48.1	(74.3)	(26.2)
Interest payable	9	**(63.8)**	**–**	**(63.8)**	(68.0)	–	(68.0)
Interest receivable	9	**4.7**	**–**	**4.7**	12.1	–	12.1
Loss on extinguishment of financing facilities	4	**–**	**–**	**–**	–	(1.4)	(1.4)
Net interest expense on defined benefit obligations	9	**(1.4)**	**–**	**(1.4)**	(1.7)	–	(1.7)
Interest element of lease payments	9	**(3.4)**	**–**	**(3.4)**	(2.4)	–	(2.4)
Finance costs		**(63.9)**	**–**	**(63.9)**	(60.0)	(1.4)	(61.4)
Loss before taxation		**(26.3)**	**(87.8)**	**(114.1)**	(11.9)	(75.7)	(87.6)
Taxation	10	**(37.7)**	**1.7**	**(36.0)**	4.0	14.6	18.6
Loss for the year from continuing operations		**(64.0)**	**(86.1)**	**(150.1)**	(7.9)	(61.1)	(69.0)
Profit/(loss) for the year from discontinuing operations attributable to equity holders of the parent	29	**3.1**	**(9.9)**	**(6.8)**	4.1	(4.4)	(0.3)
Loss for the year		**(60.9)**	**(96.0)**	**(156.9)**	(3.8)	(65.5)	(69.3)
(Loss)/profit attributable to non-controlling interests		**(0.1)**	**0.2**	**0.1**	0.3	3.0	3.3
Loss attributable to equity holders of the parent		**(60.8)**	**(96.2)**	**(157.0)**	(4.1)	(68.5)	(72.6)
		(60.9)	**(96.0)**	**(156.9)**	(3.8)	(65.5)	(69.3)
Earnings per share							
– Basic from continuing operations	12	**(39.1)p**	**(52.8)p**	**(91.9)p**	(5.1)p	(39.2)p	(44.3)p
– Diluted from continuing operations	12	**(39.1)p**	**(52.8)p**	**(91.9)p**	(5.1)p	(39.2)p	(44.3)p
– Basic	12	**(37.2)p**	**(58.8)p**	**(96.0)p**	(2.5)p	(41.9)p	(44.4)p
– Diluted	12	**(37.2)p**	**(58.8)p**	**(96.0)p**	(2.5)p	(41.9)p	(44.4)p

Consolidated statement of comprehensive income

for the year ended 31 December 2025

	Note	2025 Equity holders of the parent £m	2025 Non-controlling interests £m	2025 Total £m	2024 Equity holders of the parent £m	2024 Non-controlling interests £m	2024 Total £m
(Loss)/profit for the year		**(157.0)**	**0.1**	**(156.9)**	(72.6)	3.3	(69.3)
Actuarial gains/(losses)	25	**13.6**	**–**	**13.6**	(2.1)	–	(2.1)
Tax relating to components of other comprehensive income	10	**(4.1)**	**–**	**(4.1)**	0.1	–	0.1
Total items that will not be reclassified to profit or loss		**9.5**	**–**	**9.5**	(2.0)	–	(2.0)
Exchange differences on translation of foreign operations		**(31.9)**	**0.3**	**(31.6)**	3.8	(0.8)	3.0
Exchange differences recycled on sale of business		**–**	**–**	**–**	4.4	–	4.4
Fair value loss on hedged interest derivatives		**(2.2)**	**–**	**(2.2)**	(3.3)	–	(3.3)
(Losses)/gains on net investment hedges taken to equity		**(12.5)**	**–**	**(12.5)**	11.9	–	11.9
Total items that may be reclassified subsequently to profit or loss		**(46.6)**	**0.3**	**(46.3)**	16.8	(0.8)	16.0
Other comprehensive (expense)/income for the year		**(37.1)**	**0.3**	**(36.8)**	14.8	(0.8)	14.0
Total comprehensive (expense)/income for the year		**(194.1)**	**0.4**	**(193.7)**	(57.8)	2.5	(55.3)

Consolidated statement of changes in equity

for the year ended 31 December 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Hedging and translation reserve £m	Retained earnings £m	Total equity holdings of the parent £m	Non-controlling interests £m	Total equity £m
At 1 January 2025	**1.6**	**925.9**	**0.9**	**27.2**	**136.7**	**1,092.3**	**15.4**	**1,107.7**
(Loss)/profit for the year	**–**	**–**	**–**	**–**	**(157.0)**	**(157.0)**	**0.1**	**(156.9)**
Other comprehensive (expense)/income for the year	**–**	**–**	**–**	**(46.6)**	**9.5**	**(37.1)**	**0.3**	**(36.8)**
Total comprehensive (expense)/income for the year	**–**	**–**	**–**	**(46.6)**	**(147.5)**	**(194.1)**	**0.4**	**(193.7)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(2.1)**	**(2.1)**
Share-based payments	**–**	**–**	**–**	**–**	**2.6**	**2.6**	**–**	**2.6**
At 31 December 2025	**1.6**	**925.9**	**0.9**	**(19.4)**	**(8.2)**	**900.8**	**13.7**	**914.5**

	Share capital £m	Share premium £m	Capital redemption reserve £m	Hedging and translation reserve £m	Retained earnings £m	Total equity holdings of the parent £m	Non-controlling interests £m	Total equity £m
At 1 January 2024	1.6	925.9	0.9	10.4	209.8	1,148.6	13.4	1,162.0
(Loss)/profit for the year	–	–	–	–	(72.6)	(72.6)	3.3	(69.3)
Other comprehensive income/(expense) for the year	–	–	–	16.8	(2.0)	14.8	(0.8)	14.0
Total comprehensive income/(expense) for the year	–	–	–	16.8	(74.6)	(57.8)	2.5	(55.3)
Dividends	–	–	–	–	–	–	(0.5)	(0.5)
Share-based payments	–	–	–	–	1.5	1.5	–	1.5
At 31 December 2024	1.6	925.9	0.9	27.2	136.7	1,092.3	15.4	1,107.7

Consolidated balance sheet

as at 31 December 2025

	Note	2025 £m	2024 £m
Non-current assets			
Goodwill	13	**443.0**	455.1
Acquired intangible assets	14	**347.2**	407.1
Other intangible assets	15	**69.6**	70.6
Property, plant and equipment	16	**656.5**	688.5
Deferred tax assets	11	**25.4**	55.7
Defined benefit asset	25	**40.3**	26.0
Investment in joint ventures	17	**8.7**	8.1
Total non-current assets		**1,590.7**	1,711.1
Current assets			
Inventories	18	**336.9**	348.2
Trade and other receivables	19	**153.8**	227.2
Current tax assets	10	**2.6**	15.6
Cash and cash equivalents	20	**189.9**	225.8
Derivative financial instruments	21	**1.2**	2.8
Assets classified as held for sale	29	**5.4**	6.5
Total current assets		**689.8**	826.1
Total assets		**2,280.5**	2,537.2
Current liabilities			
Borrowings	20	**–**	(124.2)
Trade and other payables	23	**(397.7)**	(391.6)
Lease liabilities	22	**(18.8)**	(12.3)
Current tax liabilities	10	**(15.3)**	(17.6)
Provisions for other liabilities and charges	24	**(3.3)**	(7.8)
Derivative financial instruments	21	**(3.0)**	(1.6)
Total current liabilities		**(438.1)**	(555.1)

Consolidated balance sheet continued

	Note	**2025 £m**	2024 £m
Non-current liabilities			
Borrowings	20	**(764.9)**	(698.6)
Trade and other payables	23	**(0.2)**	(0.1)
Lease liabilities	22	**(34.8)**	(43.6)
Deferred tax liabilities	11	**(30.0)**	(28.9)
Retirement benefit obligations	25	**(79.9)**	(75.7)
Provisions for other liabilities and charges	24	**(18.1)**	(27.5)
Total non-current liabilities		**(927.9)**	(874.4)
Total liabilities		**(1,366.0)**	(1,429.5)
Net assets		**914.5**	1,107.7
Equity			
Share capital	26	**1.6**	1.6
Share premium	26	**925.9**	925.9
Capital redemption reserve		**0.9**	0.9
Hedging and translation reserve	26	**(19.4)**	27.2
Retained (losses)/earnings	26	**(8.2)**	136.7
Equity attributable to equity holders of the parent		**900.8**	1,092.3
Non-controlling interests		**13.7**	15.4
Total equity		**914.5**	1,107.7

The financial statements on pages 138 to 189 were approved by the Board of Directors and authorised for issue on 30 April 2026.
They are signed on its behalf by:

M Willome
Director

L Liu
Director

Consolidated cash flow statement

for the year ended 31 December 2025

	Note	2025 £m	2025 £m	2024 £m	2024 £m
Operating					
Cash generated from operations	27		**184.4**		39.2
– Interest received		**4.7**		12.1	
– Interest paid		**(62.3)**		(64.3)	
– Interest element of lease payments		**(3.0)**		(2.4)	
Net interest paid			**(60.6)**		(54.6)
– UK corporation tax received		**0.5**		0.7	
– Overseas corporate tax paid		**–**		(18.8)	
Total tax received/(paid)			**0.5**		(18.1)
Net cash inflow/(outflow) from operating activities			**124.3**		(33.5)
Investing					
Dividends received from joint ventures	17		**–**		1.0
Purchase of property, plant and equipment and intangible assets			**(87.7)**		(90.6)
Proceeds from sale of property, plant and equipment			**1.4**		7.4
Proceeds from sale of business	29		**21.3**		20.5
Net cash outflow from investing activities			**(65.0)**		(61.7)
Financing					
Dividends paid to non-controlling interests			**(2.1)**		(0.5)
Costs on issue of shares			**–**		(4.7)
Settlement of equity-settled share-based payments			**–**		(0.2)
Repayment of principal portion of lease liabilities			**(12.4)**		(12.1)
Repayment of borrowings			**(180.5)**		(327.9)
Proceeds of borrowings			**98.2**		299.5
Net cash outflow from financing activities			**(96.8)**		(45.9)
Decrease in cash, cash equivalents and bank overdrafts during the period			**(37.5)**		(141.1)
Cash and cash equivalents and bank overdrafts at 1 January	20		**225.5**		370.6
Foreign exchange	20		**1.9**		(4.0)
Cash, cash equivalents and bank overdrafts at 31 December	20		**189.9**		225.5

See note 29 for further details of cash flows from discontinued operations.

Reconciliation of net cash flow from operating activities to movement in net debt

for the year ended 31 December 2025

	Note	**2025 £m**	2024 £m
Net cash inflow/(outflow) from operating activities		**124.3**	(33.5)
Add: dividends received from joint ventures	17	**–**	1.0
Less: net capital expenditure		**(86.3)**	(83.2)
Add: proceeds from sale of business		**21.3**	20.5
		59.3	(95.2)
Issue of shares		**–**	(4.7)
Dividends paid to non-controlling interests		**(2.1)**	(0.5)
Settlement of equity-settled share based payments		**–**	(0.2)
Repayment for principal portion of lease liabilities		**(12.4)**	(12.1)
Foreign exchange and other movements	20	**(22.8)**	15.4
Decrease/(increase) in net debt		**22.0**	(97.3)

Notes to the consolidated financial statements

for the year ended 31 December 2025

1 General information

Synthomer plc (the 'Company') is a public limited company, limited by shares and incorporated and domiciled in the United Kingdom and registered in England under the Companies Act. The address of the registered office is given on page 213. The Company is listed on the London Stock Exchange.

The principal activities of the Company and its subsidiaries (the 'Group') and the nature of the Group's operations are set out in the Strategic report.

The consolidated financial statements are prepared in pounds sterling, the functional currency of the Company. Foreign operations are included in accordance with the policies set out in note 2.

2 Material accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The financial statements have been prepared on a going concern basis and under the historical cost basis, except for the revaluation of financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The principal accounting policies adopted and applied in the preparation of these financial statements consistently in all the years presented are set out below.

Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. Given the 2027 maturities of the UKEF and RCF facilities in place as at 31 December 2025, the Group has undertaken an exercise to refinance these facilities.

On 30 April 2026, subject to completion of a number of administrative conditions, the Group completed a full refinancing of the €300m multi-currency RCF facility and the €288m and $230m UKEF term loans, as described in the financial review on p.14. The refinancing arrangement has introduced a new quarterly leverage covenant threshold requirement along with minimum liquidity requirements and has extended the maturity dates of the facilities out to 2029.

The current economic conditions continue to create uncertainty, particularly over the level of demand for the Group's products. The Group's forecasts and projections take account of reasonably possible changes in trading performance and a severe but plausible downside scenario has been prepared, linked to our principal risks.

The reasonably possible scenario does not threaten the Group's ability to operate within the level of its facilities under the agreed terms of the refinancing under the minimum 12 month going concern assessment period. Modelling has been updated to reflect the new covenant thresholds and liquidity requirements. No mitigating actions have been included for any of the scenarios and, should it need to, the Group could take action quickly to significantly reduce costs and cash outflows as demonstrated during the course of the COVID-19 pandemic in 2020. The severe but plausible downside scenario, offset by mitigation actions as required, does not threaten the Group's ability to operate within the level of its current facilities. Should it need to, the Group could take action quickly to significantly reduce costs and cash outflows as demonstrated during the course of the COVID-19 pandemic in 2020.

Having assessed the principal risks and the other matters discussed in connection with the Viability Statement (see page 64), the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Further information on the Group's borrowings is given in note 20.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee, and
- Has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins from the date the Company obtains control and ceases from the date the Company loses control. Where necessary on obtaining control, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Subsequent to the date on which the Company obtains control, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Materiality

Various disclosures make reference to items considered material or immaterial to the financial statements. The Group considers information to be material if omitting it or misstating it could influence decisions that users make on the basis of the financial information provided. Materiality is considered from both a quantitative and qualitative factor perspective. In addition to subsequent specific references to materiality, and in compliance with IFRS, certain disclosures have not been provided where the information resulting from that disclosure is not material.

2 Material accounting policies continued

Business combinations

Acquisitions of subsidiaries and businesses are accounted for in accordance with IFRS 3. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets acquired by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities are recognised and measured in accordance with IAS 12 Income Taxes
- Liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 19 Employee Benefits, and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during a measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

A measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

If a business combination is achieved in stages, the Group's previously held interest in the acquired entity is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

Goodwill

Goodwill is measured as the excess of the consideration transferred over the Group's interest in acquisition-date identifiable assets acquired less liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units are defined as our reportable segments: Coatings & Construction Solutions, Adhesive Solutions and Health & Protection and Performance Materials.

Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Joint ventures

Joint ventures are accounted for using the equity method of accounting. Under the equity method, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Revenue

General

Synthomer manufactures and sells mainly water-based polymers across a diverse range of end use applications. Our products are predominantly sold in liquid form, in bulk containers.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer when performance obligations are satisfied. Revenue is recognised at the point in time when control of the product is transferred from Synthomer to the customer.

The customer is deemed to obtain control of the resultant asset in line with the Incoterms under which it is sold. The significant majority of Synthomer's products are sold under Carriage Paid To (CPT) and Carriage and Insurance Paid (CIP) International Commercial Terms. Under these terms, control of the product is transferred when the goods reach their destination. At this point the risks of obsolescence and loss have been transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the product. A receivable is recognised at this point in time as consideration is unconditional and only the passage of time is required before payment is due.

Rebates
Synthomer may grant customers rebates if the goods purchased by the customer exceed a contractually defined threshold within the specified period. Rebates are usually deducted from the amounts payable by the customer. Depending on the terms of the underlying contract, Synthomer uses either the expected value or the most likely amount to estimate the variable consideration for expected future rebates. Historical, current and forecast information is considered when calculating rebates.

The majority of rebate programmes are aligned with the Group's financial year end, providing certainty around how much should be recognised in the financial statements.

Other
The Group does not have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group applies the practical expedient in IFRS 15 and does not adjust any of the transaction prices for the time value of money.

Foreign currencies
In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under Hedge accounting), and
- Exchange differences on monetary items receivable or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's non-sterling operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling-denominated assets and liabilities.

Operating profit and loss
Operating profit and loss represents profit and loss from continuing activities before financing costs and taxation.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

2 Material accounting policies continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Global Minimum Top-up Tax

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effectively immediately, and require new disclosures about the Pillar Two exposure (see notes 10 and 11).

The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The lease term is determined from the commencement date of the contract and covers the non-cancellable term. If considered reasonably certain, extension or termination options are included in the lease term.

At the commencement date, a lease liability is recognised, measured at the present value of the future lease payments and discounted using the Group's incremental borrowing rate. Subsequently, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

At the commencement date, a right-of-use asset is recognised, measured at an amount equal to the lease liability plus any lease payments made before the commencement date and any initial direct costs, less any lease incentive payments. An estimate of costs to be incurred in restoring an asset, in accordance with the terms of the lease, is also included in the right-of-use asset at initial recognition. Subsequently, right-of-use assets are measured in accordance with the accounting policy for property, plant and equipment and are depreciated over the shorter period of lease term and the useful life of the underlying asset. Any adjustments to the corresponding lease liability are reflected in the corresponding right-of-use asset.

Short-term leases and low value leases are not recognised as lease liabilities and right-of-use assets, but are recognised as an expense straight-line over the lease term.

Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any recognised impairment loss. Cost comprises original purchase price and the costs attributable to bringing the asset to its working condition for its intended use, including, where appropriate, capitalised finance costs.

Freehold land is not depreciated.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold buildings	• 50 years
Leasehold land and buildings	• the lesser of 50 years and the period of the lease
Plant and equipment	• between 3 and 20 years

Assets in the course of construction are carried at cost, less any recognised impairment loss. Finance costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. Depreciation of these assets commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Acquired intangible assets
Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date, which is regarded as their cost. Where necessary the fair value of assets at acquisition and their estimated useful lives are based on independent valuation reports.

Acquired intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over estimated useful lives, on the following bases:

Customer relationships	• between 5 and 20 years
Other intangibles	• up to 20 years

Assets with an indefinite life are not subject to amortisation.

Acquired intangible assets are derecognised upon reaching the end of their useful lives.

Other intangible assets
Other intangible assets that are not acquired through a business combination are initially measured at cost and amortised on a straight-line basis over their estimated useful lives of up to ten years.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised only if all of the following conditions have been demonstrated:

- The technical feasibility of completing the asset
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the asset once development has been completed
- The probability that the asset created will generate future economic benefits
- The availability of adequate technical, financial and other resources to complete the development
- The asset created can be separately identified and the development cost can be measured reliably.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment of property, plant and equipment and intangible assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow-moving or defective items where they exist.

Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group classifies its financial instruments in the following categories:

- Financial assets and liabilities at amortised cost (AC)
- Financial assets and liabilities at fair value through profit and loss (FVTPL)
- Financial assets and liabilities at fair value through other comprehensive income (FVTOCI).

Financial assets and liabilities are initially measured at fair value including, where permitted, any directly attributable transaction costs.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their classification.

2 Material accounting policies continued

Financial assets and liabilities measured at amortised cost

Financial assets measured at amortised cost include cash and cash equivalents and trade and other receivables. Cash and cash equivalents comprise cash held in bank accounts with no access restrictions, and bank term deposits repayable on demand or maturing within three months of inception.

At each reporting date the Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. In establishing the appropriate amount of loss allowance to be recognised, the Group applies either the general approach or the simplified approach, depending on the nature of the underlying class of financial assets:

- Under the general approach, the Group recognises a loss allowance for a financial asset at an amount equal to the 12 month expected credit losses, unless the credit risk on the financial asset has increased significantly since initial recognition, in which case a loss allowance is recognised at an amount equal to the lifetime expected credit losses
- The simplified approach is applied to the impairment assessment of trade and other receivables. Under this approach, the Group recognises expected lifetime losses upon initial recognition.

