

Corporate Governance Statement 2023

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Statement of corporate governance arrangements

For the financial year ended 31 December 2023

Introduction

For the year ended 31 December 2023, under The Companies (Miscellaneous Reporting) Regulations 2018, the Group has applied the Wates Corporate Governance Principles for Large Private Companies (the “Wates Principles”), published by the Financial Reporting Council (“FRC”) in December 2018 and available on the FRC website.

Principle 1: Purpose and leadership

Our purpose is to “responsibly produce essential ingredients for a sustainable future”.

We are focused on delivering high quality products to our customers in an environmentally friendly, sustainable and socially responsible way. Our cavern-based solution-extraction method to produce natural soda ash, combined with an efficient global supply chain, means that we have the lowest CO₂e emissions of any soda ash producer worldwide. Our Group also aims to continuously improve its sustainability performance throughout product life cycles with the objective of having the lowest impact on the environment whilst also supporting and investing in the communities in which we operate and creating a positive impact with all stakeholders.

Our corporate culture and values of accountability and transparency set the standard for our operations and guide our strategic direction. Our employees are critical to success. Safe operating practices, integrity, responsible business practices and performance are all core parts of our corporate culture, together with a focus on developing long-term mutually beneficial partnerships with our customers, distributors and suppliers.

Safety is our number one priority. Our Board and executive management have focused on personal safety and process safety management practices throughout the Group but particularly at our operating facilities supported by international safety consultant dss+. We are aiming to significantly improve our existing safety practices, policies and procedures, as part of a long-term commitment to achieving international best practice standards and eliminating lost time injuries from the workplace.

Principle 2: Board composition

The roles and responsibilities of the Chair and Chief Executive Officer are separate and are clearly defined and documented to ensure that there is a balance of responsibilities, accountabilities and decision-making across the Company.

The Board comprised a Chair, responsible for leading and managing the Board, ensuring its effectiveness and the quality of its governance, and ensuring that the shareholder core values are reflected in its purpose, goals and expected behaviours and practices across the Group. Together with our CEO, our Chair ensured that the balance of responsibilities, accountabilities and decision-making throughout the business was maintained effectively. They were supported by three executive directors (our CFO, CSRO and CLO), a shareholder representative and five Independent Non-Executive Directors. The Non-Executive Directors have a range of skills, expertise and experience, including in the fields of industrial operations, banking, insurance, energy, diplomacy and environment. The size and composition of the Board is appropriate for the scale and complexity of the business.

The Non-Executive Directors are responsible for bringing independent and objective judgement to the Board. They participate fully in all Board commercial and strategic debates, and provide significant advice and challenge in critical areas of the business.

In March 2024, the WE Soda Board was strengthened by the appointment of additional Directors to replicate the composition of the Kew Soda Board. At the same time, the WE Soda Board also constituted its own Audit & Risk Committee and Sustainability Committee, each with the same members and roles as those of Kew Soda, to which it has delegated responsibility for certain matters.

Principle 3: Director responsibilities

The Board agreed to meet formally at least six times a year. The Board received regular and timely information on various aspects of the business; including financial and operational performance, strategy, market environment, legal and compliance, governance and operating responsibly (which included health and safety and sustainability).

Consistent with the goal of upholding high quality governance standards, following the decision to cancel the IPO, the Board decided to retain certain key elements of the governance arrangements that were put in place for the IPO and also approved a range of Group policies which are key to the business and its operations.

During 2023, the Board also considered a number of financing initiatives, including an increase in the existing revolving credit facility and the issue of \$980 million Senior Secured Notes due 2028, to support the restructuring of existing debt and increased financial flexibility for the Group.

In 2023, the Board delegated responsibility for certain matters to two committees, the Audit & Risk Committee and the Sustainability Committee.

Principle 4: Opportunity and risk

The Board discussed and reviewed the Group's strategic objectives at Board meetings, including discussion and consideration of long-term strategic opportunities. The Board reviewed and approved the annual budget and Five-Year Plan. The Five-Year Plan outlines the production forecast, cost ambitions, sales plans, capital investment requirements and priorities and the resulting profit and cash flow forecasts for the next five years. The debt facilities, repayment profile and covenants are assessed and stress-tested against the Five-Year Plan. Risks and mitigations are discussed, alongside the KPIs to be tracked through the year (from annual volumes to operating company-specific input costs).

The annual budget is set with reference to the Five-Year Plan, with any deviations from the long-term strategy assessed and critically evaluated by the Board.

The Board has continued to develop the Group's approach to risk management with the appointment of a Chief Strategy & Risk Officer (CSRO) in the first quarter of 2023. This included work to establish risk appetite and enhance the governance structure to include a risk working group and Executive Risk Committee that reports to the Audit & Risk Committee.

These changes have facilitated more effective understanding and assessment of risks and opportunities. In October 2023, the opportunity was taken to partially de-risk production costs at Kazan Soda using a financial hedge to protect against natural gas price volatility. In addition, the Audit & Risk Committee approved the appointment of an internal audit provider to further enhance internal controls and assurance.

Principle 5: Remuneration

The Board has approved a comprehensive remuneration policy. Current remuneration structures are agreed between the Executive Directors and the Chair, taking into account the role, responsibilities, experience, career potential, and skill level of individuals, together with external benchmarking and the need to appropriately incentivise critical members of the executive management team.

Principle 6: Stakeholders

Our stakeholders include our bond holders, customers, distributors, suppliers, employees and the communities in which we operate, as well as our shareholder. Engagement with our stakeholders allows us to fulfil our purpose and protect our reputation and relationships. We seek to build positive relationships with all our stakeholders and we use various methods of engagement to ensure that our stakeholders are kept well informed on our activities.

Our focus on sustainability underpins our business, and the health and safety of our employees and contractors is a key priority. On behalf of the Board, the Sustainability Committee regularly reviewed our progress in these areas, and in particular the progress of our "Safety Excellence Journey" as well as our sustainability strategy and the progress of various sustainability initiatives.

Our operations are subject to strict regulations by relevant authorities with respect to protection of the environment and we have a rigorous compliance programme to ensure that the facilities comply with all applicable laws and regulations. During 2023, various outreach activities were undertaken with Federal, State and local agencies in relation to our greenfield development projects in Wyoming, US. These were supported by a number of community engagements that included open house discussions and other meetings.

In response to the earthquakes in south-east Türkiye, we donated 100 prefabricated buildings together with clean water and sanitation. In addition, in March 2023, we made a charitable donation of \$1.0 million to Darussafaka, the oldest non-government school for orphaned children in Türkiye, which will be used to increase the annual capacity of the school to be able to accommodate extra children who sadly lost their families as a result of the earthquakes.

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