

👤 People Impact

Having a positive effect on employees, communities and society

Our Commitment to become People Positive by 2030 drives our efforts to continuously improve our impacts on employees globally, on workers in our supply chains and on people in the communities where we live and work.

We aspire to be in a position where our impacts on people and society can be measured and reported in the same meaningful ways as on climate and nature.

Slowing progress towards the UN Sustainable Development Goals

According to the 2023 Global Sustainable Development Report, with only half a decade to 2030, most of the SDGs are far off track. In recent years the global pandemic, conflict, the cost-of-living crisis and the effects of climate change around the world have contributed to unprecedented levels of inequality and the world “has now suffered significant setbacks including in poverty eradication, gender equality, education and eliminating hunger”¹. For Croda this means that our Commitment to become People Positive is now even more critical for all our stakeholders, and we have to amplify our positive impact through our policies, operations and products.

Safety first: looking after our people

Safety is paramount. 65 of our sites worldwide – over two-thirds of the total – were injury free in 2023. After the rise in injury rates that many manufacturing industries saw following the pandemic, our year-on-year Total Recordable Injuries Rate (TRIR) fell from 0.74 to 0.72. While the overall improvement is small, we saw a reduction in the second half of 2023 as we invested more than £27million, approximately 15% of overall investment in our business, in safety improvements and compliance with internal and external standards throughout the year which puts us in the right improvement trajectory as our investments and actions take full effect.

Our supply chains: acting responsibly and sustainably

Building on our comprehensive set of policies and procedures, in 2023 we further embedded monitoring and management of human rights into our governance, conducted a global risk assessment and continued to train and equip our procurement teams. Through our partnerships with ASD and TFS, we also continued to build the capacity of our suppliers to monitor and address human rights and other social issues.

Providing solutions through our products

Living our Purpose, Smart science to improve lives™, means that we develop products that are environmentally sustainable and help address health risks and conditions. In addition to the launch of new, innovative additions in our skin protection and sunscreen product portfolio, we are proud to be involved in the development of potentially life-saving treatments, such as the Calixcoca vaccine to treat substance addiction which was recognised in 2023.

Developing our people’s knowledge and skills

Our operating context is changing continuously and we need to continuously re-equip our people with the tools and capabilities to thrive. In addition to our regular flagship development programmes, 2023 featured programmes that build practical skills around safety leadership and inclusivity. We also launched new training in Generative AI to help people to use these tools effectively and responsibly.

Another significant development was establishing our Sustainability Academy, to be piloted in 2024: a new learning initiative to develop our people’s knowledge and competencies. We plan to bring sustainability to life for all our people – not only supporting our public commitments and published targets but also energising and applying the capabilities and creativity of all our people to amplify our sustainability efforts for customers and society.

1. Global Sustainable: Development Report 2023: Times of crisis, times of change: Science for accelerating transformations to sustainable development, (United Nations, New York, 2023).

People Impact continued

Working on employee wellbeing, diversity, inclusion and reward

Our continued focus is on ensuring our people's safety, wellbeing and prospects, strengthening our culture and making Croda a more inclusive and rewarding workplace where people can live our values anywhere in the world.

Improving employee wellbeing

We had set an ambitious target to achieve a 30% increase in positive responses to wellbeing in our Global Employee Culture Survey by 2030. After a drop in 2022 with the after-effects of the pandemic, impact of Brexit and supply chain issues affecting uptake of wellbeing activities that took employees away from daily work, in 2023 we saw a significant 5% increase. Having reviewed the results in the previous year, in 2023 leaders focused on reprioritising work and reducing workload burden by stopping or postponing certain activities not seen as value-adding and widening support to employees, including access to private healthcare across the UK and wellbeing apps.

We are making progress towards gender balance

In 2023, we increased the number of women in senior positions from 38% to 39%^Δ. This is a leading value within our peer group. While this is positive progress in achieving gender balance ambitions for leadership roles, we did not meet a milestone target for 80% of shortlists for new roles (interview stage) to be gender balanced by the end of 2023. Acquiring talent for specialist roles can be a lengthy process with pools of candidates so small that we are not able to have a balanced shortlist. We also operate in an industry where, despite progress, biased perceptions of the types of careers, skills and experiences needed to be successful persist. We have been working with recruitment agencies, charities and STEM-focused industry groups to myth-bust and highlight the great careers available to all.

