

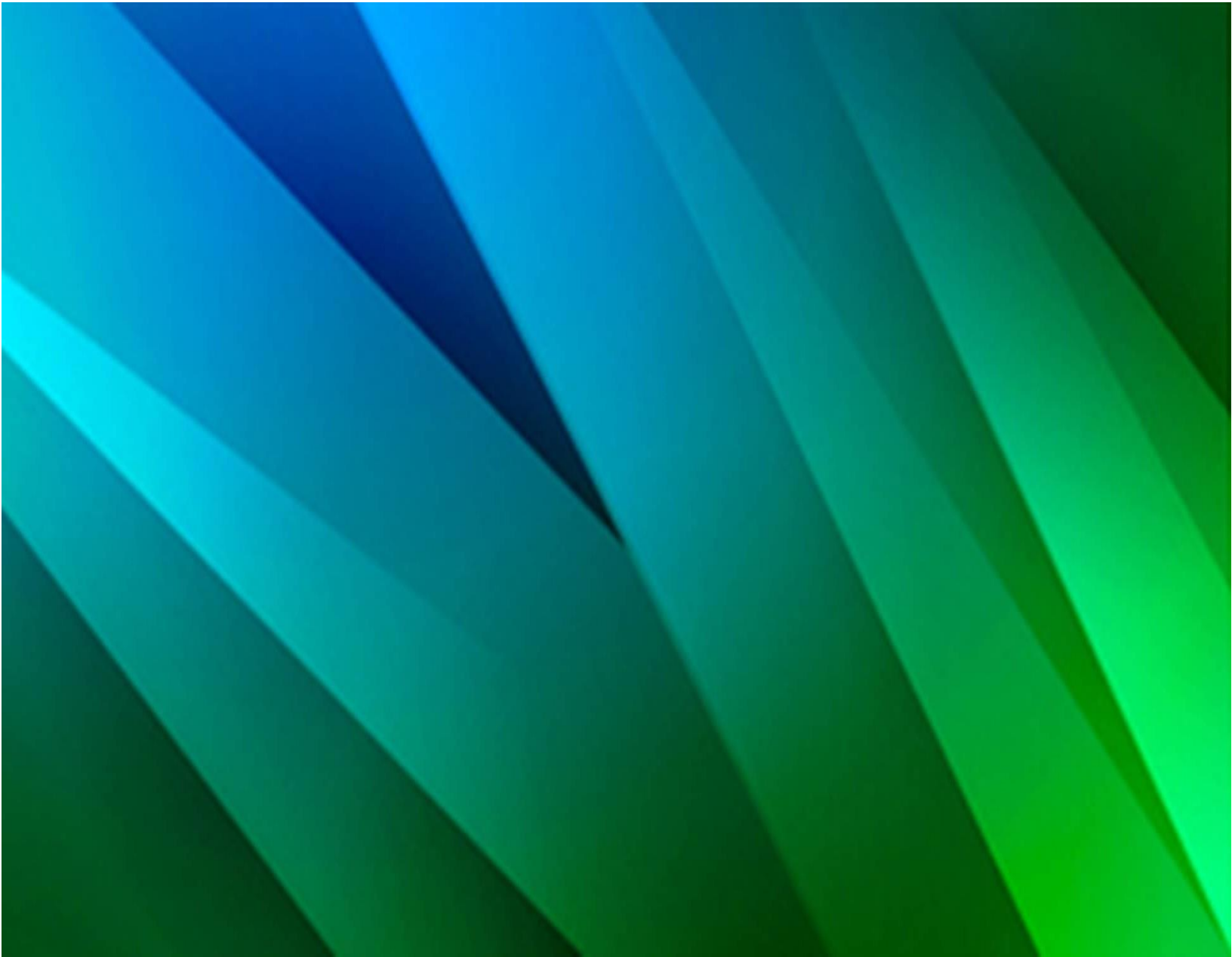


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2022 Frost & Sullivan Institute

Enlightened Growth Leadership Award

Excellence in Best Practices





Congratulations!

Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present Synthomer with the Enlightened Growth Leadership Award.

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes Synthomer for its valuable achievement.

Frost & Sullivan strictly reserves this recognition to companies at the innovation to zero and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth over a span of their enduring association with Frost & Sullivan. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad

Chairman, Frost & Sullivan and Executive Director, Frost & Sullivan Institute



Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria for each nominated company. Synthomer excels in multiple criteria.



Introduction

In today's business environment, manufacturing companies are under ever-increasing scrutiny for their action towards the environment, their treatment of employees and other stakeholders in their communities, and the way they source their supply chain. CEOs of such companies must navigate these turbulent waters while also maintain healthy growth and a strong bottom line. Only businesses that successfully integrate their goals towards global challenges like climate change, sustainability, equality, and innovation with their business strategy will see success in today's markets. Synthomer is one such company that has excellently blended their efforts of being a responsible corporate citizen as well as meeting the interests of its shareholders.

