

Statement on Modern Slavery – 2020/2021

Introduction

At Croda, we are committed to playing our role in eradicating modern slavery in all its forms from our business and supply chains. We are taking the appropriate steps to ensure that everyone who works for Croda benefits from a working environment in which their fundamental human rights are respected and anyone that we do business with within our supply chains also upholds these principles.

The information in this statement details policies, processes, and actions we have taken to ensure that slavery and human trafficking are not taking place in our supply chains or any part of our business. It covers the activities of all businesses in all jurisdictions within the Croda International plc group of companies and is our Modern Slavery statement for the year ended 31 March 2021 required under the provisions of the Modern Slavery Act 2015.

Our Business

Croda creates, makes, and sells speciality chemicals that deliver real benefits to a range of diverse products including healthcare, personal care, fragrances, engine lubricants, plastics, and many more. Croda has manufacturing sites and offices located in Europe, North America, Latin America, and Asia Pacific.

At Croda our Purpose is to use Smart science to improve lives™, enabled by our distinctive values-led culture that governs how we work with one another and guides our relationships with our partners. We combine our knowledge, passion, and entrepreneurial spirit to create, make, and sell speciality ingredients that are relied on by industries and consumers everywhere.

- **Innovation** – In order to meet the needs of our customers, address market trends and continually grow; a commitment to sustainable innovation runs through every aspect of our business, from the ingredients we make and the way we operate, to the natural, renewable materials we use.
- **Technology** – Our ingredients and technologies are relied on to deliver product performance by industries and consumers worldwide. Our ongoing investment in technology gives us this position.
- **Sustainability** – Our Purpose, Smart science to improve lives™ exemplifies our commitment to sustainability. Improving lives describes the positive impact our products have in use and how, in our activities, we need to reduce the environmental impact of our actions.

A complete description of our business model and values can be found in our Annual Report and Sustainability Report, both of which can be found on our website at www.croda.com.

Our Policies in Relation to Modern Slavery

In 2020, we continued to strengthen our approach to doing business by publishing a new Employee Code of Conduct and Supplier Code of Conduct. The following policies underpin our commitment to act ethically and with integrity in all our business dealings and our zero-tolerance approach to slavery and human trafficking:

- **Code of Conduct** – The way we work and interact with each other, our customers and suppliers, and the communities we operate in, is shaped by our three guiding values of ‘Responsible, ‘Innovative’ and ‘Together’. To help everyone understand the role we each play in keeping Croda a safe, responsible, and successful business, we have developed a Code of Conduct; a set of principles that guide how we work and the standards of behaviour that we will follow.
- **Supplier Code of Conduct** – As an international business with suppliers and representatives throughout the world, Croda International Plc and its subsidiaries accept that we have an important role to play in trading responsibly, with honesty and integrity at all times. We therefore want to ensure that those organisations with whom we interact, our suppliers and their representatives, live up to our values and standards and share this responsibility.
- **Code of Ethics** – The Company recognises it has a responsibility for all the actions of its employees in connection with the activities of the organisation. In view of this, the Company believes that the ethics demonstrated by our employees should give all customers, shareholders, suppliers, colleagues, business partners, and regulators confidence that the Company operates in a way that avoids any suggestion of improper or personal motives or actions. Therefore, all employees are expected to conduct themselves in accordance with this Code at all times.
- **Whistleblowing Policy** – Our policy on whistleblowing allows employees to raise concerns about the conduct of others that they consider to be in some way damaging to the organisation or others within it.

Our Governance

The Croda Ethics Committee, chaired by the Group General Counsel and Company Secretary, is a sub-committee of our Executive Committee and supports the Board in reinforcing the importance of ethics and compliance. The Ethics Committee has continued to meet quarterly to monitor ethics compliance, confirm policy, and identify opportunities to further mitigate risk.

Addressing Modern Slavery within Croda Operations

Croda has more than 5,500 employees working at our manufacturing sites and offices in over 35 countries across the Europe, North America, Latin America, and Asia regions. We care about developing our people as part of our global strategy and focus on a sustainable environment.

Diversity, Inclusion & Fair Treatment

We will create an inclusive work environment where everyone can fulfil their potential in a workplace that recognises the value of diversity. Croda commits to:

- Ensuring that employees are treated fairly and equitably and free from bias
- Protecting employees from any form of bullying or harassment
- Respecting employee rights to join a trade union or other collective employee representative body
- Providing fair wages that meet or exceed the minimum legal or industry standards
- Providing fair and transparent policies and procedures to manage employee concerns or disciplinary matters.

Human Rights

We will seek to protect the human rights of every person involved in our operations and supply chain. Croda commits to:

- Ensuring that no forced, trafficked or child labour is used in any of our operations or supply chain by effective monitoring and auditing
- Taking immediate action if any evidence of the use of forced, trafficked, or child labour is found, and support the victims of these situations
- Creating a safe working environment free from bullying and harassment.

We provide fair working conditions for all our employees including terms and conditions of employment, remuneration, working hours, health and safety, resting time, holiday entitlements and benefits. These are applied according to territory-specific statutory requirements.