Gender identity in the workplace and trans rights

In 2023 we updated our Gender Identity and Gender Reassignment Policy and held a series of activities to promote awareness about transgender identity in the workplace. This included a session in the US with a trans advocacy guest speaker on trans rights in organisations, attended by 200 colleagues, as well as internal communication campaigns on Trans Day of Visibility and International Non Binary Persons Day.

Dealing with non-inclusive behaviour: Active Bystander programme

Active Bystander is a technique to create ways for an individual to tackle non-inclusive or discriminatory language, or anything else they feel needs a polite mechanism to help someone to understand what they have said or how they have acted may not be inclusive. More than 500 colleagues joined Active Bystander sessions, with an external company running master classes.

Ensuring fair income for our people

In 2023 we continued to work with the Fair Wage Network to gain full accreditation for our work in ensuring a fair income for all our employees, providing our data and methodology for audit and certification. Croda has been a global Living Wage Employer since 2021, with an assessment completed in partnership with the Fair Wage Network. We have established a Living Wage in each of the countries where we operate and ensure all employees receive this as a minimum. This commitment was particularly relevant in 2023 as the cost-of-living crisis continued to impact people globally.

Total reward around the Croda world

We also looked at total reward in different countries, including benchmarking pay, working to ensure we are rewarding and supporting our people in the right ways. This includes the global Free Share Plan scheme, which rewards colleagues in lower grades with shares if the Company bonus scheme pays out. We worked with colleagues around the world to help them better understand what their total reward is, and all the different monetary benefits. This has been tracked within our culture survey, and helped move satisfaction overall from 60% to 65%. This also tracks with people feeling they are fairly rewarded within Croda, with that response increasing from 53% to 57%.



Employee training: using AI responsibly

We have all entered a new world in which Generative AI tools are everywhere. Such tools have the potential to provide valuable insights and create exciting opportunities for offering personalised experiences to customers and employees. As with any technology, its use needs to be risk assessed and governed so it can be used effectively and responsibly. In 2023 we launched new training on Generative AI to create awareness and educate our people about using these tools. The training is a prerequisite for employees using such tools in a business context.

^Δ indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by KPMG, our independent assurance provider and reflects the position for the year ending 31st December 2023. See www.croda.com/sustainability for details.

People Impact continued

We are helping to improve lives around the world

CRODA
FOUNDATION

Up and down our value chains we are making an impact on people's lives, through use of our ingredients, supporting suppliers and beyond, through the reach of the Croda Foundation.

Improving lives through the use of our products

We deliver impact by channelling our innovation capabilities in Consumer Care and Life Sciences toward sustainable solutions that help people around the world improve their health and quality of life, in collaboration with our partners and customers. In 2023, we continued to provide innovative critical ingredients and technologies for the healthcare sector, such as CAF®09b, a novel liposomal adjuvant exclusively licensed by Croda for personalised neoantigen cancer vaccines to Evaxion, a start-up company using an AI-Immunology. The company announced positive results of their initial phase 2 study in October 2023. Our Consumer Care business, launched Mel[o]stem™, a 100% natural ingredient which reduces sun and age-induced oxidative damage and is the first cosmetic active ingredient targeting both dark and white pigmentation spots. Mel[o]stem™ enables land use and water consumption savings and won the BSB Innovation Award 2023 (Raw Material – Environment Category).

Social impact in our supply chains

Embedding respect for human rights across our business

We are committed to upholding and respecting human rights in our direct operations and supply chains, with comprehensive policies, procedures and partnerships to ensure they are monitored and managed proactively. In 2023, our Ethics Committee, an Executive sub-Committee, included in its scope the respect of human rights legislation in any country in which the Group does business.

In 2023, a cross-functional working group conducted a human rights risk assessment, including experts from different departments and support from an external provider. This is enabling us to: better understand the landscape and the risks connected to human rights; consider existing risks, mitigating measures and blind spots; discuss the likelihood and impact of key human rights risks; and carry out initial prioritisation of risks and actions. Findings have been shared with the Ethics Committee and are also reported in our Modern Slavery Statement for 2023¹.

1. www.croda.com/en-gb/sustainability/non-financial-performance-and-reports/policies-and-procedures/modern-slavery

Supporting our suppliers in human rights and sustainability

At the end of 2023, 83% of Croda's top suppliers had participated in an EcoVadis assessment, where suppliers are required to provide evidence of how they ensure the prevention of human rights violations within their operations and supply chains. All Croda purchasing teams are trained annually on the Croda Due Diligence policy, which requires that suppliers are assessed for risk and participate in EcoVadis assessments. They are responsible for ensuring due diligence is conducted, working directly with their supplier contacts to facilitate assessments and address performance gaps.

