

Devro (Scotland) Limited (the “Company”)

S172 Statement

As Directors of the Company we continue to be mindful of our statutory duty to promote the success of the Company for the benefit of the members as a whole, and in doing so having regard (amongst other matters) to those factors set out section 172(1) (a)-(f) of the Companies Act 2006 (set out below). Collectively the Board recognises how having regard to these and other relevant factors and stakeholder groups in it's decision-making contributes to the success of the Company. Depending on the matter in question, the relevance of different stakeholder interests and other factors will inevitably vary, and the Board may have to make difficult decisions based on competing priorities which means that it may not always be possible to provide a favourable outcome for all stakeholders.

On appointment to the Board, the Directors are briefed on the Directors' statutory duties and Directors are also provided with various opportunities to meet key stakeholders. The Directors are in close contact with the Scottish Senior Management Team allowing good communication and feedback at a local level.

The Company's key stakeholders are our employees, customers (including our distributors) and suppliers. The Company has in place the following framework to ensure Directors have regard to our key stakeholders and those other matters referenced in section 172(1) in their decision making:

The likely consequences of any decision in the long-term

The renewal of the Company's statement of corporate Purpose and the introduction of a new sustainability framework, both in 2021, underline the Boards focus on the sustainable long-term development of the Company. In Alignment with those initiatives, the Board regularly reviews its long-term strategy, encompassing not only the current phase of development, but also future areas of growth. Input is regularly taken from specialists within the business and external advisers about what might frame the commercial environment in which the Company will operate in future and the Board regularly considers how it can best respond to that framework. The resulting assessment of future development helps inform the Board's decision-making and the balance between short-term and long-term measures and actions. The embedding of Integrated Business Planning processes in the business has continued to facilitate a clearer understanding of decisions required in the short-term in order to meet longer-term objectives

The interests of the Company's employees

The interests of the Company's workforce continued to be at the forefront of the Boards considerations in 2021, not only in connection with the impact on the business of the COVID-19 pandemic throughout which employee safety, wellbeing and connectivity has been prioritised, but also through extensive employee participation in the unearthing of the Company's corporate Purpose and in the determination of its sustainability priorities. The introduction in 2021 of additional governance in connection with sustainability and with the evolution of the Company' corporate Purpose (encompassing the development of corresponding Values) has been designed to ensure the 'employee voice' remains central to the Company's definition and embodiment of its culture.

The need to foster the Company's business relationships with suppliers, customers and others

Winning with the Winning Customers remains an enduring and key element of the Company's 3Cs strategy which was aligned in 2021 with the focus on customers in the Company's renewal of its statements of corporate Purpose, Vision and Mission. The Company's commercial approach has continued to evolve in 2021 to facilitate greater scope for customer intimacy. While face-to-face contact with customers has necessarily been restricted again due to the pandemic, Directors together with members of the EMT have continued to engage with them (including distributors) and to share with the rest of the Board insights gained from such engagement.

Devro Scotland Limited continues to cultivate its relationships with its supplier base and local procurement teams work closely with the global procurement function which ensures the 'supplier voice' is regularly heard. Sourcing and the impact of the pandemic on key suppliers' businesses, continued to be monitored in 2021 and reviewed by the Board at each of its regular calls throughout the year to consider pandemic-related challenges faced by the Company.

The impact of the Company's operations on the community and the environment

The Company's environmental and social commitments (including its responsibilities to the communities in which it operates) are key pillars of the sustainability framework the Company

introduced in 2021. The Board reviews at least twice per year progress on the Company's sustainability aspirations. In September 2021 the Company communicated ambitious new sustainability targets, the formulation of which caused the Board to balance different stakeholder interests and other s172 factors, for example to reconcile activities to accelerate the Company's commercial development, (taking into account the interests of its shareholders and customers); and the environmental impact of those activities.

The desirability of the Company maintaining a reputation for high standards of business conduct

The expectation that the Company will maintain high standards of business conduct at all times is encapsulated in the term 'Responsibly' in the refreshed statement of corporate Purpose, the development and launch of which the Board oversaw in 2021. The Board reviews on an annual basis the Company's global statement on business conduct and it oversees each year a compliance survey, in order to verify how business conduct standards are being maintained. The reporting of concerns raised through the Company's third party hosted Ethics Point service provides the Board with a further insight into business conduct issues affecting the business.

The need to act fairly between members of the Company

The Company's approach to engagement with shareholders is outlined on page 73 of the Group's 2021 annual report, Devro Scotland Limited is 100% owned and controlled by Devro plc.

In 2021 the Board had particular regard to shareholder interests when it oversaw the introduction of the Company's new sustainability framework which aligns the Company's investment case with its sustainability targets and priorities. Shareholder engagement on this included an investor seminar on the launch in September 2021 of this next phase of the Company's sustainability programme.

The Board will continue to keep engagement methods under review to ensure they remain effective.