

# Sinomine Specialty Fluids Limited:

## Section 172(1) Statement 2026

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The Directors act in accordance with their duty under Section 172(1)(a)–(f) of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole. In doing so, they have regard to:

- **(a)** the likely long-term consequences of decisions;
- **(b)** the interests of the Company’s employees;
- **(c)** the need to foster business relationships with suppliers, customers and others;
- **(d)** the impact of the Company’s operations on the community and the environment;
- **(e)** the desirability of maintaining a reputation for high standards of business conduct; and
- **(f)** the need to act fairly between members of the Company.

The Board considers these factors as part of its decision-making processes, with day-to-day operations delegated to the management team, who report regularly to the Directors and Vice-President on operational, financial and strategic matters. Two Directors hold operational roles and are closely involved in the management of the business, ensuring that stakeholder considerations are embedded in routine and strategic decisions alike.

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### Employees (s.172(1)(b))

The Company employs personnel through both its UK entity and its Norwegian branch. Employee engagement is supported through quarterly business updates open to all staff, at which Directors are present. These sessions provide updates on company performance, operational activities and strategic priorities, and employees are encouraged to raise questions confidentially if preferred.

Objectives are set annually following the Management Meeting Review and monitored quarterly by Directors and managers. Individual performance appraisals align personal objectives with departmental and Company-wide goals. A structured compensation framework rewards achievement of both Company and individual targets, reinforcing shared success and long-term engagement.

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## Customers (s.172(1)(c) and (a))

The Company works collaboratively with customers to support their operational objectives through the supply and optimisation of Cesium Formate brines. Directors oversee the commercial process and are actively involved in key customer engagements.

Collaboration begins at the pre-project stage to ensure appropriate formulation and technical suitability. A shared objective with customers is to minimise product loss, reducing costs and preserving a finite resource for future use. Post-project reviews and feedback are provided to the Board, and the Company has co-authored research publications with customers to share learnings and promote industry best practice.

This long-term, partnership-based approach supports sustainable commercial relationships and aligns with the Company's long-term strategy.

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## Suppliers (s.172(1)(c) and (e))

The Company recognises the importance of mutually beneficial supplier relationships. A formal supplier onboarding process ensures consistent evaluation and selection standards. The Company seeks to honour agreed payment terms and to conduct business with integrity and respect.

Supplier performance and issues are monitored through an internal reporting mechanism, with management review and corrective actions where required, reinforcing high standards of business conduct.

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## Community and Environment (s.172(1)(d) and (a))

Environmental stewardship is central to the Company's strategy and long-term success. In 2025, the Company achieved recertification to the ISO 14001 Environmental Management Standard. Directors and Managers regularly review the effectiveness of the Environmental Management System to ensure it remains appropriate and robust.

The Company operates a circular business model supported by an award-winning chemical leasing rental approach, under which product ownership is retained. This model incentivises customers to minimise losses and return used fluids for reclamation and reuse.

A Design for Recycling (DFR) and Product Life Extension (PLE) strategy underpins formulation, use, recovery and reuse processes, reducing demand for newly sourced Cesium — a finite resource. Through this approach, the Company aims to minimise environmental impact and support resource efficiency over the long term.

The Board has set ambitious targets to reduce Scope 1 and 2 carbon emissions by 50% by 2029 and to achieve net zero by 2045. The Company reports its carbon emissions data

through CDP and complies with the requirements of the Energy Savings Opportunity Scheme (ESOS). These initiatives support transparency, accountability and continuous improvement.

The Company also contributes quantitative and qualitative data annually to support the preparation of the Group's corporate ESG report, ensuring comprehensive disclosure of environmental, social and governance performance.

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### Reputation and Fairness Between Members (s.172(1)(e) and (f))

The Directors recognise the importance of maintaining a reputation for high standards of business conduct and ensuring fair treatment between members. Board decisions are taken collectively, with due consideration of shareholder interests and long-term value creation.

Health, Safety and Environmental (HSE) performance is a core value and integral to business operations. The Company is committed to conducting its activities responsibly, safeguarding the safety, health and welfare of employees, customers, the public and the environment.

Through structured governance, active stakeholder engagement and a focus on long-term sustainability, the Directors are satisfied that they have discharged their duties under Section 172(1)(a)–(f) of the Companies Act 2006 in promoting the success of the Company for the benefit of its members as a whole.