

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.

The Board's year continued

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.

The Board's year continued

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.