Assessment results are shared with other chemical companies through our membership of Together for Sustainability (TfS): members work collaboratively with suppliers to share best practice and help them to improve sustainability practices.

Croda is also a founder member of the Action for Sustainable Derivatives (ASD), a collaborative initiative to transform supply chains by increasing transparency, monitoring risks, engaging with the consumer sector and generating on-the-ground impacts. Through our work with ASD, we identify and address potential human rights violations using a similar policy and approach.

The Croda Foundation: providing healthcare and clean drinking water

The Croda Foundation is an independent charitable company solely funded by Croda International. The Croda Foundation's goal is to sustainably improve one million lives by 2030. In 2023, the Foundation achieved a major milestone. Working with project partners and super-charged by additional funding accepted from Croda, it has now sustainably improved the lives of more than **22 million people in 21 regions** around the world. For example, almost 15 million people in under-served communities in India now have access to healthcare and/or clean drinking water provision they did not previously have. Here are two other examples:

Project Hope (Colombia) provides health services for Venezuelan women and girls who migrate to Colombia for healthcare over fear of losing their babies or their own lives during childbirth if they stay in their home country. Before the Foundation's grant of £200,000, many women were being turned away. In terms of impact, more than 5,000 women gained access to healthcare provision they did not previously have, 17 healthcare workers have been trained, a new ultrasound machine provided, and 87 complicated births facilitated.

By supporting **Blind SA** (South Africa), the Foundation has helped to economically empower a group of blind and partially sighted people through a £71,083 grant for training. In terms of impact, 12 of the 25 participants achieved the industry standard or higher in the flavours and fragrances training. Nine learners are now earning an income through employment or creating their own business, while eight went onto further training.



People Impact continued

People Impact in action



Helping to treat drug addiction in Brazil

Brazil's Federal University of Minas Gerais launched a project in 2015 to support pregnant women who are addicted to cocaine and crack cocaine, helping to address the challenges of quitting. This led to the development of a molecule and formulation in which Croda's adjuvants and excipients purification technology plays a central role in ensuring safe vaccine production. The innovative new therapeutic vaccine Calixcoca triggers an immune response that blocks cocaine and crack from reaching the brain, so numbing the effect. The vaccine, to be administered at rehabilitation clinics, was approved for human trials in 2023 and, if it receives regulatory approval, this will be the first time cocaine addiction has been treated using a vaccine. Chemically produced in a lab, Calixcoca does not require cold storage and is cost effective. It won Europharma's Euro Health Innovation Award in 2023, which promotes healthcare solutions and innovations in Latin America.



Dahej, India: Accommodation, health and family support services, and training

In 2023, Croda India developed and equipped a community for construction workers from other parts of the country and their families at our greenfield site in Dahej, Gujarat state. The goal was to create an inclusive environment that promotes physical and mental wellbeing, prevents ill-health and equips residents with lasting benefits and skills. The site includes water facilities, a dining centre providing subsidised food and snacks, an ambulance and a well-equipped first aid centre, hosting weekly health check-ups from the Gujarat government and supporting blood donations and health awareness programmes. There is also a fully staffed daycare centre for workers' children providing basic primary education classes for over 20 children. Female workers have separate transport to the construction site. Particular focus has been given to safety, with regular awareness and training, safety awards, motivational activities and recognition. Providing better working facilities and support has contributed to the project achieving 1 million safe staff hours at the construction site.



STEM outreach to young people and disadvantaged communities

We have a long history of providing educational opportunities to young people. In the last year, our UK STEM outreach team developed a five-year strategy that focuses activity where it can have the greatest impact, prioritising deprived schools local to Croda sites. We partner with the University of York's Centre for Industry Education Collaboration and its Children Challenging Industry programme, funding an advisory teacher to deliver science lessons in primary schools. Children learn about Croda science linked to the National Curriculum and later visit Croda laboratories. In summer 2023, our Goole, UK headquarters supported a local summer school for children who qualify for free school meals. STEM activities have also been taken up globally: for the last two years, our Atlas Point site in Delaware, USA has supported six children from a local high school to attend a prestigious engineering summer camp at Bucknell University, Pennsylvania.



