

CRODA

Supplier Code of Conduct

Croda International PLC

Revision: October 2020

## 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.

This Supplier Code of Conduct may be updated from time to time. The most current version of the Code can be found on the Croda website at [www.croda.com](http://www.croda.com).

## Sustainability

Sustainability is at the core of our values and we expect our suppliers to fully understand, align and partner with us to achieve our stated objectives. This includes participating in required information sharing with Croda and our sustainability monitoring partners, including EcoVadis.

- **Climate** – We aim to be climate positive. The need to address societal impact on climate change through a global reduction in greenhouse gas (GHG) emissions is an important aspect of our strategy. Our work in this area is driven by our own operational emissions reduction targets, alongside an understanding that our impact on emissions includes our upstream and downstream supply chains.
- **Environment** – We aim to minimise the potential impact of our manufacturing operations on the environment through careful conservation of resources and minimizing waste.
- **Land** – We aim to be land positive. With changes in our climate becoming more prevalent, there is an increasing strain placed on the ability to produce crops for food. Our goal is to save more land through use of our crop and seed technology than is used to grow our bio-based raw materials.
- **Partnerships** – Our commitment to operating our business and conducting our relationships with third parties in a responsible, transparent, and ethical way is embedded in our culture.
- **People** – We aim to be people positive. People underpin everything we do and are the focus of our business. Their talent sets us apart from our peers and by investing in them we ensure that they can fulfil their potential, whilst creating an inclusive and safe environment.
- **Products** – We are committed to making high-performance, high-quality products with the sustainable benefits our customers require to meet consumer demands.
- **Safety** – Both behavioural and process safety are extremely important at Croda. The safety of our employees and neighbours is of paramount importance to us.

## Key Principles

Croda requires that all suppliers respect the Key Principles of this Supplier Code of Conduct and adopt practices within their operations and supply chains that are aligned with our requirements.

### Legal Requirements

Croda requires our suppliers to abide by all applicable local, regional, and international laws, regulations, and standards in the markets where they operate. