

TERMS OF REFERENCE OF THE SUSTAINABILITY OVERSIGHT COMMITTEE OF THE BOARD OF DIRECTORS OF CRODA INTERNATIONAL PLC (“the Committee”)

A. Membership

1. The Committee will consist of at least three members, each appointed by the Board of Directors (the “**Board**”), on the recommendation of the Nomination Committee in consultation with the Chair of the Committee. The Chair of the Board may also serve on the Committee as an additional member.
2. The majority of the members of the Committee will be non-executive directors who are independent in character and judgement and free from any business or other relationship or circumstance that are likely to affect, or could appear to affect, the exercise of their independent judgement.
3. Members should have the appropriate knowledge, skills and expertise to understand sustainability related strategy, targets and implementation, and shall undertake appropriate development of their skills as necessary.
4. The Board shall appoint the Chair of the Committee who shall be an independent Non-Executive Director and determine the period for which he/she shall hold office. The Chair of the Board shall not be the Chair of the Committee. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.
5. The Company Secretary or their nominee shall act as the Secretary of the Committee.

B. Meetings

1. Meetings shall be held not less than three times a year.
2. A meeting of the Committee may be called by any member of the Committee or by the Secretary.
3. The quorum for any meeting shall be two.
4. In the absence of the Chair of the Committee, the remaining members present shall elect one of their number to chair the meeting.
5. Only members of the Committee have the right to attend Committee meetings. However, other Non-Executive Directors, including the Chair of the Board (where not a member of the Committee), the Group Chief Executive, the Chief Financial Officer, the President of Sustainability and the Chief Sustainability Officer shall be invited regularly to attend meetings. Other individuals e.g. representatives of the sustainability function, may also be invited to attend and speak at meetings at the request of the Chair of the Committee.

C. Responsibilities

Reference to “sustainability” is construed widely and covers environmental, social and governance issues as they relate to climate, nature, resource constraints and social inequality.

The Committee shall carry out the duties below.

1 Oversight of strategy implementation

- 1.1 Regularly review the execution of the Group’s strategy as it relates to sustainability, including the Group’s climate transition action plan, and report to the Board on the outcome of these reviews.
- 1.2 Oversee the setting of the Group’s sustainability targets and metrics.
- 1.3 Regularly review reports from management on performance and progress against the Group’s sustainability targets and metrics.

- 1.4 Receive report from management on, and monitor, regulatory changes, developments and emerging best practice in relation to sustainability that have an influence or an impact on the Group's strategy, reputation and ability to operate as a sustainable business, and provide insights to the Board.

2 Risk management

- 2.1 Review at least annually periodic reports from management identifying the Group's principal sustainability risks and setting out risk management strategies.

3 Monitoring of policies, regulations and best practice

- 3.1 Monitor and review the Group's compliance with sustainability regulations.
- 3.2 Review Group level frameworks, policies and standards relevant to sustainability to ensure they are in line with best practices and regulatory requirements.
- 3.3 Receive reports from management on the implementation, operation and assurance of Group sustainability frameworks, policies and standards.
- 3.4 Monitor that the appropriate allocation of resources is applied to achieving compliance with the Group's policies and standards with regard to sustainability.

4 Reporting, disclosures and stakeholder management

- 4.1 On behalf of the Board, oversee the communication of the Group's sustainability activities with its stakeholders and reflect the deeper integration of sustainability across the business, including:
 - 4.1.1 Reviewing the extent and effectiveness of external reporting of sustainability performance, including disclosures made in the Company's annual report and sustainability report, and participation in relevant external benchmarking indices as assessed by third party ratings agencies;
 - 4.1.2 Receiving updates on the Group's engagement in relation to sustainability matters with external stakeholders, non-Governmental organisations (NGOs) and other interested parties;
 - 4.1.3 Reviewing the extent and effectiveness of engagement with employees in relation to sustainability to help foster a purpose driven organisation and to nurture and develop talent and skills in relation to sustainability; and
 - 4.1.4 Overseeing the production of sustainability-related content of the Company's annual reporting suite, including the Annual Report, Sustainability Impact Report and Reporting Data-pack, and compiling a report of the Committee's activities to be included in the Company's Annual Report.

5 Remuneration

- 5.1 In relation to those components of incentive plans for the executive team which, as determined by the Remuneration Committee, relate to sustainability matters within the Committee's scope, make recommendations to the Remuneration Committee in relation to: (i) the appropriate metrics for those components; (ii) the targets against which performance should be measured; and (iii) the annual performance against those targets.

D Reporting responsibilities

1. The Secretary shall minute the proceedings of all Committee meetings, including the names of those present.

2. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board, unless exceptionally, it would be inappropriate to do so.
3. The Committee Chair shall report formally to the Board on the proceedings of the Committee after each meeting on all matters within its duties and responsibilities.
4. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
5. The Chair of the Committee, or, in their unavoidable absence, an appointed deputy, shall attend the Company's Annual General Meeting to answer shareholders' questions.
6. The Chair of the Committee should seek engagement with shareholders, and other stakeholders where relevant, on significant matters related to the Committee's area of responsibility.

E Other matters

- 1 The Committee shall:
 - 1.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
 - 1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
 - 1.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other published guidelines or recommendations as appropriate;
 - 1.4 oversee any investigation of activities which are within its terms of reference;
 - 1.5 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 2 In carrying out their responsibilities, Committee members must act in accordance with the statement of directors' duties set out in sections 171 – 177 of the Companies Act 2006.

D. Authority

1. The Committee is authorised by the Board:
 - 1.1 to seek any information it requires from any employee of the Company in order to perform its duties;
 - 1.2 when necessary for the fulfilment of its duties, to obtain any outside legal or other professional advice, and to secure the attendance of external advisors at its meetings, at the Company's expense;
 - 1.3 to call any employee to be questioned at a meeting of the Committee as and when required;
 - 1.4 to commission any reports or surveys which it deems necessary to fulfil its obligations; and
 - 1.5 to establish and oversee any sub-committees or working groups which may be relevant to support the Committee's work

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