Reducing risk: prioritising process safety

Process safety is another focus area for SHE, in particular relating to our high hazard sites. We achieved our 2023 target of completing a programme of process safety risk reviews led by peers, with significant support from both site and Group level. For the first time since the pandemic, we hosted face-to-face conferences and workshops for process safety specialists to discuss their experiences and share best practice. Our Process Safety Leaders Academy was also refreshed and is available for all sites online, with hazard assessment training our sites provided in 2023.

People Impact continued

People Positive

Key	
Target achieved	
Target on track	
Target requires additional focus	
Target challenging to achieve	
Target failed to achieve	
Fundamentals	

Objective and targets	Status	Milestones and metrics	Status	2023 progress
Health and wellbeing through our technologies <ul style="list-style-type: none"> By 2030, we will contribute to the successful development and commercialisation of 25% of WHO-listed pipeline vaccines By 2030, we will protect at least 60 million people annually from potentially developing skin cancer from harmful UV rays, through the use of our sun care ingredients 	 	<ul style="list-style-type: none"> By the end of 2024 our technology will be part of at least 10 clinical phase III trials across at least 25% of the WHO-listed pipeline vaccines By the end of 2024 we will protect one million lives from skin cancer through the use of novel sun protection technologies 	 	<ul style="list-style-type: none"> We met our 2024 milestone in 2022 and we continued to make progress towards WHO listed pipeline vaccines as well as launch new projects in non-WHO listed areas 61 million people protected through the use of our sun care ingredients in 2022, achieving our 2030 target By end 2022, three million people protected from skin cancer through the use of novel technologies launched in the last four years, achieving our 2024 milestone
Gender balance <ul style="list-style-type: none"> By 2030, we will achieve gender balance across the leadership roles in our organisation 		<ul style="list-style-type: none"> We are rolling out gender-balanced shortlisting recruitment across Croda, with a target of having 80% of shortlists gender balanced by the end of 2023 		<ul style="list-style-type: none"> 39%^a of leadership roles now filled by women (2022: 38%) We did not achieve our balanced shortlist milestone (see page 20)
Improving more lives <ul style="list-style-type: none"> We will establish and fund a Croda Foundation to help improve one million lives in relevant communities 				<ul style="list-style-type: none"> 22.8 million lives sustainably improved by end 2023 through projects funded by the Croda Foundation
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Health, safety and wellbeing <ul style="list-style-type: none"> OSHA Total Recordable Injury Rate in the top 10% for the chemical industry 30% increase in positive responses to the wellbeing areas in our Global Employee Culture Survey 	 	<ul style="list-style-type: none"> Achieve OSHA Total Recordable Injury Rate of 0.3 by the end of 2024 		<ul style="list-style-type: none"> Full year Total Recordable Injury Rate 0.72 (2022: 0.74) 5ppt increase in wellbeing responses to 59% (2022: 54%)
Process safety <ul style="list-style-type: none"> Zero significant process safety incidents per year We will continue to investigate and apply learnings from minor incidents and near misses 		<ul style="list-style-type: none"> Conduct an independent peer review of our Process Risk Reviews (PRR) for high-hazard processes by the end of 2023 		<ul style="list-style-type: none"> 31 out of 31 PRRs have been peer reviewed, 2023 milestone achieved Process Safety Total Incident Rate (PSTIR) 0.101 in 2023 (0.035 in 2022)
Fair income <ul style="list-style-type: none"> Everyone working at Croda locations, including temporary and permanent employees, and all contractors will receive a living wage that is monitored and reviewed annually 		<ul style="list-style-type: none"> All regularly employed contractors will be paid a Living Wage by end of 2024 		<ul style="list-style-type: none"> We reviewed our Living Wage levels in 2023 and made any adjustments necessary in order to continue paying a Living Wage to all employees as per Living Wage comparators provided by the Fair Wage Network We are working with the Fair Wage Network to gain accreditation for our work and to ensure our progress stands up to external scrutiny by the end of 2024
Knowledge management <ul style="list-style-type: none"> Longer-term target under development 		<ul style="list-style-type: none"> 100% of employees will receive a minimum of one week's training per year by the end of 2025 		<ul style="list-style-type: none"> 44% of our global workforce benefited from a minimum of one week's training in 2023 (2022: 23%)

^a indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by KPMG, our independent assurance provider and reflects the position for the year ending 31st December 2023. See www.croda.com/sustainability for details.