Financial liabilities measured at amortised cost include trade and other payables, lease liabilities and borrowings. Borrowings are measured at amortised cost unless they form part of a fair value hedge relationship. The difference between the initial carrying amount of borrowings and the redemption value is recognised in the income statement over the contractual terms using the effective interest rate method.

Financial assets and liabilities held at fair value

Financial assets and liabilities are measured at fair value through profit or loss when they do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income.

Financial assets and liabilities at FVTPL are measured at fair value at the end of each reporting period with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see below).

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including interest rate swaps, foreign currency forward contracts and foreign currency options. Further details of derivative financial instruments are set out in note 21.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship.

Hedge accounting

To mitigate foreign currency and interest rate risk, the Group designates certain derivatives as hedging instruments in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

On adoption of IFRS 9, the Group elected to continue to apply the hedge accounting requirements of IAS 39 as permitted by the standard.

Fair value hedges

The Group only applies fair value hedge accounting for foreign currency risk.

The fair value change on qualifying hedging instruments is recognised in the income statement and is recognised in the same line as the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge.

Gains or losses relating to an ineffective portion are recognised immediately in the income statement.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified in the income statement in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated at that time in equity is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in equity is recognised immediately in profit or loss.

Hedges of net investment in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are treated as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution scheme.

For defined benefit schemes, the cost of providing benefits is calculated using the projected unit credit method, with actuarial valuations carried out at the end of each reporting period.

Defined benefit costs are split into three categories, namely:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- Net interest expense, and
- Remeasurements.

The Group presents service costs within cost of sales and administrative expenses.

Past service cost is recognised when the plan amendment or curtailment occurs.

Net interest expense is recognised within finance costs and is calculated by applying a discount rate to the net defined benefit liability.

Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of other comprehensive income in the period in which they occur and are not subsequently reclassified to profit and loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. These are measured at the fair value of the equity instruments at grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. The Group will on occasion, at its own discretion, settle these share-based payments in cash rather than equity.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Alternative performance measures

The Group has consistently used two significant Alternative Performance Measures (APMs) since its adoption of IFRS in 2005:

- Underlying performance, which excludes Special Items from IFRS profit measures
- EBITDA, which excludes Special Items, amortisation and depreciation from IFRS operating profit.

The Board's view is that Underlying performance provides additional clarity for the Group's investors and so it is the primary focus of the Group's narrative reporting. It is not intended to be a superior measure to IFRS, however, these measures are used internally to manage the business. Further information and the reconciliation to the IFRS measures are included in notes 4 and 5.

2 Material accounting policies continued

Critical accounting judgements and estimates

In the application of the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The assumptions for each estimate are set out in the relevant note referenced below.

- Defined benefit obligation (note 25): Calculation of the Group's defined benefit obligation includes a number of assumptions which impact the carrying value of the obligation.
- Valuation of goodwill, intangible assets and property plant and equipment on acquisition: In a business combination, intangible and tangible assets are identified and recognised at fair value. The assumptions involved in valuing these assets require the use of estimates that may differ from the actual outcome. These estimates cover future growth rates, expected inflation rates and the discount rate used. Changing the assumptions selected by management could significantly affect the allocation of the purchase price paid between goodwill and other acquired intangibles.
- Impairment of goodwill and intangible assets: as part of impairment testing, the Group is required to estimate the recoverable amount of cash generating units by estimating future cash flows. The assumptions involved in estimating the recoverable amount include future growth rates and the discount rates used. Changing the assumptions selected by management could significantly affect the amount of any impairment.
- Current tax liability and deferred tax (notes 10 and 11): The Group annually incurs significant amounts of income taxes payable to various jurisdictions around the world and it also recognises significant changes in deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws, regulations and relevant court decisions.

Critical judgements in applying the Group's accounting policies

During the year the Group maintained agreements under which amounts receivable from customers can be sold to a third-party on a non-recourse basis. These receivables are derecognised at the point of sale which is shortly after the initial recognition of the receivable balance. This derecognition generated a net cash inflow of £77.2m for the year ended 31 December 2025 (2024: £23.2m outflow) and a net reduction in receivables of £170.1m as at 31 December 2025 (2024: £87.3m).

In accordance with IFRS 9, the Group has determined that substantially all the risks and rewards of ownerships of these receivables have been transferred to the third parties under the facilities, resulting in derecognition of the customer receivables.

IFRS 7 provides further guidance on disclosure requirements where there is continued involvement in the derecognised financial assets. The Group has determined that an asset should be recognised in respect of deferred purchase price reserve, which represents a portion of the original receivable. This reserve is subsequently paid by the counterparties to the agreements, whether the customer pays the receivable in full or not. Further disclosures in relation to this receivable can be found in note 21.

There are no other critical judgements, apart from those involving estimations (which are discussed above), that the Directors have made in the process of applying the Group's accounting policies.

3 Adoption of new and revised standards

There were no new standards or amendments to existing standards that were effective in the year that have had a material impact on the Group. There are a number of amendments and clarifications to IFRS, effective in future years, which have not been early adopted by the Group. These standards, amendments or clarifications are not expected to significantly impact the Group's consolidated results or financial position in the current or future periods.

4 Special Items

IFRS and Underlying performance

The IFRS profit measures show the performance of the Group as a whole and as such include all sources of income and expense, including both one-off items and those that do not relate to the Group's ongoing businesses. To provide additional clarity on the ongoing trading performance of the Group's businesses, management uses 'Underlying' performance as an Alternative Performance Measure to plan for, control and assess the performance of the segments. Underlying performance differs from the IFRS measures as it excludes Special Items.

Special Items

Special Items are disclosed separately in order to provide a clearer indication of the Group's Underlying performance.

Special Items are either irregular, and therefore including them in the assessment of a segment's performance would lead to a distortion of trends, or are technical adjustments which ensure the Group's financial statements are in compliance with IFRS but do not reflect the operating performance of a segment in the year, or both. An example of the latter is the amortisation of acquired intangibles, which principally relates to acquired customer relationships. The Group incurs costs, which are recognised as an expense in the income statement, in maintaining these customer relationships. The Group considers that the exclusion of the amortisation charge on acquired intangibles from Underlying performance avoids the potential double counting of such costs and therefore excludes it as a Special Item from Underlying performance.

The following are consistently disclosed separately as Special Items in order to provide a clearer indication of the Group's Underlying performance:

- Restructuring and site closure costs
- Sale of business or significant asset
- Acquisition costs and related gains
- Amortisation of acquired intangible assets
- Impairment of non-current assets
- Fair value adjustments in respect of derivative financial instruments where hedge accounting is not applied
- Items of income and expense that are considered material, either by their size and/or nature
- Tax impact of above items;
- Settlement of prior period tax issues
- Customisation, configuration and set-up costs of significant Software as a Service ("SaaS") arrangements.

Special Items comprise:

	Note	**2025 £m**	2024 £m
Amortisation of acquired intangibles	14	**(44.4)**	(45.1)
Restructuring and site closure costs (including share of JV)		**(14.0)**	(15.4)
Impairment charge		**(22.5)**	(5.7)
Acquisition costs and related gains		**0.1**	(0.6)
Sale of business		**(2.7)**	(3.1)
Software as a Service implementation costs		**(1.1)**	–
Pension past service cost		**(3.2)**	(4.4)
Total impact on continuing operating profit		**(87.8)**	(74.3)
Finance costs			
Loss on extinguishment of financing facilities	9	**–**	(1.4)
Total impact on loss before taxation		**(87.8)**	(75.7)
Taxation Special Items	10	**–**	7.5
Taxation on Special Items	10	**1.7**	7.1
Total impact on loss for the year – continuing operations		**(86.1)**	(61.1)
Discontinued operations			
Restructuring and site closure costs		**(0.3)**	(1.1)
Sale of business		**(8.9)**	(3.3)
Taxation on Special Items		**(0.7)**	–
Total impact on profit for the year – discontinued operations		**(9.9)**	(4.4)
Total impact on loss for the year		**(96.0)**	(65.5)

Amortisation of acquired intangibles is the amortisation on the customer lists, patents, trademarks and trade secrets arising on past acquisitions. The fair value of the intangible assets arising on past acquisitions are being amortised over periods of 8-20 years mainly dependent on the characteristics of the customer relationships.

4 Special Items continued

Within continuing operations, Restructuring and site closure costs in 2025 principally comprised:

- A £1.2m charge in relation to the ongoing integration of the acquired Adhesive Resins business into the Adhesive Solutions division
- £0.8m of costs in relation to the closure of the Ningbo antioxidants plant;
- £6.7m of costs in relation to global rationalisation and restructuring activities
- £3.5m in relation to a procurement excellence transformation project; and
- £1.1m loss incurred in relation to an onerous contract following the earlier divestment of the European tyre cord business

Restructuring and site closure costs in 2024 included charges to integrate the Adhesive Resins business, site rationalisation costs in the USA, Malaysia and Europe, and costs in relation to operational site reviews to align with our strategic initiatives.

Impairment includes an impairment charge of £28.5m in relation to non-current assets in our Acrylate Monomers business, offset by an impairment reversal of £6.0m relating to the reversal of a previous impairment of fixed assets at our Kluang plant.

Acquisition costs and related gains are for the acquisition of Eastman's Adhesive Resins business and comprise items related to obligations to the US pension schemes. Acquisition costs in 2024 also related to the acquisition of Eastman's Adhesive Resins business.

Sale of business costs in discontinued operations relate to the loss on disposal of £8.9m realised with the sale of the William Blythe business to Hamsard 3806 Bidco Limited. Sale of business costs in continuing operations relates to costs incurred in relation to future divestments.

Sale of business costs in the prior year in discontinued operations related to the disposal proceeds net of costs incurred following the sale of the compounds business to Matco Latex Services BV.

Other costs include a £3.2m charge in relation to a one-off non-cash past service cost arising from a correction to the calculation of late retirement benefits in the US defined benefit pension scheme.

Software as a service implementation costs of £1.1m primarily represents the cost of setting up a new customer relationship management tool.

Taxation Special Items in 2024 related to the release of a Malaysian tax provision relating to uncertain tax treatments which was concluded in the year.

5 Segmental analysis

The Group's Executive Committee, chaired by the Chief Executive Officer, examines the Group's performance.

The Group's Executive Committee is the chief operating decision maker and primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. No information is provided to the Group's Executive Committee at the segment level concerning interest income, interest expense, income tax or other material non-cash items.

The Group's reportable segments are as follows:

Coatings & Construction Solutions

Our specialist polymers enhance the sustainable performance of a wide range of coatings and construction products. We work across architectural and masonry coatings, mortar modification, waterproofing and flooring, fibre bonding, and energy solutions.

Adhesive Solutions

Our adhesive solutions bond, modify and compatibilise surfaces and components for products including tapes and labels, packaging, hygiene, tyres and plastic modification, helping improve permeability, strength, elasticity, damping, dispersion and grip.

Health & Protection and Performance Materials

We help enhance protection and performance in a wide range of industries including medical glove manufacture, speciality paper, food packaging, carpet and artificial turf, gel foam elastomers, and vinyl-coated seating fabrics.

No single customer accounts for more than 10% of the Group's revenue.

5 Segmental analysis continued

A segmental analysis of Underlying performance and Special Items is shown below.

2025	**Continuing operations**					**Discontinued operations**	
	Coatings & Construction Solutions £m	**Adhesive Solutions £m**	**Health & Protection and Performance Materials £m**	**Corporate £m**	**Total £m**	**Health & Protection and Performance Materials £m**	**Total £m**
Revenue							
Total revenue	**699.2**	**570.8**	**472.7**	**–**	**1,742.7**	**28.9**	**1,771.6**
Inter-segmental revenue	**–**	**–**	**(3.5)**	**–**	**(3.5)**	**–**	**(3.5)**
	699.2	**570.8**	**469.2**	**–**	**1,739.2**	**28.9**	**1,768.1**
EBITDA	**64.3**	**66.0**	**24.2**	**(18.0)**	**136.5**	**3.6**	**140.1**
Depreciation and amortisation	**(25.9)**	**(34.8)**	**(26.3)**	**(11.9)**	**(98.9)**	**(0.5)**	**(99.4)**
Operating profit/(loss) before Special Items	**38.4**	**31.2**	**(2.1)**	**(29.9)**	**37.6**	**3.1**	**40.7**
Special Items	**(31.6)**	**(20.4)**	**(30.9)**	**(4.9)**	**(87.8)**	**(9.2)**	**(97.0)**
Operating profit/(loss)	**6.8**	**10.8**	**(33.0)**	**(34.8)**	**(50.2)**	**(6.1)**	**(56.3)**
Finance costs							**(63.9)**
Loss before taxation							**(120.2)**

2024	Continuing operations					Discontinued operations	
	Coatings & Construction Solutions £m	Adhesive Solutions £m	Health & Protection and Performance Materials £m	Corporate £m	Total £m	Health & Protection and Performance Materials £m	Total £m
Revenue							
Total revenue	790.5	588.4	557.7	–	1,936.6	63.5	2,000.1
Inter-segmental revenue	–	–	(3.5)	–	(3.5)	–	(3.5)
	790.5	588.4	554.2	–	1,933.1	63.5	1,996.6
EBITDA	85.9	47.9	33.0	(23.7)	143.1	6.1	149.2
Depreciation and amortisation	(25.3)	(32.9)	(26.9)	(9.9)	(95.0)	(1.4)	(96.4)
Operating profit/(loss) before Special Items	60.6	15.0	6.1	(33.6)	48.1	4.7	52.8
Special Items	(28.1)	(24.5)	(17.7)	(4.0)	(74.3)	(4.4)	(78.7)
Operating profit/(loss)	32.5	(9.5)	(11.6)	(37.6)	(26.2)	0.3	(25.9)
Finance costs							(61.4)
Loss before taxation							(87.3)

5 Segmental analysis continued

Geographical information

The Group's revenue from external customers and its non-current assets (excluding deferred tax and the defined benefit asset) by geographical location are detailed below:

	Revenue by destination		Non-current assets	
	2025 £m	2024 £m	**2025 £m**	2024 £m
UK	**95.1**	97.7	**177.8**	180.0
Germany	**204.6**	227.0	**177.9**	170.9
Italy	**94.9**	88.9	**33.0**	32.2
Netherlands	**80.4**	78.8	**134.1**	129.6
France	**71.6**	83.8	**84.7**	85.4
Belgium	**42.8**	46.1	**47.6**	51.9
Spain	**75.1**	76.9	**6.3**	5.9
Other Europe	**242.8**	258.1	**46.0**	69.0
Malaysia	**109.1**	177.6	**137.9**	143.5
China	**99.2**	116.2	**21.2**	25.7
Other Asia	**147.9**	152.9	**3.9**	4.1
USA	**420.2**	469.3	**644.6**	721.9
Rest of world	**84.4**	123.3	**10.0**	9.3
	1,768.1	1,996.6	**1,525.0**	1,629.4

6 Operating profit – continuing operations

	Note	**2025 £m**	2024 £m
Revenue		**1,739.2**	1,933.1
Cost of sales		**(1,428.5)**	(1,602.6)
Gross profit		**310.7**	330.5
Sales and marketing costs		**(78.8)**	(76.5)
Administrative expenses		**(96.8)**	(112.5)
Share of joint ventures	17	**1.4**	1.6
EBITDA		**136.5**	143.1
Depreciation and amortisation – Underlying performance		**(98.9)**	(95.0)
Operating profit – Underlying performance		**37.6**	48.1
Special Items	4	**(87.8)**	(74.3)
Operating loss – IFRS		**(50.2)**	(26.2)

	Note	**2025 £m**	2024 £m
Operating loss is stated after charging the following:			
Amortisation of acquired intangibles	4	**44.4**	45.1
Amortisation of other intangibles	15	**13.4**	12.1
Depreciation of property, plant and equipment		**74.1**	71.8
Depreciation of right-of-use assets		**11.4**	11.1
Research and development expenditure		**29.9**	31.7
Net loss on foreign exchange		**1.9**	0.4

7 Auditors' remuneration

	2025 £'000	2024 £'000
Fees payable to the Company's auditor for:		
– Audit of the Company's annual financial statements and the consolidated annual financial statements	**600.0**	527.0
Fees payable to the Company's auditor and their associates for other services to the Group:		
– Audit of the Company's subsidiaries' annual financial statements	**1,937.0**	1,911.0
Total audit fees	**2,537.0**	2,438.0
Audit related assurance services	**55.0**	53.0
Other assurance services	**–**	196.0
Total non-audit fees	**55.0**	249.0

Details of the Company's policy on the use of auditor for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity was safeguarded are set out in the Audit Committee section of the Corporate Governance Report on page 94. No services were provided pursuant to contingent fee arrangements.

8 Staff costs

	2025 Number	2024 Number
The average monthly number of employees during the year by segment was:		
Coatings & Construction Solutions	**2,068**	2,117
Adhesive Solutions	**693**	718
Health & Protection and Performance Materials	**1,051**	1,243
Corporate	**51**	49
	3,863	4,127

	2025 £m	2024 £m
The aggregate remuneration of all Group employees comprised:		
Wages and salaries	**232.3**	251.5
Social security costs	**37.0**	34.7
Other pension costs	**19.9**	18.3
Share-based payments	**2.6**	1.6
	291.8	306.1

Directors' emoluments are disclosed in the Remuneration Report on pages 98 to 126.

9 Finance costs

	2025 £m	2024 £m
Interest payable on bank loans and overdrafts	**63.8**	68.0
Less: interest receivable	**(4.7)**	(12.1)
Net interest expense on defined benefit obligations	**1.4**	1.7
Interest element of lease payments	**3.4**	2.4
Underlying finance costs	**63.9**	60.0
Loss on extinguishment of financing facilities	**–**	1.4
Total finance costs from continuing operations	**63.9**	61.4
Total finance costs	**63.9**	61.4

10 Taxation

	2025 £m	2024 £m
Current tax		
UK corporation tax	–	(0.5)
Overseas taxation	**14.1**	15.1
	14.1	14.6
Deferred tax		
Origination and reversal of temporary differences	**23.6**	(18.0)
	37.7	(3.4)
Special Items		
Current tax:		
Historical issues	–	(7.5)
Sale of business	**(0.2)**	(0.1)
Restructuring and site closure costs	**(2.5)**	(1.5)
Deferred tax:		
Sale of business	**0.6**	(0.1)
Restructuring and site closure costs	**4.9**	(0.6)
Amortisation of acquired intangibles	**(3.8)**	(3.7)
Prior year adjustment	–	(1.1)
	(1.0)	(14.6)
Total tax on loss before taxation	**36.7**	(18.0)
Income tax is attributable to:		
Total tax from continuing operations	**36.0**	(18.6)
Total tax from discontinuing operations	**0.7**	0.6

UK corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Reconciliation of tax expense to loss before taxation

The differences between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2025 £m	2024 £m
Loss before taxation	**(120.2)**	(87.3)
Tax on loss before taxation at standard UK corporation tax rate of 25% (2024: 25%)	**(30.1)**	(21.8)
Effects of:		
Expenses not deductible for tax purposes	**10.4**	10.6
Tax incentives and items not subject to tax	**(5.2)**	(2.3)
Higher tax rates on overseas earnings	**(0.1)**	(1.4)
Other deferred tax asset not recognised less amounts now recognised	**61.4**	2.0
Adjustments to tax charge in respect of prior periods	**(0.6)**	(4.6)
Effect of change of rate on deferred tax	**0.9**	0.3
Sale of business	–	(0.8)
Tax charge/(credit) for year	**36.7**	(18.0)

Other deferred tax assets not recognised includes the partial derecognition of the UK and US deferred tax assets and derecognition of German deferred tax on carried forward interest. These have been derecognised due to there being insufficient evidence that the assets will reverse in the short to medium term.

Tax relating to components of other comprehensive income

	2025 £m	2024 £m
Current tax charge in respect of actuarial gains/(losses)	**(0.5)**	(0.2)
Deferred tax (charge)/credit in respect of actuarial gains/losses	**(3.6)**	0.3
Total tax (charge)/credit in respect of actuarial gains/losses	**(4.1)**	0.1

Current tax

	2025 £m	2024 £m
Current tax receivable	**2.6**	15.6
Current tax liability	**(15.3)**	(17.6)

10 Taxation continued

The Group's effective tax rate is affected by the tax impact of Special Items. It is therefore helpful to consider the Underlying and Special Items affecting tax rates separately:

The effective tax rate on continuing underlying profit before tax for the year is -144.1% (2024: 30.4%) due to the geographical mix of profits and this year is largely driven by the partial derecognition of the UK, German and US deferred tax assets due to there being insufficient evidence that the assets will reverse in the short to medium term.

The effective tax rate for Special Items was 1.8% (2024: 19%), this mainly relates to deferred tax arising on the amortisation of acquired intangibles. In 2024 this was largely driven by the current tax credit in relation to the successful resolution of the litigation in Malaysia regarding the tax treatment on the sale of plantation land.

Global Minimum Top-up Tax

The Group is subject to Global Minimum Top-up Tax under Pillar Two legislation. The Group has performed an assessment of the Group's potential exposure to Pillar Two top-up tax and based on such assessment performed, transitional safe harbour relief should apply to all the jurisdictions where the Group operates and therefore, the Group does not expect a potential exposure to the Pillar Two top-up tax. The management is not currently aware of any circumstances under which this might change.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax.

11 Deferred taxation

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets to the extent that it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities are shown below.

Deferred tax liabilities

2025	Accelerated tax depreciation £m	Acquired intangibles £m	Other £m	Sub-total £m	Right of offset £m	Total £m
At 1 January	**(39.0)**	**(28.1)**	**–**	**(67.1)**	**38.2**	**(28.9)**
Sale of business	**(1.4)**	**–**	**–**	**(1.4)**		
(Charged)/credited to income statement	**(4.3)**	**3.8**	**–**	**(0.5)**		
Transfers	**–**	**–**	**(3.8)**	**(3.8)**		
Exchange adjustment	**1.9**	**(0.8)**	**–**	**1.1**		
At 31 December	**(42.8)**	**(25.1)**	**(3.8)**	**(71.7)**	**41.7**	**(30.0)**
2024	£m	£m	£m	£m	£m	£m
At 1 January	(40.9)	(32.8)	–	(73.7)	39.9	(33.8)
Credited to income statement	2.7	3.7	–	6.4		
Exchange adjustment	(0.8)	1.0	–	0.2		
At 31 December	(39.0)	(28.1)	–	(67.1)	38.2	(28.9)

Deferred tax liabilities not recognised

No deferred tax liability has been recognised on temporary differences relating to unremitted earnings of overseas subsidiaries of £200.6 million (2024: £214.8m), as the Group is able to control the timing of the reversal of the temporary differences and it is not probable that the differences will reverse in the foreseeable future.

11 Deferred taxation continued

Deferred tax assets

2025	Losses £m	Retirement benefit obligations £m	Provisions & restructuring £m	Other £m	Sub-total £m	Right of offset £m	Total £m
At 1 January	**40.0**	**2.4**	**27.4**	**24.1**	**93.9**	**(38.2)**	**55.7**
Sale of business	**–**	**–**	**(0.6)**	**–**	**(0.6)**		
(Charged)/credited to income statement	**(0.6)**	**2.5**	**(0.1)**	**(24.7)**	**(22.9)**		
Charged to statement of other comprehensive income	**–**	**(3.6)**	**–**	**–**	**(3.6)**		
Transfers	**–**	**–**	**–**	**3.8**	**3.8**		
Exchange adjustment	**0.2**	**0.3**	**(1.0)**	**(3.0)**	**(3.5)**		
At 31 December	**39.6**	**1.6**	**25.7**	**0.2**	**67.1**	**(41.7)**	**25.4**

2024	£m	£m	£m	£m	£m	£m	£m
At 1 January	37.1	5.4	26.1	8.2	76.8	(39.9)	36.9
Credited/(charged) to income statement	3.1	(2.9)	1.3	15.6	17.1		
Credited to statement of other comprehensive income	–	0.3	–	–	0.3		
Transfers	–	–	–	–	–		
Exchange adjustment	(0.2)	(0.4)	–	0.3	(0.3)		
At 31 December	40.0	2.4	27.4	24.1	93.9	(38.2)	55.7

The Group has concluded that the deferred tax assets recognised on balance sheet will be fully recoverable against the unwind of taxable temporary differences and future taxable profits based on the long-term strategic plans of the Group. Where applicable the financial projections used in assessing future taxable income are consistent with those used elsewhere across the business, for example in the assessment of going concern.

Deferred tax asset not recognised

The amounts of tax losses for which no deferred tax asset has been recognised at the balance sheet dates are as follows:

	2025 £m	2024 £m
Unused tax losses for which no deferred tax asset has been recognised	**191.6**	86.7
Carried forward interest for which no deferred tax asset has been recognised	**121.2**	15.7
Other items for which no deferred tax asset has been recognised	**7.1**	6.8
Total	**319.9**	109.2

All of the unrecognised tax losses set out above can be carried forward indefinitely.

12 Earnings per share

		2025			2024		
		Underlying performance	**Special Items**	**IFRS**	Underlying performance	Special Items	IFRS
Earnings							
Loss attributable to equity holders of the parent – continuing operations	£m	**(63.9)**	**(86.3)**	**(150.2)**	(8.2)	(64.1)	(72.3)
Loss attributable to equity holders of the parent	£m	**(60.8)**	**(96.2)**	**(157.0)**	(4.1)	(68.5)	(72.6)
Number of shares							
Weighted average number of ordinary shares – basic	'000			**163,500**			163,473
Effect of dilutive potential ordinary shares	'000			**5,266**			1,078
Weighted average number of ordinary shares – diluted	'000			**168,766**			164,551
Earnings per share for profit from continuing operations							
Basic earnings per share	pence	**(39.1)**	**(52.8)**	**(91.9)**	(5.1)	(39.2)	(44.3)
Diluted earnings per share	pence	**(39.1)**	**(52.8)**	**(91.9)**	(5.1)	(39.2)	(44.3)
Earnings per share for profit from discontinued operations							
Basic earnings per share	pence	**1.9**	**(6.0)**	**(4.1)**	2.6	(2.7)	(0.1)
Diluted earnings per share	pence	**1.9**	**(6.0)**	**(4.1)**	2.6	(2.7)	(0.1)
Earnings per share for profit attributable to equity holders of the parent							
Basic earnings per share	pence	**(37.2)**	**(58.8)**	**(96.0)**	(2.5)	(41.9)	(44.4)
Diluted earnings per share	pence	**(37.2)**	**(58.8)**	**(96.0)**	(2.5)	(41.9)	(44.4)

13 Goodwill

	2025 £m	2024 £m
Cost		
At 1 January	**598.8**	608.4
Sale of business	**(8.0)**	(7.5)
Exchange adjustments	**(11.1)**	(2.1)
At 31 December	**579.7**	598.8
Accumulated impairment losses		
At 1 January	**143.7**	142.7
Exchange adjustments	**(7.0)**	1.0
At 31 December	**136.7**	143.7
Net book value		
At 31 December	**443.0**	455.1

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The allocation of the carrying value of goodwill is represented below.

	Net book value at 1 January 2025 £m	**Sale of business £m**	**Exchange adjustments £m**	**Net book value at 31 December 2025 £m**
Coatings & Construction Solutions	**354.5**	**–**	**(5.9)**	**348.6**
Adhesive Solutions	**24.7**	**–**	**(1.1)**	**23.6**
Health & Protection and Performance Materials	**75.9**	**(8.0)**	**2.9**	**70.8**
Total	**455.1**	**(8.0)**	**(4.1)**	**443.0**

	Net book value at 1 January 2024 £m	Divisional Reorganisation £m	Sale of business £m	Exchange adjustments £m	Net book value at 31 December 2024 £m
Coatings & Construction Solutions	320.5	36.3	–	(2.3)	354.5
Adhesive Solutions	24.5	–	–	0.2	24.7
Health & Protection and Performance Materials	120.7	(36.3)	(7.5)	(1.0)	75.9
Total	465.7	–	(7.5)	(3.1)	455.1

13 Goodwill continued

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts for CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are the discount rate, profitability and growth rate. These assumptions have been updated in the year in light of the current economic environment.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Group. The discount rate is based on the Group's weighted average cost of capital adjusted where appropriate for the risk premium attributable to a particular CGU's activities. A pre-tax discount rate of 11.8% has been used in the above calculations for each CGU (2024: 11.9%).

The Group prepares cash flow forecasts for each CGU, derived from the most recent five-year business plans approved by the Board. The final year cash flow is then assumed to apply into perpetuity with estimated annual growth rates of 1.91%, 1.99% and 2.41% for Coatings & Construction Solutions, Adhesive Solutions and Health & Protection and Performance Materials respectively (2024: 1.96%, 2.05% and 2.38% respectively). These rates do not exceed average long-term growth rates for relevant markets.

For each CGU, a sensitivity analysis has been undertaken on the impairment tests, with scenarios covering increased cost of capital, the impact of potential carbon taxes, reduced EBITDA margins and reduction in customer demand. For each CGU, the Directors believe that there is no reasonably possible change in the key assumptions on which the recoverable amount is based that would cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

For each CGU, the primary sensitivities considered were the discount rate, perpetuity growth rate and short term EBITDA growth rate. For Coatings & Construction Solutions, Adhesive Solutions and Health & Protection and Performance Materials, an increase of 0.5% in discount rate would yield a decrease in recoverable amount of £51m, £32m and £25m respectively (2024: £61m, £35m and £23m). A 0.25% decrease in perpetuity growth rate would yield a decrease in recoverable amount of £19m, £12m and £10m respectively (2024: £20m, £12m and £8m). Reducing EBITDA by 10% as a result of sensitising short term growth rates would yield decreases in recoverable amounts of £128m, £92m and £70m respectively.

14 Acquired intangible assets

	Customer relationships £m	**Other acquired intangibles £m**	**Total £m**
Cost			
At 1 January 2025	**486.4**	**108.5**	**594.9**
Exchange adjustments	**(15.9)**	**(4.0)**	**(19.9)**
At 31 December 2025	**470.5**	**104.5**	**575.0**
Accumulated amortisation and impairment			
At 1 January 2025	**165.9**	**21.9**	**187.8**
Amortisation charge for the year	**37.0**	**7.4**	**44.4**
Exchange adjustments	**(3.4)**	**(1.0)**	**(4.4)**
At 31 December 2025	**199.5**	**28.3**	**227.8**
Net book value			
At 31 December 2025	**271.0**	**76.2**	**347.2**

	Customer relationships £m	Other acquired intangibles £m	Total £m
Cost			
At 1 January 2024	488.0	108.6	596.6
Exchange adjustments	(1.6)	(0.1)	(1.7)
At 31 December 2024	486.4	108.5	594.9
Accumulated amortisation and impairment			
At 1 January 2024	129.6	14.5	144.1
Amortisation charge for the year	37.6	7.5	45.1
Exchange adjustments	(1.3)	(0.1)	(1.4)
At 31 December 2024	165.9	21.9	187.8
Net book value			
At 31 December 2024	320.5	86.6	407.1

Amortisation of acquired intangibles is included under Special Items.

15 Other intangible assets

	Other intangible assets £m	Assets under construction £m	Total £m
Cost			
At 1 January 2025	**117.7**	**1.1**	**118.8**
Additions	**0.4**	**11.0**	**11.4**
Disposals	**(3.1)**	**(1.4)**	**(4.5)**
Sale of business	**(2.2)**	**–**	**(2.2)**
Transfers from assets under construction	**7.4**	**(7.4)**	**–**
Other transfers	**(0.2)**	**0.2**	**–**
Exchange adjustments	**4.1**	**0.1**	**4.2**
At 31 December 2025	**124.1**	**3.6**	**127.7**
Accumulated amortisation and impairment			
At 1 January 2025	**48.2**	**–**	**48.2**
Amortisation charge for the year	**13.4**	**–**	**13.4**
Disposals	**(2.7)**	**–**	**(2.7)**
Sale of business	**(2.0)**	**–**	**(2.0)**
Impairment	**0.9**	**–**	**0.9**
Exchange adjustments	**0.3**	**–**	**0.3**
At 31 December 2025	**58.1**	**–**	**58.1**
Net book value			
At 31 December 2025	**66.0**	**3.6**	**69.6**

Other intangible assets mainly comprises the Pathway programme and other software.

	Other intangible assets £m	Assets under construction £m	Total £m
Cost			
At 1 January 2024	107.0	1.7	108.7
Additions	1.0	10.1	11.1
Disposals	(1.3)	–	(1.3)
Transfer from assets under construction	11.1	(11.1)	–
Exchange adjustments	(0.1)	0.4	0.3
At 31 December 2024	117.7	1.1	118.8
Accumulated amortisation and impairment			
At 1 January 2024	37.6	–	37.6
Amortisation charge for the year	12.1	–	12.1
Disposals	(1.3)	–	(1.3)
Exchange adjustments	(0.2)	–	(0.2)
At 31 December 2024	48.2	–	48.2
Net book value			
At 31 December 2024	69.5	1.1	70.6

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

As disclosed in note 2, there are various conditions required by IAS 38 for an internally generated intangible asset to be recognised.

During the year the Group invested a further £12.4m in its Pathway programme (2024: £11.6m). This programme is designed to deliver a unified operating model on a single set of integrated systems to improve the efficiency and effectiveness of the Group. The investment in this programme was shown as an asset under construction until the deployment phase began.

16 Property, plant and equipment

	Owned assets				Right-of-use assets		
	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and equipment £m	Assets under construction £m	Land and buildings £m	Plant and equipment £m	Total £m
Cost							
At 1 January 2025	**194.7**	**8.8**	**959.4**	**75.4**	**46.6**	**32.9**	**1,317.8**
Additions	**1.3**	**–**	**17.7**	**61.2**	**3.6**	**7.4**	**91.2**
Transfer to held for sale	**–**	**–**	**–**	**–**	**(13.0)**	**–**	**(13.0)**
Sale of business	**(3.5)**	**–**	**(24.2)**	**–**	**–**	**–**	**(27.7)**
Impairment	**–**	**–**	**–**	**(1.7)**	**–**	**–**	**(1.7)**
Disposals	**(0.2)**	**–**	**(52.0)**	**(1.0)**	**(5.3)**	**(1.1)**	**(59.6)**
Transfer from assets under construction	**6.2**	**2.0**	**56.7**	**(64.9)**	**–**	**–**	**–**
Other transfers	**3.4**	**(0.1)**	**(4.7)**	**1.4**	**–**	**–**	**–**
Lease adjustments	**–**	**–**	**–**	**–**	**5.1**	**2.6**	**7.7**
Exchange adjustments	**3.6**	**0.1**	**9.1**	**1.4**	**0.7**	**0.8**	**15.7**
At 31 December 2025	**205.5**	**10.8**	**962.0**	**71.8**	**37.7**	**42.6**	**1,330.4**
Accumulated depreciation and impairment							
At 1 January 2025	**60.5**	**5.4**	**535.4**	**–**	**15.3**	**12.7**	**629.3**
Depreciation charge for the year	**6.2**	**0.3**	**68.1**	**–**	**3.4**	**8.0**	**86.0**
Transfer to held for sale	**–**	**–**	**–**	**–**	**(7.6)**	**–**	**(7.6)**
Sale of business	**(3.2)**	**–**	**(20.2)**	**–**	**–**	**–**	**(23.4)**
Impairment	**0.5**	**–**	**19.1**	**–**	**–**	**0.3**	**19.9**
Disposals	**(1.2)**	**–**	**(49.5)**	**–**	**(5.3)**	**(1.0)**	**(57.0)**
Other transfers	**5.3**	**–**	**(5.3)**	**–**	**–**	**–**	**–**
Lease adjustments	**–**	**–**	**–**	**–**	**7.1**	**2.5**	**9.6**
Exchange adjustments	**3.1**	**–**	**13.2**	**–**	**0.3**	**0.5**	**17.1**
At 31 December 2025	**71.2**	**5.7**	**560.8**	**–**	**13.2**	**23.0**	**673.9**
Net book value							
At 31 December 2025	**134.3**	**5.1**	**401.2**	**71.8**	**24.5**	**19.6**	**656.5**

16 Property, plant and equipment continued

	Owned assets				Right-of-use assets		
	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and equipment £m	Assets under construction £m	Land and buildings £m	Plant and equipment £m	Total £m
Cost							
At 1 January 2024	203.2	8.0	970.5	36.7	43.4	29.5	1,291.3
Additions	3.6	–	25.1	54.5	5.2	7.7	96.1
Transfer to held for sale	(2.7)	–	(13.1)	–	–	–	(15.8)
Sale of business	(1.9)	–	(11.4)	(0.3)	–	–	(13.6)
Impairment	(1.1)	–	(1.2)	(3.7)	–	–	(6.0)
Disposals	(4.0)	–	(12.4)	(0.1)	(1.7)	(3.9)	(22.1)
Transfer from assets under construction	2.2	0.8	7.1	(10.1)	–	–	–
Other transfers	–	–	–	–	–	–	–
Exchange adjustments	(4.6)	–	(5.2)	(1.6)	(0.3)	(0.4)	(12.1)
At 31 December 2024	194.7	8.8	959.4	75.4	46.6	32.9	1,317.8
Accumulated depreciation and impairment							
At 1 January 2024	62.2	5.1	495.5	–	12.8	10.0	585.6
Depreciation charge for the year	7.5	0.2	65.5	–	4.2	6.9	84.3
Transfer to held for sale	(2.0)	–	(7.3)	–	–	–	(9.3)
Sale of business	–	–	(8.4)	–	–	–	(8.4)
Impairment	(0.1)	–	(0.2)	–	–	–	(0.3)
Disposals	–	–	(11.2)	–	(1.7)	(4.1)	(17.0)
Other transfers	(4.8)	0.2	4.6	–	–	–	–
Exchange adjustments	(2.3)	(0.1)	(3.1)	–	–	(0.1)	(5.6)
At 31 December 2024	60.5	5.4	535.4	–	15.3	12.7	629.3
Net book value							
At 31 December 2024	134.2	3.4	424.0	75.4	31.3	20.2	688.5

Freehold land is not depreciated and is held at historical cost. At 31 December 2025, the Group's freehold land was recognised at £35.4m (31 December 2024: £34.3m).

At 31 December 2025 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £10.2m (2024: £5.0m).

17 Investment in joint ventures

Details of the Group's joint ventures are as follows:

Name of entity	Place of incorporation	Ownership	Principal activity	Segment
Synthomer Middle East Company Ltd	Saudi Arabia	49%	Manufacturer and sale of acrylic and vinyl resin emulsions	Coatings & Construction Solutions
Synthomer Functional Solutions FZCO	UAE	49%	Trading in adhesives and oilfield chemicals	Adhesive Solutions
Synthomer FZE Limited	UAE	49%	Sales and marketing support for Synthomer Group Companies	Coatings & Construction Solutions
Nanjing Yangzi Eastman Chemical Ltd	China	50%	Manufacturer of hydrogenated hydrocarbon resins	Adhesive Solutions
Super Sky Ltd	United Kingdom	50%	Non-trading	Corporate

Joint ventures are accounted for using the equity method in these financial statements. The ownership of entities has not changed since the prior year.

Summarised financial information in respect of the joint ventures is set out below. This information represents amounts in the joint ventures' financial statements adjusted for differences in accounting policies between the Group and the joint venture (and not the Group's share of those amounts).

Summarised balance sheet (100%)

	2025 £m	2024 £m
Non-current assets	**12.0**	12.2
Cash and cash equivalents	**4.6**	3.7
Other current assets	**23.8**	28.0
Total current assets	**28.4**	31.7
Other current liabilities	**(26.4)**	(32.1)
Total current liabilities	**(26.4)**	(32.1)
Net assets	**14.0**	11.8

Summarised statement of comprehensive income (100%)

	2025 £m	2024 £m
Revenue	**79.1**	90.3
Operating profit	**2.9**	2.7
Taxation	**(0.1)**	(0.1)
Profit for the year	**2.8**	2.6
Exchange differences on translation	**–**	–
Total comprehensive income	**2.8**	2.6
Dividends paid	**–**	(2.1)
Movement in retained earnings	**2.8**	0.5
Group share:		
Profit for the year	**1.4**	1.3
Dividends paid	**–**	(1.0)

The following table reconciles the summary information above to the carrying amount of the Group's interest in the joint ventures:

Investment in joint venture

	2025 £m	2024 £m
At 1 January	**8.1**	7.5
Profit from continuing operations	**1.4**	1.3
Exchange differences on translation	**(0.8)**	0.3
Dividend paid	**–**	(1.0)
At 31 December	**8.7**	8.1

18 Inventories

	2025 £m	2024 £m
Raw materials and consumables	**159.6**	167.5
Finished goods	**177.3**	180.7
	336.9	348.2
Stock written off during the year	**3.0**	6.0
Cost of inventory recognised as an expense and included in cost of sales	**1,059.9**	1,238.3

The nature of the chemical reaction necessary to produce finished goods from raw materials is such that 'work in progress' is not a material part of the Group's inventory at any given point of time.

19 Trade and other receivables

	2025 £m	2024 £m
Trade receivables	**96.2**	155.8
Other receivables	**51.1**	62.6
Prepayments	**6.5**	8.8
	153.8	227.2

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Before accepting a new customer, the Group uses appropriate procedures to assess the potential customer's credit quality in order to set a credit limit.

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers. The following table details the risk profile of trade receivables based on the Group's provision matrix.

	Trade receivables – days past due				
2025	**Not yet due £m**	**<60 £m**	**61-120 £m**	**>120 £m**	**Total £m**
Gross carrying amount	**87.7**	**3.6**	**0.1**	**5.8**	**97.2**
Expected credit loss rate					**0.02%**
Lifetime expected credit loss					**(1.0)**
Total					**96.2**

	Trade receivables – days past due				
2024	Not yet due £m	<60 £m	61-120 £m	>120 £m	Total £m
Gross carrying amount	139.9	13.6	0.3	3.1	156.9
Expected credit loss rate					0.06%
Lifetime expected credit loss					(1.1)
Total					155.8

The following table shows the movement in the lifetime expected credit loss that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	2025 £m	2024 £m
At 1 January	**1.3**	1.1
Exchange adjustments	**0.2**	(0.1)
Transfer from credit impaired	**0.1**	0.7
Uncollectable amounts written off / recovered	**(0.6)**	(0.4)
At 31 December	**1.0**	1.3

20 Cash and borrowings

	1 January 2025 £m	Cash flows £m	Exchange and other movements £m	31 December 2025 £m
Bank overdrafts	**(0.3)**	**–**	**0.3**	**–**
€520m 3.875% senior unsecured loan notes due 2025	**(123.9)**	**128.8**	**(4.9)**	**–**
Current bank borrowings	**–**	**–**	**–**	**–**
Current liabilities	**(124.2)**	**128.8**	**(4.6)**	**–**
Bank loans	**(414.2)**	**(46.5)**	**(3.1)**	**(463.8)**
€350m 7.375% senior unsecured loan notes due 2029	**(284.4)**	**–**	**(16.7)**	**(301.1)**
Non-current liabilities	**(698.6)**	**(46.5)**	**(19.8)**	**(764.9)**
Total borrowings	**(822.8)**	**82.3**	**(24.4)**	**(764.9)**
Cash and cash equivalents	**225.8**	**(37.5)**	**1.6**	**189.9**
Net debt	**(597.0)**	**44.8**	**(22.8)**	**(575.0)**

Capitalised debt costs, which have been recognised as a reduction in borrowings in the financial statements, amounted to £9.5m at 31 December 2025 (31 December 2024: £12.8m).

	1 January 2024 £m	Cash flows £m	Exchange and other movements £m	31 December 2024 £m
Bank overdrafts	(0.7)	0.4	–	(0.3)
€520m 3.875% senior unsecured loan notes due 2025	–	–	(123.9)	(123.9)
Current bank borrowings	–	–	–	–
Current liabilities	(0.7)	0.4	(123.9)	(124.2)
Bank loans	(421.9)	3.1	4.6	(414.2)
€520m 3.875% senior unsecured loan notes due 2025	(448.4)	318.8	129.6	–
€350m 7.375% senior unsecured loan notes due 2029	–	(293.5)	9.1	(284.4)
Non-current liabilities	(870.3)	28.4	143.3	(698.6)
Total borrowings	(871.0)	28.8	19.4	(822.8)
Cash and cash equivalents	371.3	(141.5)	(4.0)	225.8
Net debt	(499.7)	(112.7)	15.4	(597.0)

Analysis of net debt by currency:

	2025		2024	
	Cash and cash equivalents £m	**Total borrowings £m**	Cash and cash equivalents £m	Total borrowings £m
Sterling	**24.6**	**48.0**	21.4	–
Euro	**50.9**	**555.7**	92.1	651.8
US dollar	**82.3**	**170.7**	65.7	183.8
Malaysian ringgit	**22.2**	**–**	34.1	–
Other	**9.9**	**–**	12.5	–
Total	**189.9**	**774.4**	225.8	835.6

The principal features of the Group's borrowings are as follows:

The Group has unsecured borrowing facilities comprising: a €300m revolving credit facility ending July 2027, €350m 7.375% unsecured senior loan notes due in May 2029 and UK Export Finance facilities for €288m and $230m due in October 2027. These are 80% guaranteed by UK Export Finance and are on terms that are similar to the Company's existing revolving credit facility.

Changes in liabilities arising from financing activities

			Non-cash changes	
	1 January 2025 £m	Financing cash outflows £m	Exchange and other movements £m	31 December 2025 £m
Borrowings	**(822.8)**	**82.3**	**(24.4)**	**(764.9)**
Lease liabilities	**(55.9)**	**12.4**	**(10.1)**	**(53.6)**
Total	**(878.7)**	**94.7**	**(34.5)**	**(818.5)**

	1 January 2024 £m	Financing cash outflows £m	Exchange and other movements £m	31 December 2024 £m
Borrowings	(870.3)	28.4	19.1	(822.8)
Lease liabilities	(55.3)	12.1	(12.7)	(55.9)
Total	(925.6)	40.5	6.4	(878.7)

21 Financial instruments

The table below sets out the Group's accounting classification of each class of financial assets and liabilities:

	2025					2024		
	Valuation category in accordance with IFRS 9[1]	**Fair value hierarchy level**	**Carrying amount £m**	**Carrying amount within scope of IFRS 7 £m**	**Fair value £m**	Carrying amount £m	Carrying amount within scope of IFRS 7 £m	Fair value £m
Trade receivables	**AC**	**Level 2**	**96.2**	**96.2**	**96.2**	155.8	155.8	155.8
Other receivables	**AC**	**Level 2**	**51.1**	**29.2**	**29.2**	62.6	42.3	42.3
Cash and cash equivalents	**AC**	**Level 2**	**189.9**	**189.9**	**189.9**	225.8	225.8	225.8
Derivative assets	**FVTOCI**	**Level 2**	**1.2**	**1.2**	**1.2**	2.8	2.8	2.8
Total assets			**338.4**	**316.5**	**316.5**	447.0	426.7	426.7
Borrowings	**AC**	**Level 2**	**(764.9)**	**(764.9)**	**(774.4)**	(822.8)	(822.8)	(835.6)
Trade and other payables	**AC**	**Level 2**	**(397.9)**	**(378.8)**	**(378.8)**	(391.7)	(379.0)	(379.0)
Derivative liabilities	**FVTOCI**	**Level 2**	**(3.0)**	**(3.0)**	**(3.0)**	(1.6)	(1.6)	(1.6)
Total liabilities			**(1,165.8)**	**(1,146.7)**	**(1,156.2)**	(1,216.1)	(1,203.4)	(1,216.2)

1. AC: amortised cost; FVTOCI: fair value through other comprehensive income; a more detailed description of the categories can be found in note 2.

The fair value of the Group's borrowings at 31 December 2025 was £774.4m (31 December 2024: £835.6m).

As at 31 December 2025 a £1.8m liability (2024: £1.0m asset) of the interest rate swap derivative was designated as being in a hedging relationship.

Financial risk management

The Group's policies, approved by the Board, provide written principles on financial risk management and the use of financial derivatives.

These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group has a policy of hedging significant foreign exchange transactional exposure at operating company level. The Group regularly reviews its net assets and borrowing currency exposures, borrowing in overseas currencies in order to hedge the net assets held in those currencies as appropriate. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Currency risk

The Group presents its consolidated financial statements in sterling and conducts business in many currencies. As a result, it is subject to foreign currency risk due to exchange rate movements, which will affect the Group's transactions and the translation of the results and underlying net assets of its operations.

To manage the currency risk the Group uses foreign currency borrowings, forward contracts and currency swaps to hedge overseas net assets, which are predominantly denominated in euros, US dollars and Malaysian ringgits. Profit translation exposures are not hedged.

The Group hedges currency transaction exposures at the point of confirmed order, using forward foreign exchange contracts. The Group's policy is, where practicable, to hedge all exposures on monetary assets and liabilities. Consequently, there are no material currency exposures to disclose (2024: none).

21 Financial instruments continued

Interest rate risk

The Group has an exposure to interest rate risk, arising principally on changes in US dollar and euro interest rates. To manage interest rate risk, the Group manages its proportion of fixed to floating rate borrowings, and uses interest rate swaps. These practices aim to minimise the Group's net finance charges with acceptable year-on-year volatility.

At 31 December 2025, the Group had in place swap arrangements to fix interest rates on €45m and $125m of borrowings.

The Group's interest rate derivatives are designated as cash flow hedges with fair value movement on the hedged portion recognised in equity. Interest paid on these derivatives is recognised in the income statement, within Underlying interest costs. Fair value movement in the unhedged portion is also recognised in profit and loss, as a Special Item.

After taking account of interest rate swaps, the Group's currency and interest rate exposure as at 31 December 2025 was:

	2025			2024		
	Floating rate borrowings £m	**Fixed rate borrowings £m**	**Total borrowings £m**	Floating rate borrowings £m	Fixed rate borrowings £m	Total borrowings £m
Sterling	**48.0**	**–**	**48.0**	–	–	–
Euro	**211.4**	**344.3**	**555.7**	22.8	629.0	651.8
US dollar	**77.9**	**92.8**	**170.7**	83.9	99.9	183.8
Total	**337.3**	**437.1**	**774.4**	106.7	728.9	835.6

Market risk sensitivity analysis

The Group's main exposure to market risk is in the form of interest rate risk and foreign currency risk. The Group uses a sensitivity analysis that estimates the impacts on the consolidated income statement and other comprehensive income of either an instantaneous increase or decrease of 1.0% in market interest rates or a 10% strengthening or weakening in sterling against all other currencies, from the rates applicable at 31 December 2025 and 31 December 2024 with all other variables remaining constant. The sensitivity analysis excludes the impact of market risks on the net post-employment benefit liabilities and assets, and corporate tax payable. This analysis is for illustrative purposes only, as interest and foreign exchange rates rarely change in isolation.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

	2025			2024		
	Income statement		**Equity**	Income statement		Equity
	Underlying -/+ £m	**IFRS -/+ £m**	**IFRS -/+ £m**	Underlying -/+ £m	IFRS -/+ £m	IFRS -/+ £m
Interest rate sensitivity analysis						
UK interest rate +/- 1.0%	**(0.2)**	**(0.2)**	**–**	0.2	0.2	–
Euro interest rate +/- 1.0%	**(1.6)**	**(1.6)**	**0.4**	0.7	0.7	2.2
US interest rate +/- 1.0%	**–**	**–**	**0.9**	(0.2)	(0.2)	1.0
Foreign currency sensitivity analysis						
Sterling -/+ 10%	**0.3**	**0.3**	**–**	0.3	0.3	–
Euro exchange rate -/+ 10%	**0.4**	**0.4**	**(1.3)**	(1.8)	(1.8)	(3.2)
US dollar exchange rate -/+ 10%	**1.2**	**1.2**	**–**	0.7	0.7	(2.4)
Malaysian ringgit exchange rate -/+ 10%	**–**	**–**	**–**	–	–	–

21 Financial instruments continued

Market risk sensitivity analysis continued

The interest rate sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming that the amount of liability outstanding at the balance sheet date was outstanding for the whole year.

For interest rate derivatives the mark-to-market adjustment, and amount recognised in equity as part of a hedging arrangement, is estimated using the interest rate sensitivity against the nominal amount.

The foreign currency sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or borrower.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on cash balances, derivative financial instruments and credit exposures to customers.

The carrying amount of financial assets represents the Group's exposure to credit risk at the balance sheet date as disclosed at the start of this note. A financial asset is in default when the counterparty fails to pay its contractual obligations. Financial assets are written-off when there is no reasonable expectation of recovery. Credit risk is managed separately for financial and business-related credit exposures.

Financial credit risk

Synthomer aims to minimise its financial credit risk through the application of risk management policies approved and monitored by the Board. Counterparties are predominantly limited to major banks and financial institutions with a credit rating of investment grade and the policy restricts the exposure to any one counterparty by setting credit limits. The Group's policy is designed to ensure that individual counterparty limits are adhered to and that there are no significant concentrations of credit risk. The Board also defines the types of financial instruments which may be transacted. Synthomer annually reviews the credit limits applied and regularly monitors the counterparties' credit quality, reflecting market credit conditions.

Business-related credit risk

Trade and other receivables exposures are managed locally in the operating units where they arise and active risk management is applied, focusing on country risk, credit limits, ongoing credit evaluation and monitoring procedures. There is no significant concentration of credit risk with respect to receivables as the Group has a large number of customers which are internationally dispersed. See note 19 for information on credit risk with respect to trade and other receivables.

Liquidity risk

Liquidity risk is the risk that Synthomer is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds at an acceptable price to fund actual or proposed commitments. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of assets and liabilities.

21 Financial instruments continued

The following tables provide an analysis of the anticipated undiscounted contractual cash flows including interest payable for the Group's financial liabilities and derivative instruments. The liquidity analysis for lease liabilities is included in note 22. Where interest payments are calculated at a floating rate, rates of each cash flow until maturity of the instruments are calculated based on the forward yield curve prevailing at the respective year ends. Derivative contracts are presented on a net basis.

	2025			2024		
	Amount due			Amount due		
	Within one year £m	**Between 1 and 2 years £m**	**Between 2 and 5 years £m**	Within one year £m	Between 1 and 2 years £m	Between 2 and 5 years £m
Overdrafts	**–**	**–**	**–**	(0.3)	–	–
Financial liabilities in trade and other payables	**(378.6)**	**–**	**(0.2)**	(378.9)	–	(0.1)
Bank loans – principal	**–**	**(421.3)**	**(48.0)**	–	–	(421.7)
€520m 3.875% senior unsecured loan notes due 2025	**–**	**–**	**–**	(124.1)	–	–
€350m 7.375% senior unsecured loan notes due 2029	**–**	**–**	**(305.1)**	–	–	(289.6)
Interest payments on borrowings	**(46.5)**	**(40.9)**	**(30.1)**	(39.2)	(36.7)	(62.0)
Total non-derivative financial liabilities	**(425.1)**	**(462.2)**	**(383.4)**	(542.5)	(36.7)	(773.4)

	2025				2024			
	Amount due				Amount due			
	Within one year £m	**Between 1 and 2 years £m**	**Between 2 and 5 years £m**	**Total £m**	Within one year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Total £m
Interest rate swaps	**–**	**–**	**–**	**–**	2.2	0.2	0.4	2.8
Currency forwards	**1.2**	**–**	**–**	**1.2**	0.3	–	–	0.3
Total derivative financial assets	**1.2**	**–**	**–**	**1.2**	2.5	0.2	0.4	3.1
Interest rate swaps	**0.9**	**0.8**	**–**	**1.7**	0.4	0.4	0.9	1.7
Currency forwards	**1.3**	**–**	**–**	**1.3**	0.5	–	–	0.5
Total derivative financial liabilities	**2.2**	**0.8**	**–**	**3.0**	0.9	0.4	0.9	2.2

The financial covenant at 31 December 2025 for the RCF is that net debt must be less than 5.25 times EBITDA. At 31 December 2025 the actual covenant for the net debt was 4.7 times EBITDA.

21 Financial instruments continued

Any non-compliance with covenants underlying Synthomer's financing arrangements could, if not waived, constitute an event of default with respect to any such arrangements, and any non-compliance with covenants may, in particular circumstances, lead to an acceleration of maturity on certain borrowings and the inability to access committed facilities. Synthomer was in full compliance with its financial covenants in respect of its borrowings throughout each of the years presented.

At the year end, Synthomer had available undrawn committed bank facilities as follows:

	2025					2024				
	Expiring within one year £m	**Expiring between 1 and 2 years £m**	**Expiring between 2 and 5 years £m**	**Expiring after 5 years £m**	**Total £m**	Expiring within one year £m	Expiring between 1 and 2 years £m	Expiring between 2 and 5 years £m	Expiring after 5 years £m	Total £m
Unsecured €300m multicurrency RCF expiring 31 July 2027	**–**	**213.5**	**–**	**–**	**213.5**	–	–	228.6	–	228.6
	–	**213.5**	**–**	**–**	**213.5**	–	–	228.6	–	228.6

Fair value measurement

Certain of the Group's financial instruments are held at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

As prescribed by IFRS 13 Fair Value Measurement, fair values are measured using a hierarchy where the inputs are as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities
- Level 2 – not Level 1 but are observable for that asset or liability either directly or indirectly
- Level 3 – not based on observable market data.

Interest rate swaps and foreign currency forwards and swaps are valued using discounted cash flow techniques. These techniques incorporate inputs such as foreign exchange rates and interest rates, which are used in a discounted cash flow calculation incorporating the instrument's term, notional amount and discount rate, and taking credit risk into account. As significant inputs to the valuation are observable in active markets, all of the Group's financial instruments are classified as Level 2 financial instruments.

The fair value of forward foreign exchange contracts, interest rate swaps and currency swaps is estimated by discounting the future contractual cash flows using forward exchange rates, interest rates and prices at the balance sheet date.

There were no transfers of any financial instrument between the levels of the fair value hierarchy during the current or prior year.

21 Financial instruments continued

Hedge relationships

The Group targets a one-to-one hedge ratio. Strengths of the economic relationship between the hedged item and the hedging instrument are analysed on an ongoing basis. Ineffectiveness can arise from subsequent change in the forecast transactions as a result of timing, cash flows or value except when the critical terms of the hedging instrument and hedged item are closely aligned. The change in the credit risk of the hedging instruments or the hedged items is not expected to be the primary factor in the economic relationship.

The notional amounts, contractual maturities and rates of the hedging instruments designated in hedging relationships as of 31 December 2025 by the main risk categories are as follows:

	Hedged risk	Notional amount	Maturity	Range of hedged rates
2025				
Cash flow hedges				
Interest rate swap	**Interest rate**	**Up to €45m and $125m**	**18/07/2023 – 10/10/2027**	**2.830% to 4.637% Fixed**
Net investment hedges				
Net investment	**Currency**	**Up to $230m**	**01/04/2020 – present**	**1.25-1.37**
Net investment	**Currency**	**Up to €638m**	**01/04/2020 – present**	**1.15-1.21**
2024				
Cash flow hedges				
Interest rate swap	Interest rate	Up to €260m and $125m	28/08/2018 – 10/10/2027	0.517% to 4.637% Fixed
Net investment hedges				
Net investment	Currency	Up to $230m	01/04/2020 – present	1.24-1.32
Net investment	Currency	Up to €560m	01/04/2020 – present	1.17-1.21

Where hedge accounting is applied, hedges are documented and tested for effectiveness on an ongoing basis.

The ratio for hedging instruments designated in both net investment and cash flow hedge relationships was 1:1. Ineffectiveness could occur on either hedging relationship due to significant changes in counterparty credit risk or a reduction in the notional amount of the hedged item during the designated hedging period.

Cash flow hedges

The Group designated as a cash flow hedge the interest rate swaps used to manage interest rate risk on its Euro borrowings.

In 2025 a loss of £2.2m (2024: £3.3m) was recognised in the cash flow hedge reserve in respect of these derivatives. At 31 December 2025 the cash flow hedge reserve includes a cumulative loss of £13.5m (2024: £11.3 m), all of which relates to continuing cash flow hedges. The cash flows are expected to occur between 2026 and 2027.

In the current year, the Group's euro borrowings exceeded the total of the interest rate derivative contracts and as such there is no unhedged portion recognised as a finance cost within Special Items.

21 Financial instruments continued

Receivables financing

During the year the Group continued to sell amounts receivable from customers to a third-party on a non-recourse basis. As a result, £155.6m of trade receivables were sold and derecognised as at 31 December 2025. An additional liability of £14.5m has been recognised, which represents the net of the value of invoices settled by the customer not yet repaid by the group to the factoring counterparty less deferred purchase price reserves, which represent a portion of the original receivables. This balance has been recorded within Other payables in note 23.

These reserves are subsequently paid by the counterparties to the agreements, whether the customer pays the receivable in full or not. The fair value of these assets is considered to be the same as the carrying value.

Capital management

The Board is committed to enhancing shareholder value in the long term, both by investing in the business so as to deliver continued improvement in the return from those investments and by managing the capital structure.

Synthomer manages its capital structure to achieve capital efficiency and to provide flexibility to invest through the economic cycle and give efficient access to debt markets at attractive cost levels. This is achieved by targeting a net debt to EBITDA ratio between 1.0 and 2.0. In order to finance acquisitions, the Group may increase the ratio with a view to deleveraging within 12-24 months.

As at 31 December 2025 the net debt to EBITDA ratio was 4.7 times (2024: 4.6 times).

In 2022 the Board announced the suspension of dividends. The Board has confirmed that dividends will remain suspended until the Group's net debt is less than 2.5x its EBITDA.

22 Leases

The Group has a portfolio of leases mainly comprising land and buildings, chemical storage tanks and vehicles. Further details are given in note 2.

Information in respect of right-of-use assets, including the carrying amount, additions and depreciation, are set out in note 16 to these financial statements. Information in respect of the carrying value is set out below and information in respect of interest arising on lease liabilities is set out in note 9.

Synthomer also enters into short-term leases and low value leases which are not recognised as right-of-use assets and lease liabilities. The expense recognised in the year in relation to these leases is not material. Synthomer has no material exposure to variable lease payments, residual value guarantees, or committed leases not yet commenced.

The total cash outflow for leases in the year was as follows:

	2025 £m	2024 £m
Payments for the principal portion of lease liabilities	**12.4**	12.1
Payments for the interest portion of lease liabilities	**3.0**	2.4

Lease liabilities included in the balance sheet are as follows:

	2025 £m	2024 £m
Current	**18.8**	12.3
Non-current	**34.8**	43.6
	53.6	55.9

The following table details the maturity of contractual undiscounted cash flows for lease liabilities:

	2025 £m	2024 £m
Less than one year	**22.9**	12.0
Between one and two years	**11.0**	9.6
Between two and five years	**16.9**	15.9
More than five years	**29.7**	57.0

23 Trade and other payables

	2025 £m	2024 £m
Amount due within one year		
Trade payables	**263.7**	261.9
Other payables	**40.7**	26.6
Accruals	**93.3**	103.1
	397.7	391.6
Amount due after one year		
Accruals	**0.2**	0.1
	0.2	0.1

Average trade payable days in 2025 was 49 (2024: 48). This figure represents trade payable days for all trading operations within the Group, calculated as a weighted average based on cost of sales.

The Directors consider that the carrying amount of trade payables, other payables and accruals approximates to their fair value.

24 Provisions for other liabilities and charges

	Environmental £m	Restructuring and site closure £m	Total £m
At 1 January 2025	**9.1**	**26.2**	**35.3**
Credit to income statement during the period	**(4.0)**	**(1.8)**	**(5.8)**
Utilised during the year	**(0.4)**	**(4.2)**	**(4.6)**
Sale of business	**–**	**(2.4)**	**(2.4)**
Exchange adjustments	**(0.3)**	**(0.8)**	**(1.1)**
31 December 2025	**4.4**	**17.0**	**21.4**

Analysis of provisions

	31 December 2025 £m	31 December 2024 £m
Non-current	**18.1**	27.5
Current	**3.3**	7.8
	21.4	35.3

Analysis of (credit)/charge to the income statement

	2025 £m	2024 £m
Underlying performance	**(4.0)**	–
Special Items	**(1.8)**	0.9
	(5.8)	0.9

The closing balance includes £17.0m in relation to the rationalisation of sites around the Group, most notably £1.0m in Marl and £8.6m for decommissioning assets at a number of sites. £4.4m relates to environmental remediation work required at the Jefferson site, and a further £5.7m relates to the demolition and disposal of unused equipment and vacant tanks at the Jefferson and Longview sites in order to bring them into line with our ESG strategy.

We expect these costs to be incurred within the next five years.

25 Retirement benefit obligations

The Group operates a variety of retirement benefit arrangements, covering both defined contribution and defined benefit schemes.

Defined contribution scheme

The Group operates a number of defined contribution schemes for its employees. Costs recognised in respect of defined contribution pension plans across the Group for the year ended 31 December 2025 were £13.9m (2024: £11.3m).

Charge to income statement in respect of the Group's defined contribution scheme

	2025				
	UK £m	US £m	Germany £m	Other £m	Total £m
Defined contribution	**4.5**	**3.8**	**0.2**	**5.4**	**13.9**

	2024				
	UK £m	US £m	Germany £m	Other £m	Total £m
Defined contribution	3.5	2.6	0.1	5.1	11.3

The risk relating to benefits to be paid to the dependants of scheme members (widow and orphan benefits) is reinsured with an external insurance company.

Multi-employer schemes

The Group participates in several tariffs of the Pensionskasse Degussa in Germany, which is a multi-employer pension scheme. Regular contributions are payable to the scheme by each participating employer for new benefits accruing. The assets of all participating employers are pooled, and contributions are calculated based on aggregated demographic experience. Therefore sufficient information is not available to identify the Group's share of the assets on a consistent and reliable basis and the Group accounts for the scheme on a defined contribution basis. The Group expects to make a regular contribution of £1.8m to the scheme in 2026.

To the extent that there is underfunding in the scheme, deficit contributions are payable based on an actuarial assessment of each participating employer's share of the future benefit accrual. At 31 December 2025 there is no indication of any commitment for additional deficit contributions in excess of regular contributions.

Defined benefit schemes

UK

The Group's UK defined benefit scheme is administered by a fund that is legally separate from the Group. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension scheme are responsible for the investment policy with regard to the assets of the fund.

The scheme was closed to future accrual in 2009 and all retirement benefits since that time are provided by way of a defined contribution scheme. The assets of the scheme are held separately from those of the companies concerned. A triennial actuarial valuation of the scheme was undertaken in 2024 and was published in 2025.

USA

The Group's US defined benefit scheme was acquired as part of the OMNOVA acquisition and is administered by a fund which is legally separate from OMNOVA Solutions Inc. The fiduciary committee is required by law to act in the interest of the fund and is responsible for the investment policy with regard to the assets of the fund.

The scheme was closed to future accrual in 2011 and all retirement benefits since that time are provided by way of a defined contribution scheme. The assets of the scheme are held separately from those of the companies concerned and a formal valuation is undertaken on an annual basis.

Germany

The Group operates a number of defined benefit schemes in Germany. These schemes are closed to new members. In line with common practice, these schemes are unfunded and liabilities are settled on a cash basis as they fall due. At each balance sheet date, obligations are calculated by external actuaries.

Other

The Group operates a number of smaller overseas pension and retirement benefit schemes. For the funded schemes, assets are held separately from those of the Group. The aggregated pension disclosures for the other defined benefit schemes have been compiled from a number of actuarial valuations at 31 December 2025.

25 Retirement benefit obligations continued

Retirement benefit obligations

Defined benefit schemes expose the Group to a number of risks, the most significant of which are detailed below:

Asset return risk	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the deficit.
Interest rate risk	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan assets in bond holdings.
Longevity risk	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Charges to the income statement in respect of the Group's defined benefit pension schemes are as follows:

	2025					2024				
	UK £m	**US £m**	**Germany £m**	**Other £m**	**Total £m**	UK £m	US £m	Germany £m	Other £m	Total £m
Service cost	**1.2**	**4.1**	**0.2**	**0.5**	**6.0**	6.1	0.6	0.2	0.1	7.0
Net interest (income)/expense	**(1.4)**	**0.4**	**2.0**	**0.4**	**1.4**	(1.1)	0.4	2.0	0.4	1.7
	(0.2)	**4.5**	**2.2**	**0.9**	**7.4**	5.0	1.0	2.2	0.5	8.7

Amounts recognised in the statement of comprehensive income are set out below:

	2025					2024				
	UK £m	**US £m**	**Germany £m**	**Other £m**	**Total £m**	UK £m	US £m	Germany £m	Other £m	Total £m
Return on plan assets excluding amounts included in interest expense	**2.3**	**2.8**	**–**	**(0.1)**	**5.0**	(22.0)	(5.7)	–	–	(27.7)
Remeasurement gains/(losses)	**9.1**	**(3.6)**	**3.0**	**0.1**	**8.6**	18.2	5.6	2.0	(0.2)	25.6
Actuarial gains/(losses)	**11.4**	**(0.8)**	**3.0**	**–**	**13.6**	(3.8)	(0.1)	2.0	(0.2)	(2.1)

25 Retirement benefit obligations continued

Amounts included in the Group's consolidated balance sheet arising from the Group's defined benefit scheme obligations are:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
Present value of defined benefit obligation	**(238.6)**	**(147.6)**	**(57.4)**	**(15.1)**	**(458.7)**	(251.2)	(157.6)	(57.8)	(14.4)	(481.0)
Fair value of schemes' assets	**278.9**	**134.1**	**2.6**	**3.5**	**419.1**	277.2	148.5	2.5	3.1	431.3
Net asset/(liability) arising from defined benefit obligation	**40.3**	**(13.5)**	**(54.8)**	**(11.6)**	**(39.6)**	26.0	(9.1)	(55.3)	(11.3)	(49.7)

Fair value of the schemes' assets is set out below:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
At 1 January	**277.2**	**148.5**	**2.5**	**3.1**	**431.3**	286.1	158.3	2.6	2.9	449.9
Interest income	**14.3**	**7.0**	**–**	**0.1**	**21.4**	12.9	7.3	–	0.1	20.3
Amounts recognised in income in respect of defined benefit schemes	**14.3**	**7.0**	**–**	**0.1**	**21.4**	12.9	7.3	–	0.1	20.3
Remeasurement:										
– Return on plan assets excluding amounts included in interest income	**2.3**	**2.8**	**–**	**(0.1)**	**5.0**	(22.0)	(5.7)	–	–	(27.7)
Amounts recognised in the statement of comprehensive income	**2.3**	**2.8**	**–**	**(0.1)**	**5.0**	(22.0)	(5.7)	–	–	(27.7)
Contributions:										
– Employers	**1.5**	**–**	**–**	**0.2**	**1.7**	16.6	0.3	–	1.1	18.0
Payments from plans										
– Benefit payments	**(16.4)**	**(13.6)**	**–**	**(0.1)**	**(30.1)**	(16.4)	(14.2)	–	(0.9)	(31.5)
	(14.9)	**(13.6)**	**–**	**0.1**	**(28.4)**	0.2	(13.9)	–	0.2	(13.5)
Exchange adjustments	**–**	**(10.6)**	**0.1**	**0.3**	**(10.2)**	–	2.5	(0.1)	(0.1)	2.3
At 31 December	**278.9**	**134.1**	**2.6**	**3.5**	**419.1**	277.2	148.5	2.5	3.1	431.3

25 Retirement benefit obligations continued

Plan assets for the principal schemes comprised:

	2025			2024		
	UK £m	**US £m**	**Germany £m**	UK £m	US £m	Germany £m
Hedge funds	**32.8**	**–**	**–**	31.1	–	–
Equities	**46.1**	**13.5**	**–**	44.1	–	–
Debt Instruments	**191.3**	**114.3**	**2.6**	186.1	135.8	2.5
Property	**1.2**	**0.6**	**–**	4.4	7.5	–
Annuity assets	**2.2**	**–**	**–**	2.5	–	–
Cash and cash equivalents	**5.3**	**5.7**	**–**	9.0	5.2	–
Fair value of schemes' assets	**278.9**	**134.1**	**2.6**	277.2	148.5	2.5

All investments in equities, bonds and property are quoted.

25 Retirement benefit obligations continued

Present value of defined benefit obligations comprised:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
At 1 January	**(251.2)**	**(157.6)**	**(57.8)**	**(14.4)**	**(481.0)**	(269.6)	(166.5)	(63.0)	(15.5)	(514.6)
Current service cost	**(1.2)**	**(0.9)**	**(0.2)**	**(0.5)**	**(2.8)**	(1.7)	(0.6)	(0.2)	(0.1)	(2.6)
Past service cost	**–**	**(3.2)**	**–**	**–**	**(3.2)**	(4.4)	–	–	–	(4.4)
Interest expense	**(12.9)**	**(7.4)**	**(2.0)**	**(0.5)**	**(22.8)**	(11.8)	(7.7)	(2.0)	(0.5)	(22.0)
Amounts recognised in income in respect of defined benefit schemes	**(14.1)**	**(11.5)**	**(2.2)**	**(1.0)**	**(28.8)**	(17.9)	(8.3)	(2.2)	(0.6)	(29.0)
Remeasurement gains/(losses) from:										
– Changes in financial assumptions	**3.9**	**(3.1)**	**4.9**	**0.5**	**6.2**	20.0	7.3	1.5	(0.1)	28.7
– Changes in demographic assumptions	**(1.5)**	**–**	**–**	**(0.1)**	**(1.6)**	(1.7)	0.1	–	(0.1)	(1.7)
– Experience adjustments	**6.7**	**(0.5)**	**(1.9)**	**(0.3)**	**4.0**	(0.1)	(1.8)	0.5	–	(1.4)
Amounts recognised in the statement of comprehensive income	**9.1**	**(3.6)**	**3.0**	**0.1**	**8.6**	18.2	5.6	2.0	(0.2)	25.6
Contributions:										
– Employers	**1.2**	**0.3**	**2.6**	**0.9**	**5.0**	1.7	–	2.6	0.2	4.5
Payments from plans										
– Benefit payments	**16.4**	**13.6**	**–**	**0.1**	**30.1**	16.4	14.2	–	0.9	31.5
	17.6	**13.9**	**2.6**	**1.0**	**35.1**	18.1	14.2	2.6	1.1	36.0
Exchange adjustments	**–**	**11.2**	**(3.0)**	**(0.8)**	**7.4**	–	(2.6)	2.8	0.8	1.0
At 31 December	**(238.6)**	**(147.6)**	**(57.4)**	**(15.1)**	**(458.7)**	(251.2)	(157.6)	(57.8)	(14.4)	(481.0)

The Group remains committed to funding the UK and US defined benefit schemes.

The Company remains committed to paying contributions into the UK scheme for the foreseeable future.

The defined benefit obligation of the US scheme increased to £13.5m at 31 December 2025, mainly due to a one-off adjustment on the calculation of late retirement benefits. The Group is expecting to contribute £1.7m in 2026.

The Group's other defined benefit schemes are largely unfunded, with minimal plan assets. Liabilities from these schemes are settled on a cash basis as they fall due.

25 Retirement benefit obligations continued

Actuarial assumptions

The major assumptions used for the purposes of the actuarial valuations were as follows:

	2025				2024			
	UK	US	Germany	Other	UK	US	Germany	Other
Rate of increase in pensions in payment	**2.70%**	**0.00%**	**1.00%**	**2.10-3.00%**	3.00%	0.00%	1.00%	2.10-9.00%
Rate of increase in pensions in deferment	**2.45%**	**0.00%**	**2.50%**	**3.00-3.50%**	2.75%	0.00%	2.50%	3.50%
Discount rate	**5.35%**	**5.23%**	**4.20%**	**3.30-9.25%**	5.30%	5.50%	3.50%	2.70-10.50%
Inflation assumption	**2.80%**	**0.00%**	**2.25%**	**2.00%**	3.20%	0.00%	2.25%	2.00-2.20%

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics. Mortality assumptions are based on country-specific mortality tables and, where appropriate, include an allowance for future improvements in life expectancy. In addition, where credible data exists, actual plan experience is taken into account. The Group's most substantial pension liabilities are in the UK, the US and Germany where, using the mortality tables adopted, the expected lifetime of average members currently at age 65 and average members at age 65 in 20 years' time is as follows:

	2025						2024					
	Retiring today			Retiring in 20 years			Retiring today			Retiring in 20 years		
	UK	US	Germany	UK	US	Germany	UK	US	Germany	UK	US	Germany
Males	**86.3**	**86.7**	**86.0**	**87.1**	**87.6**	**88.7**	86.0	86.6	85.9	86.9	87.6	88.6
Females	**88.5**	**87.7**	**89.4**	**89.4**	**88.8**	**91.6**	88.5	87.6	89.3	89.3	88.7	91.5

The weighted average duration of the benefit obligation at the end of the reporting period is 10.0 years for the UK scheme (2024: 10.0 years), 8.2 years for the US scheme (2024: 6.5 years) and 12.3 years for the German schemes (2024: 13.3 years).

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, assuming that all other assumptions are held constant:

	Increase in scheme liabilities		
	UK £m	US £m	Germany £m
Discount rate (decrease of 1%)	**27.0**	**12.1**	**7.1**
Future mortality rate (one year increase in expectancy)	**11.0**	**4.4**	**2.1**

The above sensitivities are based on a change of assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may have some correlation. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

26 Share capital and reserves

Share capital

	2025 Number	2024 Number	2025 £m	2024 £m
Ordinary shares				
Ordinary Shares of 1p in issue at 1 January	**163,567,621**	163,567,621	**1.6**	1.6
Ordinary Shares of 1p in issue at 31 December	**163,567,621**	163,567,621	**1.6**	1.6

Ordinary shares carry no right to fixed income.

Share premium

	2025 £m	2024 £m
Balance at 1 January	**925.9**	925.9
Balance at 31 December	**925.9**	925.9

The share premium account represents the difference between the issue price and the nominal value of shares issued.

Retained earnings

	2025 £m	2024 £m
Balance at 1 January	**136.7**	209.8
Dividends paid	**–**	–
Net losses for the year	**(157.0)**	(72.6)
Actuarial gains/(losses) recognised in other comprehensive income	**13.6**	(2.1)
Tax arising from other comprehensive income	**(4.1)**	0.1
Credit to equity for equity-settled share-based payments	**2.6**	1.5
Balance at 31 December	**(8.2)**	136.7

26 Share capital and reserves continued

Hedging and translation reserve

	Cash flow hedging reserve £m	Translation reserve £m	Total £m
Balance at 1 January 2025	**(11.3)**	**38.5**	**27.2**
Exchange differences on translation of foreign operations	**–**	**(31.9)**	**(31.9)**
Losses on net investment hedges taken to equity	**–**	**(12.5)**	**(12.5)**
Loss recognised on cash flow hedges: – Interest rate swaps	**(2.2)**	**–**	**(2.2)**
Reclassification to profit or loss: – Exchange differences recycled on sale of business	**–**	**–**	**–**
Balance at 31 December 2025	**(13.5)**	**(5.9)**	**(19.4)**

	Cash flow hedging reserve £m	Translation reserve £m	Total £m
Balance at 1 January 2024	(8.0)	18.4	10.4
Exchange differences on translation of foreign operations	–	3.8	3.8
Gains on net investment hedges taken to equity	–	11.9	11.9
Loss recognised on cash flow hedges: – Interest rate swaps	(3.3)	–	(3.3)
Reclassification to profit or loss: – Exchange differences recycled on sale of business	–	4.4	4.4
Balance at 31 December 2024	(11.3)	38.5	27.2

Cash flow hedging reserve

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction has an impact on the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the parent's functional currency, being sterling, are recognised directly in the translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the translation reserve.

27 Reconciliation of operating loss to cash generated from operations

Continuing and discontinued operations:

	2025 £m	2024 £m
Operating loss	**(56.3)**	(25.9)
Less: share of profits of joint ventures	**(1.4)**	(1.6)
	(57.7)	(27.5)
Adjustments for:		
– Depreciation of property, plant and equipment	**74.6**	73.2
– Depreciation of right-of-use assets	**11.4**	11.1
– Amortisation of other intangibles	**13.4**	12.1
– Share-based payments	**2.6**	1.6
– Gain on sale of underlying assets	**(1.9)**	(4.3)
– Release of provision	**(3.9)**	–
– Special Items	**97.0**	78.7
Cash impact of settlement of interest rate derivative contracts	**0.6**	–
Cash impact of restructuring and site closure costs	**(17.7)**	(20.2)
Cash impact of SaaS implementation	**(1.1)**	–
Cash impact of acquisition costs and related gains	**(0.4)**	(1.7)
Pension funding in excess of service cost	**(5.3)**	(19.8)
Movement in working capital	**72.8**	(24.9)
Payment of EC fine settlement amount	**–**	(39.1)
Cash generated from operations	**184.4**	39.2
Reconciliation of movement in working capital		
Increase in inventories	**(3.9)**	(15.5)
Decrease/(increase) in trade and other receivables	**74.0**	(23.4)
Decrease in trade and other payables	**2.7**	14.0
Movement in working capital	**72.8**	(24.9)

28 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not included in this note.

Transactions between the Company and its subsidiaries are disclosed in the Company's financial statements where appropriate.

On 18 December 2025 the Group entered into a trade receivables purchasing arrangement with Rainbow State Limited, a subsidiary of its largest shareholder Kuala Lumpur Kepong Berhad Group (KLK). The Group put this temporary arrangement in place with the support of KLK to provide additional short-term financial flexibility and ensure a prudent level of banking covenant headroom at year end.

Under the arrangement, KLK purchased £50m of Group trade receivables due on or before 28 February 2026, which were not eligible for inclusion in the Group's existing committed non-recourse receivables financing facility. The purchasing arrangement terms were on an arm's-length basis and are consistent with terms available from third-party market participants for an arrangement of this nature. By virtue of KLK and its connected parties' c.27% shareholding in Synthomer, KLK is considered a related party of the Group under the UK Listing Rules.

The UK defined benefit scheme is a related party, see note 25.

	2025 £m	2024 £m
Key management compensation		
Short-term employee benefits	**5.5**	7.5
Pension costs	**0.2**	0.2
Share-based payments	**1.6**	1.6
	7.3	9.3

Key management personnel comprise the Board of Directors and the Executive Committee.

29 Discontinued operations

On 30 May 2025, the Group sold William Blythe Limited to Hamsard 3806 Bidco Limited for net cash proceeds of £24.2m.

All discontinued operations form part of the Health & Protection and Performance Materials division.

Financial information in respect of the discontinued operations is set out below:

Financial performance and cash flow information

	2025					2024				
	William Blythe £m	**Compounds £m**	**Laminates Films and Coated Fabrics £m**	**NA Paper and Carpet £m**	**Total £m**	William Blythe £m	Compounds £m	Laminates Films and Coated Fabrics £m	NA Paper and Carpet £m	Total £m
Revenue	**28.9**	**–**	**–**	**–**	**28.9**	53.7	9.8	–	–	63.5
Expenses	**(25.3)**	**–**	**–**	**–**	**(25.3)**	(50.2)	(7.2)	–	–	(57.4)
EBITDA	**3.6**	**–**	**–**	**–**	**3.6**	3.5	2.6	–	–	6.1
Depreciation and amortisation – Underlying performance	**(0.5)**	**–**	**–**	**–**	**(0.5)**	(1.2)	(0.2)	–	–	(1.4)
Operating profit – Underlying performance	**3.1**	**–**	**–**	**–**	**3.1**	2.3	2.4	–	–	4.7
Special Items	**(8.9)**	**–**	**–**	**(0.3)**	**(9.2)**	(0.2)	(3.3)	0.2	(1.1)	(4.4)
Operating (loss)/profit - IFRS	**(5.8)**	**–**	**–**	**(0.3)**	**(6.1)**	2.1	(0.9)	0.2	(1.1)	0.3
Finance costs	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
(Loss)/profit before taxation	**(5.8)**	**–**	**–**	**(0.3)**	**(6.1)**	2.1	(0.9)	0.2	(1.1)	0.3
Taxation	**(0.7)**	**–**	**–**	**–**	**(0.7)**	0.2	(0.8)	–	–	(0.6)
(Loss)/profit for the year	**(6.5)**	**–**	**–**	**(0.3)**	**(6.8)**	2.3	(1.7)	0.2	(1.1)	(0.3)
Cash flows from discontinued operations										
Net cash (outflow)/inflow from operating activities	**0.8**	**–**	**–**	**(0.3)**	**0.5**	0.7	(3.6)	–	(1.1)	(4.0)
Net cash (outflow)/inflow from investing activities	**24.2**	**(0.1)**	**–**	**–**	**24.1**	(0.7)	17.5	(0.1)	–	16.7

The prior-year figures of the consolidated income statement have been restated in accordance with IFRS 5 to report the discontinued operations separately from continuing operations.

29 Discontinued operations continued

Assets and liabilities classified as held for sale

At 31 December 2025, the assets held for sale related to the Beachwood site. At 31 December 2024, the Fitchburg site was classified as held for sale as well as Pelican reactors and strippers and these assets are detailed below:

	Note	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment	16	**5.4**	6.5
Total non-current assets		**5.4**	6.5
Current assets			
Total current assets		**–**	–
Total assets		**5.4**	6.5
Current liabilities			
Total current liabilities		**–**	–
Non-current liabilities			
Total non-current liabilities		**–**	–
Total liabilities		**–**	–
Net assets held for sale		**5.4**	6.5

30 Contingent assets, contingent liabilities and guarantees

Guarantees and contingent liabilities of the Group amount to £nil (2024: £nil).

The Company and its subsidiaries have, in the normal course of business, entered into guarantees and counter-indemnities in respect of performance bonds, relating to the Group's own contracts.

31 Share-based payments

Executive share option schemes

The Group's share option scheme is described in the Directors' Remuneration Report on pages 113 to 126.

In addition to the two executive directors, it is available to other senior management. Movement in the options held under the scheme are defined as follows:

	Options 2025 number	Weighted av. exercise price (£) 2025	Options 2024 number	Weighted av. exercise price (£) 2024
Outstanding at 1 January	**2,562,745**	**–**	845,401	–
Granted during the year	**8,452,732**	**–**	1,911,425	–
Exercised during the year	**(54,497)**	**–**	(10,062)	–
Lapsed during the year	**(355,585)**	**–**	(184,019)	–
Outstanding at 31 December	**10,605,395**	**–**	2,562,745	–
Exercisable at 31 December	**37,724**		10,278	

The outstanding share options were all issued under the Performance Share Plan. As at 31 December 2025 the following options were outstanding:

Executive share options	Number
Exercisable between 2025-2032	37,724
Exercisable between 2026-2033	547,854
Exercisable between 2027-2034	1,802,983
Exercisable between 2028-2035	8,216,834
	10,605,395

The total exercise price for all the above grants is £nil.

31 Share-based payments continued

For options outstanding as at 31 December 2025, the exercise price was £nil and the weighted average remaining contractual life was 5.72 years (2024: 5.62 years).

The weighted average share price at the date of exercise was £1.13 (2024: £2.49).

The weighted average fair value of the options at the measurement date granted during the year was £1.02 (2024: £1.88). The valuation was based on the following inputs and assumptions, using a Monte Carlo simulation model:

	2025	2024
Weighted average share price (£)	**1.12**	1.88
Option price (£)	**–**	–
Value of optionality	**nil**	nil
Vesting assumption	**59%**	41%

- Equity value – Based on the Company's equity value inclusive of preference shares.
- Expected term – Vesting date of March 2028 has been assumed.
- Volatility – 67.23%. The historical volatility of Synthomer and each peer company is equal to the historical volatility of each entity with a look-back period equal to the 2.78-year simulation term using daily stock price data.
- Risk-free rate – 4.07% based on the most recently published yield on zero-coupon UK government bonds from the Bank of England as of the valuation date for a period equal to the 2.78-year simulation term.

The vesting assumption is the estimate at the measurement date of the percentage of the options that will ultimately vest and is based on market conditions and management's assessment of the likelihood of achievement of the performance criteria.

The charge in the year in relation to the equity settled scheme was £2.6m (2024: £1.5m). The Group also operates a cash-settled share-based payment scheme for which there was a credit in the year of £0.4m (2024: charge of £0.5m) and for which there was a liability at the year end of £0.2m (2024: £0.7m).

The Synthomer Employee Benefit Trust

The Company established a trust, the Yule Catto Employee Benefit Trust, on 17 July 1996, to distribute shares to employees enabling the obligations under the Yule Catto Longer-Term Performance Share Plan and the Yule Catto Longer-Term Deferred Bonus Plan to be met.

The Trust is managed by the JC Employer Solutions Limited, an independent company located in Jersey.

At 31 December 2025, the Trust held 53,944 (2024: 96,516) ordinary shares in the Company with a market value of £34k (2024: £155k).

The dividends on these shares have been waived. All of the shares are under option. Costs are amortised over the life of the plans.

32 Share price information

The middle market value of the listed ordinary shares at 31 December 2025 was 63.3 pence (31 December 2024: 161.0 pence). During the year, the market price ranged between 161.0 pence and 46.1 pence. The latest ordinary share price is available on the Group's **website**.

33 Post balance sheet events

On 30 April 2026, Synthomer refinanced its existing RCF and UKEF facilities (the 'Refinancing'), being implemented through a wholly owned subsidiary of Synthomer plc, through which a new €300m RCF and new UKEF debt facilities of €288m and $230m (the same size as the Group's previous facilities) have been made available. The refinanced debt matures in February 2029.

The new RCF and new UKEF facilities include a net debt:EBITDA leverage ratio covenant which will be tested against covenant levels on a quarterly basis from 30 September 2026 and a minimum liquidity covenant which will be tested on a monthly basis. The net debt:EBITDA ratios required under the covenant for year end 2026, 2027 and 2028 have been set at not more than 6.25x, 5.25x, and 4.25x respectively, with intra-year levels aligned to the Group's expected cash flow profile. The Refinancing is also supported by a comprehensive security and guarantee package provided by certain members of the Group.

34 Audit exemptions

The following subsidiaries have taken advantage of the exemptions from an audit for the year ended 31 December 2025 available under s479A and s480 of the Companies Act 2006 as the Company has given a statutory guarantee of all of the outstanding liabilities of these subsidiaries as at 31 December 2025.

Company	Registration
Dimex Limited	01763129
Ecatto Limited	00978441
Harlow Chemical Company Limited	00778831
Polymerlatex Limited	03439041
Revertex Limited	00873653
Super Sky Limited	02021871
Synthomer Adhesive Technologies Limited	13827669
Synthomer Overseas Limited	06349474
Temple Fields 514 Limited	04541637
Temple Fields 515 Limited	00692510
Temple Fields 522 Limited	05516912
Temple Fields 523 Limited	05516913
Temple Fields 530 Limited	00831113

Company statement of financial position

as at 31 December 2025

	Note	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment	4	**8.1**	7.0
Other intangible assets	5	**59.1**	59.9
Investments in subsidiaries and joint ventures	3	**985.4**	896.5
Other debtors: amounts falling due after more than one year	6	**1,549.5**	1,567.2
Defined benefit assets	8	**4.0**	–
Deferred tax assets		**0.2**	2.9
Total non-current assets		**2,606.3**	2,533.5
Current assets			
Other debtors: amounts falling due within one year	6	**303.8**	693.4
Cash and cash equivalents	11	**113.1**	129.0
Derivative financial instruments	11	**0.8**	6.3
Total current assets		**417.7**	828.7
Current liabilities			
Borrowings	10	**–**	(123.9)
Other payables	7	**(557.9)**	(853.5)
Derivative financial instruments	11	**(4.1)**	(1.6)
Lease liabilities		**(0.4)**	(0.2)
Total current liabilities		**(562.4)**	(979.2)
Net current liabilities		**(144.7)**	(150.5)
Total assets less current liabilities		**2,461.6**	2,383.0

Company statement of financial position continued

	Note	**2025 £m**	2024 £m
Non-current liabilities			
Borrowings	10	**(764.9)**	(698.6)
Lease liabilities		**(4.9)**	(4.9)
Total non-current liabilities		**(769.8)**	(703.5)
Net assets		**1,691.8**	1,679.5
Equity			
Share capital	12	**1.6**	1.6
Share premium		**925.9**	925.9
Revaluation reserve		**0.8**	0.8
Capital redemption reserve		**0.9**	0.9
Retained earnings		**762.6**	750.3
Shareholders' funds – all equity		**1,691.8**	1,679.5
Total equity		**1,691.8**	1,679.5

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented for Synthomer plc. As disclosed in note 2, the Company's profit for the year was £11.4m (2024: £30.2m).

The notes on pages 193 to 201 are an integral part of these financial statements. The financial statements of Synthomer plc (registered number 98381) on pages 190 to 201 were approved by the Board of Directors and authorised for issue on 30 April 2026.

They are signed on its behalf by:

M Willome Director **L Liu** Director

Company statement of changes in equity

as at 31 December 2025

	Share capital £m	Share premium £m	Revaluation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total £m
Balance as at 1 January 2025	**1.6**	**925.9**	**0.8**	**0.9**	**750.3**	**1,679.5**
Profit for the year	–	–	–	–	**11.4**	**11.4**
Other comprehensive income for the year	–	–	–	–	**0.4**	**0.4**
Total comprehensive income for the year	–	–	–	–	**11.8**	**11.8**
Share-based payments	–	–	–	–	**2.6**	**2.6**
Fair value loss on hedged interest rate derivatives	–	–	–	–	**(2.1)**	**(2.1)**
As at 31 December 2025	**1.6**	**925.9**	**0.8**	**0.9**	**762.6**	**1,691.8**
At 1 January 2024	1.6	925.9	0.8	0.9	721.9	1,651.1
Profit for the year	–	–	–	–	30.2	30.2
Total comprehensive income for the year	–	–	–	–	30.2	30.2
Share-based payments	–	–	–	–	1.5	1.5
Fair value loss on hedged interest rate derivatives	–	–	–	–	(3.3)	(3.3)
As at 31 December 2024	1.6	925.9	0.8	0.9	750.3	1,679.5

Notes to the financial statements – Synthomer plc

for the year ended 31 December 2025

1 Material accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on a going concern basis and under the historical cost basis except for the remeasurement of certain financial instruments that are measured at fair values at the end of each reporting period.

Various disclosures make reference to items considered material or immaterial to the financial statements. The Company considers information to be material if omitting it or misstating it could influence decisions that users make on the basis of the financial information provided. Materiality is considered from both a quantitative and qualitative factor perspective. In addition to subsequent specific references to materiality, and in compliance with FRS 101, certain disclosures have not been provided where the information resulting from that disclosure is not material.

The basis of accounting and the principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

The Company was in a net current liabilities position as at 31 December 2025, this position is due to the amounts owed to Group undertakings. The Directors have received confirmation from Synthomer Trading Limited and Synthomer UK Limited, to whom £135.6m and £79.8m respectively was owed at the balance sheet date, that they will not call for repayment of these amounts for at least 12 months from the date of the approval of these financial statements.

Investments in subsidiaries and joint ventures are stated at cost less, where appropriate, provisions for impairment. The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Losses are recognised in the income statement and reflected in an allowance against the carrying value. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Intercompany balances are shown gross unless a right of set-off exists. Balances are valued at fair value at inception and are repayable on demand. All intercompany loans are repayable on demand and the Company has the ability to refinance any of its subsidiaries using equity allowing the subsidiary to repay any receivables owed to Synthomer plc.

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

There are no significant accounting judgements and estimates applied in preparing the Company's account except for the impairment testing of amounts owed by subsidiary undertakings. When measuring the potential impairment of receivables from subsidiaries, forward-looking information based on assumptions for the future movement of different economic drivers are considered.

2 Profit attributable to equity shareholders

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented for Synthomer plc.

The Company reported a profit of £11.4m for the year ended 31 December 2025 (2024: profit of £30.2m). Auditor remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements. The Company had no employees during the current or prior year.

3 Investments in subsidiaries and joint ventures

	2025			2024		
	Subsidiaries £m	**Joint ventures £m**	**Total £m**	Subsidiaries £m	Joint ventures £m	Total £m
Cost						
At 1 January	**896.2**	**0.5**	**896.7**	737.2	0.5	737.7
Additions	**88.9**	**–**	**88.9**	161.0	–	161.0
Impairment	**–**	**–**	**–**	(2.0)	–	(2.0)
At 31 December	**985.1**	**0.5**	**985.6**	896.2	0.5	896.7
Provisions						
At 1 January and 31 December	**–**	**(0.2)**	**(0.2)**	–	(0.2)	(0.2)
Net book value						
At 31 December	**985.1**	**0.3**	**985.4**	896.2	0.3	896.5

Details of the Group's subsidiaries and joint ventures are included in note 13 on pages 199 to 201.

