

Croda's Modern Slavery Act Transparency Statement

This statement is made in relation to Section 54 of the Modern Slavery Act 2015 and sets out the steps that we are taking to reduce the risk of slavery and human trafficking taking place within our supply chains or in any part of our Business.

Our Business and Supply Chain Overview

Established in 1925, we are the name behind high performance ingredients and technologies in some of the biggest and most successful brands in the world: creating, making and selling speciality chemicals that are relied on by industries and consumers everywhere.

Croda International Plc is the parent company of the Croda Group of Companies (the "Group"). As of 1 June 2017, the Group employs 4,275 people who work together as one global team within 36 countries. We are a FTSE100 company with a flexible structure allowing us to focus on developing and delivering innovative, sustainable ingredients that our customers can build on in the following business areas: Personal Care, Health Care, Crop Care, Polymer Additives, Lubricants, Coatings & Polymers, Geo Tech, Home Care and Industrial Specialities.

In 2016 the Group reported an annual turnover of £1.24 billion.

We have manufacturing sites located in Europe, North America, South America and Asia. Each site/region has its own procurement organisation responsible for all aspects of procurement associated with purchasing all goods and services.

We have a network of warehouses to support the distribution of our products to our customers through the sales offices we have in each of the countries in which we operate.

Our Policies on Slavery and Human Trafficking

Every new employee is given a copy of the Croda Vision, which sets out six values inherent to our Business, against which all of our policies and procedures must be aligned. One of the six values is that we will continue to be an ethical and responsible company.

Our **Code of Ethics** and Supplier Code of Conduct sets out our commitment to working as an ethical and responsible company and affirms our commitment to conducting our Business at all times and throughout the world with honesty and integrity. All employees, as well as agents and distributors when acting on our behalf, are expected to comply with the Code of Ethics at all times and local management is expected to monitor compliance and report any significant breach. We have established the following policies for our employees, which are focused on maintaining integrity within our supply chain:

- Group Policy on Modern Slavery
- The Croda CSR Policy
- **Whistleblowing Group Policy**
- Code of Conduct

We have an established procedure for the regular review and update of these and related policies.

We are committed to acting ethically and with integrity and transparently in all of our business dealings and we take our social responsibilities very seriously. We will take all reasonable steps to ensure compliance with our Group Policy on Modern Slavery (the “Policy”) within our Business and will take appropriate steps to reduce the risk of any modern slavery taking place within our supply chains.

We expect contractors, suppliers, agents and distributors (our “Supply Chain Partners”) to adopt similarly high standards outlined within our Policy. As part of our contracting processes, during the course of 2017 modern slavery contract clauses are being included in all new purchasing contracts. We expect our Supply Chain Partners to hold their own suppliers to the same high standards.

Due Diligence Processes for Slavery and Human Trafficking

In order to meet the high expectation of our customers and to promote compliance with the laws of the countries in which we operate and our Supplier Code of Conduct, we are working to evaluate and further improve responsible sourcing practices, and specifically to further improve supply chain transparency in respect of slavery and human trafficking.

We adopt a risk based approach in engaging with our suppliers. We have used a methodology based on a supplier’s country of operation and the activity performed to identify higher risk suppliers. Initially we have engaged with raw material and packaging suppliers with supply chains originating in high risk regions such as Africa, India, South East Asia, China and South America. We identified 200 suppliers who were asked to register with the Supplier Ethical Data Exchange (Sedex), a not-for-profit membership organisation that provides a standard and well recognised platform for the publication and sharing of ethical supply chain data. Suppliers are required to complete a questionnaire, which covers the four key areas of labour standards, health and safety, the environment and business ethics. Completed questionnaires are analysed and scored, using a global analytics tool, to describe the risk of human rights impacts occurring within production, supply and distribution networks. This due diligence process allows us to understand, measure, report and act on supply chain risks.

Using our risk based approach, we will expand the number of suppliers on whom we undertake due diligence and continue to mitigate the risk of slavery and human trafficking in our supply chains.

This statement has been approved by our Board of Directors.



Steve Foots

Chief Executive Officer

30 June 2017