Addressing Modern Slavery within Croda Supply Chains

Croda considers our supply chains to be an integral part of our own operations. We therefore want to ensure that those organisations with whom we interact, our suppliers and their representatives, live up to our values and standards and share this responsibility.

Procurement Leadership

Using natural resources brings with it the responsibility to ensure there are no associated negative social or environmental impacts as well as the opportunity to advocate for, and contribute to, positive change. This can only be possible through intimate knowledge of our supply chains, collaboration with all parties in them, and with complete transparency and traceability throughout.

In 2020 we recruited a Global Head of Procurement and Sustainable Sourcing. In this senior leadership position, this person will direct and coordinate our activities in this important area and to encourage, influence and assist our suppliers to improve their own sustainability practices. This is at the very heart of SDG 17, Partnership for Goals where effective collaboration in the supply chain results in a greater positive impact.

Supplier Due Diligence – EcoVadis

We have partnered with EcoVadis for sustainability monitoring, using their universal scorecard, benchmarks, and performance improvement tools. This monitoring focuses on

four areas: environment, labour and human rights, ethics, and sustainable procurement. Suppliers are assessed against all aspects of their treatment of their people, including a requirement to provide evidence of how they guard against modern slavery.

In 2020 our North America and Latin America procurement teams completed EcoVadis training. This training covered engaging with suppliers on slavery and human trafficking, analysing assessment outputs and managing compliance. We also carried out refresher training with our European and Asian procurement teams, sharing learnings so far, good practices and guidance on managing the outputs of EcoVadis assessments to drive improvement with our suppliers.

To date, we have completed assessments for 199 suppliers representing approximately 50% of our total spend. These suppliers were prioritized as our initial targets based on raw materials, supply chains, and geographies at higher risk for modern slavery. As part of our sustainability strategy, Croda is committed to maximise use of bio-based sources for our raw materials. As a result, industries for crop-based raw materials such as palm, castor oil and rapeseed as well as fisheries have been prioritized.

We will continue to work with all suppliers to gain higher levels of participation in these assessments and to encourage them to address any gaps, significantly increasing our influence in the supply chain.

We have not found any evidence of slavery and human trafficking in our supply chains through these assessments.

Supplier Due Diligence – ASD

Croda is a founder member of the Action for Sustainable Derivatives (ASD), a collaboration of the leading organisations in the beauty, personal care, health care, and oleochemicals sectors. The ASD has accelerated the transformation of the palm derivatives industry towards compliance with No Deforestation, No Peat, No Exploitation (NPDE) principles.

To ensure that Croda and other ASD member supply chains are meeting these requirements, the ASD works with a third-party sustainability consultancy, Transitions, to conduct investigations independently on behalf of ASD members. Their actions include reaching out to our suppliers to facilitate dialogue and support the collection of relevant data.

100% of key suppliers of palm products to Croda have committed to participate in this due diligence for 2020. We have not found any evidence of slavery and human trafficking in our supply chains through these assessments.

Our Plans for 2021

Croda did not let the challenges of 2020 distract us from our commitments to sustainable supply chains. This work will continue into 2021 and beyond until we have gained full transparency into all aspects of our supply chains.

Together for Sustainability

Croda has been in discussions with Together for Sustainability regarding a partnership with Croda for a few years. It is a network of Chief Procurement Officers from 29 chemical

companies who are working together to maximize sustainable sourcing, including gaining full transparency to any human rights violations within their supply chains. We have joined TfS as their 30th member in March 2021.

RSPO Certification

RSPO certified sustainable palm oil production is comprised of legal, economically viable, environmentally appropriate, and socially beneficial management and operations. In 2020 our transformation to fully RSPO certified physical supply chains was nearly complete, with just over 85% of our palm derivative volumes being certified. This covers over 100 suppliers and more than 300 raw materials into our 14 RSPO certified manufacturing sites.

We addressed the remaining RSPO supply chains before January 1 and for 2021 we expect to achieve RSPO certification with fully transparent supply chains for 100% of Croda palm derivative purchases.

Supplier Due Diligence

We will continue work towards our 2024 target to have all key suppliers achieving at least an average EcoVadis (or equivalent assessment) score or we will work with those suppliers to prepare an action plan to address their gaps.

We will also continue work to identify additional resources to help to ensure that no forms of modern slavery exist within our supply chains, especially within the areas of highest risk.

Castor Certification

We have identified castor oil as a key Croda supply chain at risk for human rights violations. To replicate the great work we have done with our palm derivatives purchasing, we will be reviewing all castor oil supply chains to achieve similar assurances to RSPO.

This Modern Slavery Statement was approved by the Board of Directors of Croda International Plc.



For and on behalf of Croda International Plc and its subsidiaries*

Steve Foots

Chief Executive Officer

June 1, 2021

*Subsidiary companies of Croda International Plc meeting the criteria to require the preparation of an annual slavery and human trafficking statement, in accordance with section 54 of the Modern Slavery Act 2015, that are included within the scope of this Croda International Plc statement:

Croda Europe Limited