Synthomer is the world's leading aqueous polymers manufacturer headquartered in London, UK. The company has an annual turnover of over €2.3 billion and is responsible for employing over 5000 employees across its 40 sties all over the world¹. The company has shown extraordinary ability to adapt to changing times and market demands by fostering a proud tradition of innovation, adaptability, and change as evident by its long history. Synthomer's story reaches as far back as the second half of 19th century, when it was first established as George Yule & Co in 1863². Today, Synthomer bases its business activities with key global issues in mind, while sustaining strong growth figures driven primarily by their constant drive to innovate.

¹ Synthomer. (October 12, 2022). *About us*. Retrieved from <https://www.synthomer.com/about-us/>

² Synthomer. (October 12, 2022). *Our history*. Retrieved from <https://www.synthomer.com/our-history/>



'Innovating to Zero' on Global Priorities

Synthomer is committed to fulfilling its role towards global priorities while maintaining a strong business portfolio. The company's actions have been directed towards the reduction of its impact on the environment, a strong commitment to gender equality, and a drive towards growth that is sustainable for the business as well as the communities that it operates in. Synthomer has not only put in policies to source their products from responsible suppliers, but they have also innovated to build new brands with reduced carbon footprints. As a part of their vision to have net zero by 2050, Synthomer has constantly been innovating to zero in the areas of energy consumption, emissions, waste, and discrimination.

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- Abhash Raj Subedi, Analyst, Frost & Sullivan

The company's Vision 2030 is aligned with seven of the seventeen sustainable development goals (SDGs) set out by the United Nations³. To achieve these goals, the company has been exceeding its own challenging benchmarks. Synthomer had aimed to source 80% of its electricity consumption through renewable sources by 2030, a target which the company has exceeded. Currently, over 90% of electricity consumed in Synthomer's manufacturing plants and offices is sourced from renewable means³. Further, the company also met its target of reducing Scope 3 emissions by 10% on their 2019 levels⁴. The company could achieve this goal by reducing the carbon intensity in the mix of monomers it consumed. These results are a reward for the diligent efforts made by Synthomer in their drive to reduce emissions to zero.

Synthomer has also been rethinking its supply chain to shrink their increasingly faint carbon footprint. By 2030, Synthomer intends to have at least 60% of their products with enhanced sustainability benefits while purchasing 80% of goods from suppliers with a sustainability rating. As a part of this effort, Synthomer intends to build a technology platform that will ensure at least 20% of raw material comes from low carbon sources within 2022⁴. Further, it will audit five key supplier sites and hold their highest risk suppliers to the stringent standards set out in Synthomer's Supplier Code of Conduct. Success in these areas have further cemented Synthomer's motivated actions towards a zero emissions world.

Synthomer is committed to being a diverse, inclusive, and a progressive place to work in. The company has seen a 5% increase in women in senior leadership roles in 2021, and the company intends to carry the momentum to have 25% women in leadership roles by 2022, 33% by 2025, and 50% by 2030⁵. As a part of a drive towards more inclusion, Synthomer is also committed to having 20% of its leadership roles fulfilled by people from ethnically diverse backgrounds by 2025⁵. The company is also taking active steps to ensure that their employees have a voice. The company had achieved a response rate of 73% in

³ Synthomer. (October 12, 2022). *Sustainability*. Retrieved from <https://www.synthomer.com/sustainability/>

⁴ Synthomer. (October 12, 2022). *Vision 2030*. Retrieved from <https://www.synthomer.com/sustainability/vision-2030/>

⁵ Synthomer. (October 12, 2022). *People*. Retrieved from <https://www.synthomer.com/sustainability/people/>



its annual employee engagement survey globally despite some countries having a response rate of below 70%⁶. It is looking to achieve a response rate of 70% across all countries. Synthomer's commitment to ensuring an ever-diverse leadership and an inclusive workplace is an exemplary drive towards a world of zero discrimination.

Additional efforts by Synthomer towards improvement of Safety, Health, and the Environment (SHE) includes reduction in water consumption by 8.3%, calculation of carbon price in their capital planning, an active participation of all employees in SHE programs, and a commitment to follow 10 best practices rules for reduction of accidents.

Frost & Sullivan Institute lauds Synthomer's continuous, dedicated, and strong commitment to innovating to zero on global priorities. The company has expertly aligned its values with SDGs and other important global priorities and has been able to establish itself as a stalwart of the drive towards innovating to a world with zero emissions, zero discrimination, and zero accidental, environmental, and health hazards.

Growth Excellence

Synthomer's diverse portfolio means that we are surrounded by the company's products. From carpets and artificial turfs to medical gloves and industrial gloves, Synthomer has a solution for a diverse range of consumer and industrial needs. The acquisition of OMNOVA in 2021 broadened its geographic reach and strengthened its innovation skills, which remain a significant area of concentration in its capacity to satisfy the needs of end users and clients. Further, Eastman's Adhesive Resins was bought in December 2021, and Synthomer established a new subsidiary called Adhesive Technologies to broaden and diversify its product offering, connect with more clients in more market segments, and broaden its geographic reach.

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Synthomer's growth was driven by a combination of strong increase in revenues from developing as well as developed markets. Synthomer registered a revenue of €2.3 billion, an increase of 37% from the €1.6 billion in 2020. This growth was driven in no small part by new products; new products accounted for 24% of the company's sales volume, up from 22% in 2020. 40% of the total company sales comes from performance elastomers, a sector that saw an increase of 136% in revenue when compared to 2020 figures. Functional solutions were the next biggest sector for the company, a division that saw a growth of 50%⁶. These growths have been achieved via a combination of launch of new and innovative products, an aggressive marketing strategy, and a strategic acquisition of other companies.

⁶ Synthomer. (October 12, 2022). *Synthomer plc Annual Report 2021*. Retrieved from https://www.synthomer.com/media/c1qnu4pn/synthomer_ar21.pdf



In the past year, the company has been increasing its presence in regions like Southeast Asia and China while also reevaluating opportunities presented by saturated markets in Europe and USA. Malaysia in particular saw an increased interest from customers because of SyNovus, an innovative nitrile product. Synthomer is also looking to increase its presence in daily consumer goods, with its eyes set on the packaging, hygiene, tire, and food markets. Synthomer looks to penetrate these markets by a combination of mergers and acquisitions as well as the development of innovative products that cover gaps in the existing markets.

Frost & Sullivan Institute lauds Synthomer's efforts in leveraging its internal capabilities and synergizing them with external market forces to drive impressive growth figures. Synthomer has demonstrated that good leadership, a clearly defined strategy, and a strong investment in internal capabilities can propel long lasting growth for companies, even in extremely competitive market sectors and industries.

Innovation and Customer Value Chain

Synthomer emphasizes the importance of “development” over research. The company believes that innovation for the sake of it is not sustainable and therefore puts its efforts on innovation of products that will drive market growth. With 16 innovation sites and four centers of excellence, the company constantly researches market needs and develops new products suited to the customer. The increase in share of new product sales from 16% in 2014 to 24% in 2021 is a testament to Synthomer's ability to curate its R&D activity to suit customer needs⁶.

“With 16 innovation sites and four centers of excellence, the company constantly researches market needs and develops new products suited to the customer. The increase in share of new product sales from 16% in 2014 to 24% in 2021 is a testament to Synthomer's ability to curate its R&D activity to suit customer needs.”

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The company has also increased its R&D expenditure from €25.8 in 2020 to €28.9 in 2021⁶. SyNovus, a product used in latex glove manufacturing has seen major innovation. The company has not only been able to reduce the carbon footprint in its production, the gloves used for food application can also be recycled. The company has also put strong efforts in process development, including taking steps to reduce fuel and resources consumption by streamlining the manufacturing process and reducing the overall waste in the industrial process.

Frost & Sullivan Institute lauds Synthomer's commitment to innovation and its uniquely market oriented approach towards research in the chemicals industry. By always keeping customer interest in mind, it was successfully built new products that have been well received and is likely to be a key piece in the company's future performance.

Conclusion

Synthomer has proved itself to be a champion of global priorities without compromising its bottom line. The company has demonstrated its ability to navigate the tough waters caused by shifting global megatrends and still have a sustained and clear growth. The company has made impressive strides in innovating to zero with its policies on environment, people, and safety.



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Synthomer's ability to grow and increase its presence in developing as well as developed economies is a testament to their board's leadership as well as the clear vision and priorities laid out by their executive team. Frost & Sullivan institutes commends the efforts of Synthomer to have a market-oriented research drive as well as their efforts to make the company a zero-discrimination workplace.

Frost & Sullivan Institute awards the "2022 Frost & Sullivan Institute Enlightened Growth Leadership Award" to Synthomer for being a leader in tackling global priorities by integrating these challenging issues with the interest of company and its stakeholders.



What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

'Innovating to Zero' on Global Priorities: The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

- i) **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.
- ii) **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.
- iii) **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.
- iv) **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.
- v) **Security:** Human security can refer to transnational governance, human security, food security, or others.
- vi) **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.
- vii) **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

Growth Excellence: The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.



Customer Value Chain: The company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

Integrated Coopetition - Industry Partner Ecosystem: The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

Technology Leverage/Innovation: The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.



About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies, and overarching megatrends that will alter the world as we know it today. To learn more about FSI, visit <https://www.frostandullivaninstitute.org/>.

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™



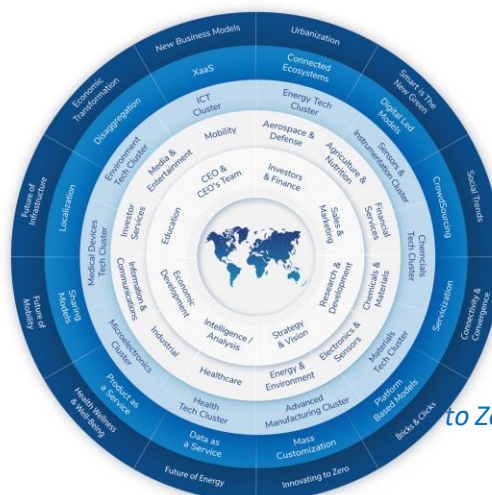
Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fueled by the Innovation Generator™.

Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.





Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)



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