

## Section 172(1) Statement

The Directors of Nippon Gohsei UK Ltd have acted in accordance with their duties codified in law, which include their duty to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Nippon Gohsei UK Ltd strives to be the premier producer and supplier of EVOH in the market place and seeks to put its customer's best interests first, though investing in our people, developing and maintaining a robust supply chain, reviewing and monitoring the quality of our product, ensuring the workplace is a safe place to be and by supporting the local community in which we operate.

As a company of Mitsubishi Chemicals Corporation Group, we have adopted an approach called KAITEKI Management. It is a management approach to enhancing corporate values based on three types of Management.

Two of them, Management of Economics and Management of Technology have been traditionally emphasised. Management of Economics promotes to optimise capital efficiency within our company and Management of Technology strives to create innovations for society. The third management approach is Management of Sustainability and has a new perspective and aims to improve the sustainability of people, society and the earth.

Following the KAITEKI principles the Board of Directors considers the needs and requirements of all stakeholders when making short-term and long-term decisions on the strategic direction of the business. Ultimately the boards decisions are taken against the backdrop of what it considers to be in the best interests of the long-term financial success of the company and the stakeholders including shareholders, employees, customers, suppliers, the community and the environment.

Engagement with the stakeholders of the business varies across the different stakeholder groups examples of which are:

- **Employees.** We continually invest in our people to ensure that we attract and retain the best employees for the business needs. We ensure our employees have a voice through holding a regular people forum where they can input their views and ideas, we also carry out an independent engagement survey every 2 years the results of which are reported back to the board, so action can be taken for improvement.
- **Customers.** Our customer base spans across the world and across different industry sectors ranging from food packaging suppliers to pharmaceutical companies. We work closely with our customers to understand their needs, so we can improve and adapt to meet them. Decisions have been made because of this engagement to develop new product grades and production facilities.
- **Suppliers and Partners.** We depend on the performance and reliability of our supply chain network to help us to deliver the products and services we need to be the premier producer and supplier of EVOH. To ensure we are working with the right suppliers and partners we carry out supplier audits on potential new suppliers to ensure that they meet our strict criteria. Supply chain sustainability and ability to support the business are considered in all decision making.
- **Local Community.** The local community is an important part of our decision-making process and we encourage them to feedback on any concerns they may have. We are also active partners with the Smile Foundation Charity who support the local community through charitable events.

Feedback from the engagement with the above stakeholders is reviewed and monitored by the board on a regular basis and used to make informed and fair decisions on the strategic direction of the business.