4 Property, plant and equipment

Land and buildings

	2025				2024			
	Right-of-use buildings £m	**Freehold land and buildings £m**	**Plant and equipment £m**	**Total £m**	Right-of-use buildings £m	Freehold land and buildings £m	Plant and equipment £m	Total £m
Cost								
At 1 January	**8.8**	**2.7**	**0.1**	**11.6**	4.1	3.0	0.1	7.2
Additions	**0.1**	**–**	**2.3**	**2.4**	5.2	–	–	5.2
Disposals	**(4.1)**	**–**	**(0.1)**	**(4.2)**	(0.5)	(0.3)	–	(0.8)
At 31 December	**4.8**	**2.7**	**2.3**	**9.8**	8.8	2.7	0.1	11.6
Accumulated depreciation								
At 1 January	**3.5**	**1.0**	**0.1**	**4.6**	3.1	1.0	0.1	4.2
Charge for the year	**1.0**	**–**	**0.2**	**1.2**	0.8	–	–	0.8
Disposals	**(4.0)**	**–**	**(0.1)**	**(4.1)**	(0.4)	–	–	(0.4)
At 31 December	**0.5**	**1.0**	**0.2**	**1.7**	3.5	1.0	0.1	4.6
Net book value								
At 31 December	**4.3**	**1.7**	**2.1**	**8.1**	5.3	1.7	–	7.0

Freehold land amounting to £1.5m (2024: £1.5m) has not been depreciated.

5 Other intangible assets

	2025 £m	2024 £m
Cost		
At 1 January	**82.7**	74.1
Additions	**0.7**	0.9
Transfers from Group undertakings	**9.1**	7.7
At 31 December	**92.5**	82.7
Accumulated depreciation		
At 1 January	**22.8**	13.7
Charge for the year	**10.6**	9.1
At 31 December	**33.4**	22.8
Net book value		
At 31 December	**59.1**	59.9

6 Debtors

	2025 £m	2024 £m
Amounts owed by Group undertakings: amounts falling due within one year	**301.2**	689.0
Amounts owed by Group undertakings: amounts falling due after more than one year	**1,549.5**	1,567.2
Other debtors	**0.8**	1.2
Prepayments and accrued income	**1.8**	3.2
	1,853.3	2,260.6

Amounts owed by Group undertakings are unsecured and valued at fair value at inception. Interest is charged at arm's length and receivable per the agreement in place. Of the Company's amounts owed by Group undertakings, £162.4m is impaired (2024: £162.4m). Future expected credit losses on amounts receivable from subsidiaries are immaterial.

7 Other payables

	2025 £m	2024 £m
Amount due within one year		
Amounts owed to Group undertakings	**534.3**	829.6
Other creditors	**10.1**	6.9
Accruals and deferred income	**13.5**	17.0
	557.9	853.5

Amounts owed to Group undertakings are unsecured and valued at fair value at inception and are repayable on demand. Interest is charged at arm's length and payable per the agreement in place.

8 Defined benefit asset

During the year, a share of the Group's pension obligation was novated to the Company following the divestment of one of its subsidiaries where it was previously accounted for, William Blythe.

Defined benefit schemes

The Group's UK defined benefit scheme is administered by a fund that is legally separate from the Company/Group. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension scheme are responsible for the investment policy with regard to the assets of the fund.

The scheme was closed to future accrual in 2009 and all retirement benefits since that time are provided by way of a defined contribution scheme. The assets of the scheme are held separately from those of the Company concerned. A triennial actuarial valuation of the scheme at the Group level was undertaken in 2024 and was published in 2025.

Retirement benefit obligations

Defined benefit schemes expose the company to a number of risks, the most significant of which are detailed below:

Asset return risk	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the deficit.
Interest rate risk	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan assets in bond holdings.
Longevity risk	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

8 Defined benefit asset continued

Charges to the income statement in respect of the Company's defined benefit pension scheme are as follows:

	2025 £m	2024 £m
Service cost	0.1	–
Net interest income	(0.1)	–

Amounts recognised in the statement of comprehensive income are set out below:

	2025 £m	2024 £m
Return on plan assets excluding amounts included in interest expense	0.2	–
Remeasurement gains	0.9	–
Share of RPI/CPI and gender equalisation adjustment	(0.4)	–
Actuarial gains	**0.7**	–

Amounts included in the balance sheet arising from the Company's defined benefit scheme obligations are:

	2025 £m	2024 £m
Present value of defined benefit obligation	(23.9)	–
Fair value of schemes' assets	27.9	–
Net asset arising from defined benefit obligation	**4.0**	–

Fair value of the Company's share of the scheme's assets are set out below:

	2025 £m	2024 £m
At 1 January	–	–
Transfer from William Blythe	27.7	–
Interest income	1.4	–
Amounts recognised in income in respect of defined benefit schemes	**1.4**	–
Remeasurement:		
– Return on plan assets excluding amounts included in interest income	0.2	–
Amounts recognised in the statement of comprehensive income	**0.2**	–
Contributions:		
– Employers	0.2	–
Payments from plans		
– Benefit payments	(1.6)	–
	(1.4)	–
At 31 December	**27.9**	–

The company's share of the plan assets comprised:

	2025 £m	2024 £m
Hedge funds	3.3	–
Equities	4.6	–
Debt Instruments	19.2	–
Property	0.1	–
Annuity assets	0.2	–
Cash and cash equivalents	0.5	–
Fair value of schemes' assets	27.9	–

All investments in equities, bonds and property are quoted.

8 Defined benefit asset continued

Present value of defined benefit obligations comprised:

	2025 UK £m	2024 UK £m
At 1 January	**–**	–
Transfer from William Blythe	**(25.1)**	–
Current service cost	**(0.1)**	–
Past service cost	**–**	–
Interest expense	**(1.3)**	–
Amounts recognised in income in respect of defined benefit schemes	**(1.4)**	–
Remeasurement gains/(losses) from:		
– changes in financial assumptions	**0.4**	–
– changes in demographic assumptions	**(0.2)**	–
– experience adjustments	**0.7**	–
Amounts recognised in the statement of comprehensive income	**0.9**	–
Contributions:		
– Employers	**0.1**	–
Payments from plans		
– Benefit payments	**1.6**	–
	1.7	–
At 31 December	**(23.9)**	–

The Company remains committed to paying contributions into the UK scheme for the foreseeable future.

Actuarial assumptions

The major assumptions used for the purposes of the actuarial valuations were as follows:

	2025 %	2024 % £m
Rate of increase in pensions in payment	**2.70%**	n/a
Rate of increase in pensions in deferment	**2.45%**	n/a
Discount rate	**5.35%**	n/a
Inflation assumption	**2.80%**	n/a

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics. Mortality assumptions are based on UK mortality tables and, where appropriate, include an allowance for future improvements in life expectancy. In addition, where credible data exists, actual plan experience is taken into account. For the UK's, the expected lifetime of average members currently at age 65 and average members at age 65 in 20 years' time is as follows:

	2025		2024	
	Retiring Today	Retiring in 20 years	Retiring Today	Retiring in 20 years
Males	**86.3**	**87.1**	n/a	n/a
Females	**88.5**	**89.4**	n/a	n/a

The weighted average duration of the benefit obligation at the end of the reporting period is 10.0 years (2024: not applicable).

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, assuming that all other assumptions are held constant:

	Increase in scheme liabilities £m
Discount rate (decrease of 1%)	**2.7**
Future mortality rate (one year increase in expectancy)	**1.1**

The above sensitivities are based on a change of assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may have some correlation. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

9 Guarantees and other financial commitments

The Company has given guarantees amounting to £nil (2024: £nil) in respect of bank and other facilities of subsidiaries and joint ventures.

10 Borrowings

	2025 £m	2024 £m
Current borrowings		
Bank loans		
€520m 3.875% senior unsecured loan notes due 2025	–	123.9
Current borrowings	–	–
	–	123.9
Non-current borrowings		
Bank loans		
Bank loans	**463.8**	414.2
€350m 3.875% senior unsecured loan notes due 2029	**301.1**	284.4
	764.9	698.6

Details of borrowings are provided in note 20 to the consolidated financial statements.

11 Financial instruments

The fair value of financial instruments has been disclosed in the Company's statement of financial position as:

			2025			2024		
	Valuation category in accordance with IFRS 9[1]	Fair value hierarchy level	Carrying amount £m	Carrying amount within scope of IFRS 7 £m	Fair value £m	Carrying amount £m	Carrying amount within scope of IFRS 7 £m	Fair value £m
Other receivables	**AC**	**Level 2**	**1,853.3**	**1,851.5**	**1,851.5**	2,260.6	2,257.4	2,257.4
Cash and cash equivalents	**AC**	**Level 2**	**113.1**	**113.1**	**113.1**	129.0	129.0	129.0
Derivatives	**FVTOCI**	**Level 2**	**0.8**	**0.8**	**0.8**	6.3	6.3	6.3
Total assets			**1,967.2**	**1,965.4**	**1,965.4**	2,395.9	2,392.7	2,392.7
Borrowings	**AC**	**Level 2**	**(764.9)**	**(764.9)**	**(774.4)**	(822.5)	(822.5)	(835.3)
Trade and other payables	**AC**	**Level 2**	**(557.9)**	**(557.8)**	**(557.8)**	(853.5)	(853.4)	(853.4)
Derivatives	**FVTOCI**	**Level 2**	**(4.1)**	**(4.1)**	**(4.1)**	(1.6)	(1.6)	(1.6)
Total liabilities			**(1,326.9)**	**(1,326.8)**	**(1,336.3)**	(1,677.6)	(1,677.5)	(1,690.3)

1 AC: amortised cost; FVTOCI: fair value through other comprehensive income.

A fuller description of financial instruments is included in note 21 of the consolidated financial statements on page 170.

12 Share capital

Details of the Company's share capital are shown in note 26 of the consolidated financial statements on page 184.

13 Subsidiaries and joint ventures

Country of incorporation and registered address	Principal activity	Ownership %
United Kingdom		
Central Road, Harlow, Essex, CM20 2BH		
Dimex Limited	Holding Company	100
Ecatto Limited	Holding Company	100[3]
Harlow Chemical Company Limited	Holding Company	100[2]
PolymerLatex Limited	Non-Trading	100
Revertex Limited	Dormant	100[3]
Super Sky Limited	Holding Company	50[1,3]
Synthomer Adhesive Technology Limited	Non-Trading	100
Synthomer (UK) Limited	Trading	100
Synthomer Holdings Limited	Holding Company	100[3]
Synthomer Overseas Limited	Holding Company	100[3]
Temple Fields 514 Limited	Holding Company	100[3]
Temple Fields 515 Limited	Non-Trading	100
Temple Fields 522 Limited	Holding Company	100[3]
Temple Fields 523 Limited	Non-Trading	100[3]
Temple Fields 530 Limited	Non-Trading	100
Synthomer Trading Limited	Trading	100
44 Esplanade, St Helier, Jersey, JE4 9WG		
Synthomer Jersey Limited	Non-Trading	100[3]
Austria		
Industriepark, Pischelsdorf, 3435		
Synthomer Austria GmbH	Trading	100
Belgium		
Durmakker 33, 8768A, 9940, Evergem		
Synthomer Specialty Additives NV	Non-Trading	100

Country of incorporation and registered address	Principal activity	Ownership %
China		
Building 53-55, 1000 Zhangheng Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, 201203		
Shanghai Synthomer Chemicals Co Ltd	Trading	100
210 Zhou Gong Road, Shanghai Chemical Industry Park, Shanghai 201507		
Synthomer Fine Chemicals (Shanghai) Co Ltd	Trading	100
308 Jiangbin Road, Xiaogang United Development Zone, Ningbo Economic & Technical Development Zone, Ningbo, 315803		
Synthomer Fine Chemicals (Ningbo) Co Ltd	Trading	100
55 Xi Li Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, 200131		
Eliokem Trading (Shanghai) Co Ltd	Trading	100
No1 Yanhe Road, Nanjing Chemical park, Nanjing		
Nanjing Yangzi Eastman Chemical Ltd	Trading	50[1]
Czech Republic		
Tovární 2093, Sokolov, 356 01		
Synthomer AS	Trading	100
Karla Engliše 3208/5, Prague, 150 00		
Synthomer Czech s.r.o	Holding	100
France		
5162 Route de Noroit, Sandouville, 76340		
Synthomer Holdings France SAS	Holding Company	100
Synthomer International SAS	Holding Company	100
Zone Industrille Portuaire du Havre, 7015 X Sandouville, Le Harve, 76080		
Synthomer Speciality Chemicals SAS	Trading	100
704 Rue Pierre et Marie Curie, Ribécourt-Dreslincourt, 60170		
Synthomer France SAS	Trading	100

Notes

1 Joint ventures.
2 Harlow Chemical Company Limited is incorporated in the UK but is resident in the Netherlands.
3 Shares directly held by Synthomer plc.

13 Subsidiaries and joint ventures continued

Country of incorporation and registered address	Principal activity	Ownership %
Germany		
Werrastrasse 10, Marl, 45768		
Synthomer Deutschland GmbH	Trading	100
Temple Fields GmbH	Non-Trading	100
Yule Catto Holdings GmbH	Holding Company	100
India		
1001, Meadows, Sahar Plaza, Andheri-Kurla Road, Andheri East, Mumbai 400059		
Synthomer India Trading LLP	Non-Trading	100
Italy		
Via delle Industrie 9, Filago, BG, 24040		
Synthomer S.r.l.	Trading	100
Via Morozzo 27, Sant'Albano Stura, CN, 12040		
Synthomer Specialty Resins S.r.l.	Trading	100
Malaysia		
Unit 16-2, Wisma Uoa Damansara II, 6 Changkat Semantan, Damansara Heights, Kuala Lumpur, 50490		
Kind Action (M) Sdn Bhd	Trading	70
PolymerLatex Sdn Bhd	Trading	100
Quality Polymer Sdn Bhd	Non-Trading	70
Revertex (Malaysia) Sdn Bhd	Trading	70
Synthomer Sdn Bhd	Trading	100
Terra Simfoni Sdn Bhd	Holding Company	100
Mauritius		
c/o Citco (Mauritius) Limited, Tower A, 1 Exchange Square, Wall Street, Ebene		
Synthomer Asia Pacific Corp	Holding Company	100
Standard Charted Tower, 19 Cybercity, Ebene		
Synthomer China Holdings Limited	Holding Company	100

Country of incorporation and registered address	Principal activity	Ownership %
Mexico		
Blvd. Paseo General Lazaro Cardenas No. 844 Col. La Magdalena, Uruapan, Michoacan, Mexico C.P. 60080		
Synthomer Mexico, S.A. de C.V.	Trading	100
Netherlands		
Herculesweg 35, 4338 PL Middelburg		
Yule Catto Nederland BV	Holding Company	100
Synthomer Middelburg B.V.	Trading	100
Portugal		
Rua Francisco Lyon de Castro, 28, 2725-397 Mem Martins		
Synthomer (Portugal) SA	Trading	100
Lyon28 – Imobiliario SA	Property Letting	100
Saudi Arabia		
27 Street, 2nd Industrial City, Dammam, 31472		
Synthomer Middle East Company Ltd	Trading	49[1]
Spain		
Camino de Sangroniz 8, Sondika, 48150		
Synthomer Asua SL	Trading	100
Rambla de Catalunya 53, Barcelona, 08007		
Yule Catto Spain SL	Non-Trading	100
Sweden		
Tostarpsvagen 11, Kavlinge, 244 32		
Synthomer Speciality Additives AB	Trading	100
UAE		
Building 2101, Office S10122A2, Jebel Ali Free Zone, Dubai		
Synthomer Functional Solutions FZCO	Trading	49[1]
East Wing 2, Office 201, Po Box 54645, Dubai Airport Free Zone, Dubai		
Synthomer FZCO	Trading	49[1]

13 Subsidiaries and joint ventures continued

Country of incorporation and registered address	Principal activity	Ownership %
USA		
1201 Peachtree Street NE, Atlanta, GA, 30361		
Synthomer LLC	Trading	100
Yule Catto Inc	Holding Company	100
251 Little Fall Drive, Wilmington, DE, 19808		
Synthomer USA LLC	Non-Trading	100
Synthomer Adhesive Technologies LLC	Trading	100
Synthomer Jefferson Hills LLC	Trading	100
25435 Harvard Road, Beachwood, Ohio 44122-6201		
Synthomer Inc	Trading	100
Synthomer NBR Solutions LLC	Non-Trading	100
Vietnam		
8, 6th Street, Song Than Industrial Park, Di An		
Synthomer Vietnam Co Ltd	Trading	60

Notes

1 Joint ventures.
2 Harlow Chemical Company Limited is incorporated in the UK but is resident in the Netherlands.
3 Shares directly held by Synthomer plc.

Other information

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We always have time to work safely.

Environmental performance summary

	2025[a]	2024[a]	2023[a]	Baseline year 2019[a]	Variance 2025 vs 2024	Variance 2025 vs 2019
Energy Consumption – GJ						
Absolute energy consumption[1]						
Group	**5,441,520**	5,638,400	5,613,693	6,631,149	-3.5%	-17.9%
UK only	**240,808**	285,722	282,461	329,741	-15.7%	-27.0%
Group energy consumption by source						
Natural gas	**3,292,737**	3,302,812	3,245,451	3,255,603	-0.3%	1.1%
Light and heavy oils and GLP	**260,182**	297,710	277,833	291,090	-12.6%	-10.6%
Steam and hot water (metered)	**644,377**	726,932	835,579	999,288	-11.4%	-35.5%
Electricity (metered)	**1,244,224**	1,310,947	1,254,830	1,482,452	-5.1%	-16.1%
Coal	**0**	0	0	602,716	n/a	-100%
Specific energy consumption (GJ/tonne production)						
Group	**4.20**	4.12	4.24	3.54	1.9%	18.6%
UK only	**3.61**	3.85	4.64	4.22	-6.2%	-14.5%
Group refrigerant releases – HCFC and others – kg						
Absolute	**156**	1,682	3,097	2,036	-90.7%	-92.3%
Specific (kg/tonne production)	**0.0001**	0.0012	0.0023	0.0011	-91.7%	-90.9%
Renewable energy consumption - GJ						
Total energy from renewable sources	**446,636**	1,006,682	951,422	153,487	-55.6%	191.0%
Total share of energy from renewables %	**8**	18	17	2	-55.6%	300.0%
Total share of electricity from renewable sources %	**38**	80	80	11	-53.1%	240.9%
Share of energy from renewable sources by region – %						
Americas	**9**	19	19	n/a	-51.6%	n/a
Asia	**3**	33	51	n/a	-90.6%	n/a
EMEA	**9**	15	11	4	-43.3%	112.5%
Greenhouse gas (GHG) emissions – tonnes CO_2e[2,3,4,5]						
Absolute Scope 1 GHG emissions						
Group	**232,663**	236,773	228,131	300,708	-1.7%	-22.6%
UK only	**8,647**	8,153	7,882	9,849	6.1%	-12.2%
Absolute Scope 2 GHG emissions – market-based						
Group	**142,294**	63,826	95,287	250,853	122.9%	-43.3%
UK only	**9,753**	7,911	6,443	5,308	23.3%	83.7%

	2025[a]	2024[a]	2023[a]	Baseline year 2019[a]	Variance 2025 vs 2024	Variance 2025 vs 2019
Absolute Scope 2 GHG emissions – location-based						
Group	**158,883**	174,044	205,830	255,154	-8.7%	-37.7%
UK only	**9,162**	9,078	8,447	8,359	0.9%	9.6%
Absolute Scope 1 and 2 GHG emissions – market-based						
Group	**374,957**	300,599	323,418	551,561	24.7%	-32.0%
UK only	**18,400**	16,063	14,325	15,202	14.5%	21.0%
Specific Scope 1 and 2 GHG emissions						
Group (tonnes CO_2e/tonne production)	**0.289**	0.219	0.244	0.294	32.0%	-1.7%
UK only (tonnes CO_2e/tonne production)	**0.276**	0.245	0.245	0.202	12.7%	36.6%
Absolute Group Scope 1 and 2 GHG emissions by source (tonnes CO_2e)						
From energy[3]	**326,282**	250,103	277,829	496,870	30.5%	-34.3%
From process emissions	**48,454**	48,053	41,454	47,164	0.8%	2.7%
From refrigerant releases	**221**	2,443	4,135	7,527	-91.0%	-97.1%
Absolute Scope 3 GHG emissions (tonnes CO_2e)[2]						
Group	**2,859,777**	2,629,696	2,568,929	3,204,702	8.7%	-10.8%
Specific Scope 3 GHG emissions						
Group (tonnes CO_2e/tonne production)	**2.21**	1.94	1.83	1.41	13.9%	56.7%
Other emissions to air						
Other emissions to air – absolute (tonnes)						
Sulphur dioxide (SO_2)	**18.41**	23.42	14.36	126.28	-21.4%	-85.4%
Nitrous oxides (NO_x)[6]	**207.23**	192.18	159.29	198.57	7.8%	4.4%
Particulate matter (PM)	**47.67**	47.66	35.50	n/a	0.0%	n/a
Volatile organic compounds (VOCs)	**466.85**	475.56	299.67	231.34	-1.8%	101.8%
Other emissions to air – specific (kg/tonne production)						
Sulphur dioxide (SO_2)	**0.01**	0.02	0.01	0.07	-17.6%	-80.0%
Nitrous oxides (NO_x)[6]	**0.16**	0.14	0.12	0.11	12.7%	44.1%
Particulate matter (PM)	**0.04**	0.04	0.02	n/a	5.7%	
Volatile organic compounds (VOCs)	**0.36**	0.35	0.21	0.13	3.7%	183.5%
Group water usage – m^3[7]						
Total water withdrawal	**6,913,192**	6,967,462	6,916,320	7,142,707	-0.8%	-3.2%
Specific water withdrawal (m^3/tonne production)	**5.33**	5.09	5.22	3.93	4.8%	35.6%

	2025[a]	2024[a]	2023[a]	Baseline year 2019[a]	Variance 2025 vs 2024	Variance 2025 vs 2019
Total water withdrawal by source						
Public potable supply	**1,954,232**	2,122,536	1,974,999	1,755,650	-7.9%	11.3%
Raw water from river	**2,260,055**	2,658,406	2,661,642	2,810,402	-15.0%	-19.6%
Raw water from borehole	**822,231**	771,770	782,757	1,192,088	6.5%	-31.0%
Raw water from canal	**57,614**	41,232	38,932	65,012	39.7%	-11.4%
Raw water from other	**1,819,060**	1,373,518	1,457,990	1,319,556	32.4%	37.9%
Total water consumption[7]	**2,069,064**	1,822,946	1,945,467	n/a	13.5%	n/a
Specific water consumption (m^3/tonne production)	**1.6**	1.33	1.44	n/a	20.3%	n/a
Group waste management – tonnes						
Group waste (total)[8]						
Absolute	**79,470**	61,919	60,356	66,558	28.3%	19.4%
Specific (kg/tonne production)	**61.29**	45.20	45.58	35.5	35.6%	72.6%
Group waste (landfill)						
Absolute	**12,720**	12,739	11,980	18,891	-0.1%	-32.7%
Specific (kg/tonne production)	**9.81**	9.30	9.05	10.08	5.5%	-2.7%
Group waste (hazardous)						
Absolute	**29,071**	28,721	27,070	35,036	1.2%	-17.0%
Specific (kg/tonne production)	**22.42**	20.97	20.44	18.69	6.9%	20.0%
Group waste (non-hazardous)						
Absolute	**50,399**	33,198	33,286	31,522	51.8%	59.9%
Specific (kg/tonne production)	**38.87**	24.24	25.14	16.81	60.4%	131.2%
Hazardous waste by source						
Recycled – energy recovery	**11,297**	7,030	8,608	9,034	60.7%	25.0%
Recycled – separated – reprocessed[8]	**5,117**	9,546	7,221	7,195	-46.4%	-28.9%
Incinerated – no energy recovery	**4,156**	3,675	4,124	6,508	13.1%	-36.1%
Disposed by landfill	**2,022**	1,730	1,350	1,200	16.9%	68.5%
Other	**6,478**	6,740	5,767	11,100	-3.9%	-41.6%
Non-hazardous waste by source						
Recycled – energy recovery	**2,646**	3,246	3,200	8,219	-18.5%	-67.8%
Recycled – separated – reprocessed	**35,195**	17,676	17,255	2,729	99.1%	1189.7%
Incinerated – no energy recovery	**97**	90	76	1022	7.8%	-90.5%
Disposed by landfill	**10,697**	11,010	10,630	17,692	-2.8%	-39.5%
Other – municipal	**1,763**	1,177	2,126	1,860	49.8%	-5.2%

	2025[a]	2024[a]	2023[a]	Baseline year 2019[a]	Variance 2025 vs 2024	Variance 2025 vs 2019
Sites that are zero production waste to landfill						
Number	**6.0**	6.0	10	n/a	0.0%	n/a
Proportion of Group revenue	**17.8**	17.0	27.7	n/a	4.7%	
Proportion of Group production volume	**22.9**	22.5	30.7	n/a	1.8%	n/a
Production sales volume						
Group	**1,296,626**	1,353,915	1,398,480	1,968,264	-4.2%	-34.1%
UK only	**66,728**	74,214	60,901	78,196	-10.1%	-14.7%
Additional TCFD Metrics[9]						
Financial intensity (tonnes CO_2e/£m)						
Scope 1 and 2 GHG emissions (revenue)	**216**	151	167	390	43.0%	-44.6%
Scope 1 and 2 GHG emissions (EBITDA)	**2,746**	2,045	2,314	3,197	34.3%	-14.1%
Scope 3 GHG emissions (revenue)	**1,465**	1,169	1,300	2,051	25.3%	-28.6%
Scope 3 GHG emissions (EBITDA)	**18,660**	15,794	18,036	16,821	18.1%	10.9%
Scope 1, 2 and 3 GHG emissions (revenue)	**1,681**	1,320	1,467	2,441	27.3%	-31.1%
Scope 1, 2 and 3 GHG emissions (EBITDA)	**21,406**	17,839	20,350	20,017	20.0%	6.9%
Sites with an ETS or equivalent – %						
Proportion of Group Scope 1 GHG emissions	**58.0**	63.0	57.7	60.7	-7.9%	-4.4%
Proportion of Group production volume	**11.0**	15.0	13.6	n/a	-26.7%	n/a
Proportion of Group revenue	**13.0**	16.0	19.2	n/a	-18.8%	n/a
Capex for sustainability projects (%)	**10.0**	9.0	n/a	n/a	-100.0%	n/a
Sites in extremely high-risk location for water stress[10]						
Number	**3.0**	3.0	3.0	n/a	0.0%	n/a
Proportion of Group water use	**11.7**	11.8	10.9	n/a	-0.8%	n/a
Proportion of Group revenue	**13.5**	12.5	12.4	n/a	8.0%	n/a

Environmental performance metrics and KPI data covers all manufacturing operations and major office/technical centres under Synthomer operational control for the calendar years stated. Data in these tables excludes all non-trading and office/sales-related subsidiaries and joint ventures. Scope 1, 2 and 3 GHG results have third-party assurance.

GHG emission calculations follow GHG protocol rules for Scopes 1, 2 and 3, with Scope 1 and 2 reporting reflecting operational control boundaries. Details on Scope 1,2 and 3 calculations can be found in Synthomer's Climate action insights paper.

a Data here refers to Group composition as of end 2025. 2019-2025 GHG data has been recalculated to reflect all acquisitions and divestments.
1 Data relates to site usage of all fuels, excluding transport of goods to and from site and the movement of these vehicles on site. Internal transport on site is included.
2 Details on Scope 1,2 and 3 calculations can be found in Synthomer's Climate action insights paper.
3 CO_2 equivalent emissions include contributions from CH_4 and N_2O associated with combustion.
4 The total Scope 1 and 2 GHG figure is the total of the CO_2 equivalent emissions associated with energy, refrigerant release and relevant process emission contributions.
5 Our Stallingborough site in the UK is supplied with most of its electricity from an adjacent municipal waste incinerator. In 2025 this is classed as non-renewable and the emissions from this electricity were 0.576kg CO_2e per kWh, based on our determination of the factors used for the Climate Change Agreement submission.
6 NOx emissions are predominantly those from combustion processes. The CO_2 equivalent Global Warming Potential contribution from these releases is already included in the CO_2 from the energy figure above.
7 Since adopting a more accurate and holistic water mass balance approach in 2022, we are not reporting water consumption for earlier years.
8 The increase in total waste is due to a change in how we report the bromide effluent waste stream at our Harlow sites and construction waste from demolition at our Marl site. For further information on the changes to the total waste figures and the updated reporting and calculation methodologies see the Sustainability Insights: Waste.
9 TCFD metrics are calculated using GHG data stated in this table and revenue figures stated in the Annual Report 2025.
10 Priority sites for water stress have been identified by combining local risk factors using WRI Aqueduct tool and relative water demand.

Global Reporting Initiative (GRI) content index

Statement of use

Synthomer plc has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards. This table references the GRI Universal Standards 2021 and identifies where Synthomer addresses each disclosure topic – the 2025 Annual Report, the separate 2025 ESG Data Pack, and our **website**.

GRI Standards used

GRI Universal Standards 2021 (GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021) and material GRI Topic Standards.

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	1-4, 145, 154-156, back cover
	2-2 Entities included in the organisation's sustainability reporting	206
	2-3 Reporting period, frequency and contact point	26, 207
	2-4 Restatements of information	206
	2-5 External assurance	Website
	2-6 Activities, value chain and other business relationships	1-4, 20-40
	2-7 Employees	36-40, 43, Synthomer ESG Data Pack
	2-9 Governance structure and composition	45-48, 58-59, 68-74
	2-10 Nomination and selection of the highest governance body	95-97
	2-11 Chair of the highest governance body	68-69
	2-12 Role of the highest governance body in overseeing the management of impacts	45-48, 58-63, 74
	2-13 Delegation of responsibility for managing impacts	74
	2-14 Role of the highest governance body in sustainability reporting	74, 88-94
	2-15 Conflicts of interest	55, 83-87
	2-16 Communication of critical concerns	55, 78-87, ESG Data Pack
	2-17 Collective knowledge of the highest governance body	67-71
	2-18 Review of the performance of the highest governance body	67
	2-19 Remuneration policies	87, 98-110
	2-20 Process to determine remuneration	87, 98-110
	2-21 Annual total compensation ratio	124
	2-22 Statement on sustainable development strategy	3, 5-6, 7-9, 77
	2-23 Policy commitments	65
	2-24 Embedding policy commitments	65
	2-25 Processes to remediate negative impacts	45-56, 65
	2-26 Mechanisms for seeking advice and raising concerns	55, 84

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021 continued	2-27 Compliance with laws and regulations	55, 64, 65
	2-28 Membership associations	27, 31
	2-29 Approach to stakeholder engagement	26-31, 36-39, 78-82
	2-30 Collective bargaining agreements	Synthomer ESG Data Pack
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30
	3-2 List of material topics	30, 49-56
	3-3 Management of material topics	30, 45-48
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	138-144
	201-2 Financial implications and other risks and opportunities due to climate change	58-63, 134
	201-3 Defined benefit plan obligations and other retirement plans	178-183
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	55, 65
	205-2 Communication and training about anti-corruption policies and procedures	55
	205-3 Confirmed incidents of corruption and actions taken	55
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	55
GRI 207: Tax 2019	207-1 Approach to tax	147-148, 158-160, Synthomer Group Policies
	207-2 Tax governance, control, and risk management	147-148
	207-3 Stakeholder engagement and management of concerns related to tax	78-82
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	203, Synthomer ESG Data Pack
	302-3 Energy intensity	203
	302-4 Reduction of energy consumption	42, 203
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	42, Sustainability Insights
	303-3 Water withdrawal	42, 204-205
	303-5 Water consumption	205
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	42, 203, Synthomer ESG Data Pack
	305-2 Energy indirect (Scope 2) GHG emissions	42, 203, Synthomer ESG Data Pack
	305-3 Other indirect (Scope 3) GHG emissions	42, 204, Synthomer ESG Data Pack
	305-4 GHG emissions intensity	204
	305-5 Reduction of GHG emissions	42, Sustainability Insights
	305-6 Emissions of ozone-depleting substances (ODS)	204
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	204
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	42, 205-206, Sustainability Insights
	306-2 Management of significant waste-related impacts	42
	306-3 Waste generated	205-206
	306-4 Waste diverted from disposal	205-206
	306-5 Waste directed to disposal	205-206

GRI standard	Disclosure	Location
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Synthomer ESG Data Pack
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Synthomer ESG Data Pack
	401-3 Parental leave	36-39
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	40, Sustainability Insights
	403-2 Hazard identification, risk assessment, and incident investigation	40, 43, 52
	403-4 Worker participation, consultation, and communication on occupational health and safety	40, 43, 52
	403-5 Worker training on occupational health and safety	40, 43, 52
	403-6 Promotion of worker health	36
	403-8 Workers covered by an occupational health and safety management system	Synthomer ESG Data Pack
	403-9 Work-related injuries	40, Synthomer ESG Data Pack
	403-10 Work-related ill health	Synthomer ESG Data Pack
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Synthomer ESG Data Pack
	404-2 Programs for upgrading employee skills and transition assistance programs	39
	404-3 Percentage of employees receiving regular performance and career development reviews	37
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	38, 67, 97
	405-2 Ratio of basic salary and remuneration of women to men	Synthomer Gender Pay Gap Report
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Synthomer Modern Slavery Act statement
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Synthomer Modern Slavery Act statement
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Synthomer Modern Slavery Act statement
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Insights
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Synthomer ESG Data Pack
GRI 415: Public Policy 2016	415-1 Political contributions	128
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	31, Synthomer ESG Data Pack
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	29, Sustainability Insights

Glossary of terms

AC	amortised cost
AGM	Annual General Meeting
AM	acrylate monomers
APMs	Alternative Performance Measures
APO	amorphous polyolefins
AS	Adhesive Solutions division
CCS	Coatings & Construction Solutions division
CDP	formerly the Carbon Disclosure Project
CGU	cash generating unit
CH_4	methane
CO_2	carbon dioxide
Code	UK Corporate Governance Code
CO_2e	carbon dioxide equivalent
constant currency	Reflects current year results for existing business translated at the prior year's average exchange rates, and includes the impact of acquisitions
CSRD	Corporate Sustainability Reporting Directive
DE&I	diversity, equity and inclusion
DMA	double materiality assessment
EBITDA	EBITDA is calculated as operating profit before depreciation, amortisation and Special Items
EMEA	Europe, Middle East, Africa and Americas
EPS	earnings per share
ERC	Executive Risk Committee
ESG	environmental, social and governance
FRC	Financial Reporting Council
Free Cash Flow	The movement in net debt before financing activities, foreign exchange and the cash impact of Special Items, asset disposals and business combinations
FRS	Financial Reporting Standard
FVTOCI	fair value through other comprehensive income
FVTPL	fair value through profit or loss

GDP	Gross Domestic Product
GHG	greenhouse gas
GJ	gigajoule
GM	gross margin
H&P	Health & Protection business unit
HPPM	Health & Protection and Performance Materials division
IFRS	International Financial Reporting Standards
ISA	International Standards of Auditing
ISCC PLUS	International Sustainability & Carbon Certification PLUS
KPIs	key performance indicators
ktes	kilotonne or 1,000 tonnes (metric)
M&A	mergers and acquisitions
MYR	Malaysian ringgits
N_2O	nitrous oxide
NBR	nitrile butadiene latex
net debt	cash and cash equivalents together with short- and long-term borrowings
n/m	not meaningful
NO_x	nitrogen oxides
NPP	new and protected products
NPV	New Product Vitality
OECD	Organisation for Economic Co-operation and Development
operating profit	operating profit represents profit from continuing activities before finance costs and taxation (sometimes also known as EBIT or earnings before interest and tax)
Operating Cash Flow	Operating Cash Flow is defined as Total Group EBITDA plus/minus net working capital movement less capital expenditure
OSHA	Occupational Safety and Health Administration
PPE	property, plant and equipment
PSER	process safety event rate
PSP	Performance Share Plan

R&D	research and development
RCF	revolving credit facility
RCR	recordable injury case rate
ROIC	Return on Invested Capital, calculated as underlying operating profit after tax divided by average invested capital at start and end of year (comprising equity, net debt, post-retirement benefit obligations and lease liabilities)
SBR	styrene-butadiene rubber
SHE	safety, health and environment
SHEMS	Safety, Health and Environment Management System
SVP	Speciality Vinyl Polymers business
TCFD	Task Force on Climate-related Financial Disclosures
TSR	total shareholder return
UKEF	United Kingdom Export Finance
Underlying performance	Underlying performance represents the statutory performance of the Group under IFRS, excluding Special Items
VOCs	volatile organic compounds

Historical financial summary

		2025 £m	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Revenue		**1,768.1**	1,996.6	2,021.2	2,585.1	2,329.5	1,644.2
Underlying performance	(a)						
EBITDA	(b)	**140.1**	149.2	139.1	265.1	522.2	259.4
Operating profit	(c)	**40.7**	52.8	33.8	171.2	450.9	189.6
Finance costs		**(63.9)**	(60.0)	(64.9)	(46.2)	(30.8)	(29.6)
Profit before taxation		**(23.2)**	(7.2)	(31.1)	125.0	420.1	160.0
Basic earnings per share	(f)	**(37.2)p**	(2.5)p	(35.1)p	152.0p	554.0p	212.9p
Dividends per share	(f)	**–**	–	–	–	221.0p	85.4p
Dividend cover		**–**	–	–	–	2.5	2.5
IFRS							
Operating profit	(c)	**(56.3)**	(25.9)	17.7	(26.5)	308.5	58.4
Finance costs		**(63.9)**	(61.4)	(71.4)	(21.1)	(24.6)	(38.1)
Profit before taxation		**(120.2)**	(87.3)	(53.7)	(47.6)	283.9	20.3
Basic earnings per share	(f)	**(96.0)p**	(44.4)p	(78.5)p	(51.2)p	355.8p	5.2p
Dividends per share	(f)	**–**	–	–	–	221.0p	85.4p
Dividend cover		**–**	–	–	–	1.6	0.1
Net debt	(d)	**(575.0)**	(597.0)	(499.7)	(1,024.9)	(114.2)	(462.2)
Capital expenditure	(e)	**87.7**	90.6	84.0	90.8	82.2	53.8

(a) Total of continuing and discontinued operations for the Group.
(b) As defined in the accounting policies at note 2 and reconciled in note 5.
(c) As defined in note 2 to the financial statements on page 147.
(d) As reconciled in note 20.
(e) As disclosed on the consolidated cash flow statement.
(f) Dividends and earnings per share figures for 2022 and prior have been adjusted for the 20 to 1 share consolidation and rights issue adjustment factor of 2.715.

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Printed sustainably in the UK by Pureprint, a carbon neutral company with FSC® Chain of custody and an ISO 14001-certified environmental management system recycling over 100% of all dry waste.

Edited, designed and produced by Falcon Windsor.
falconwindsor.com

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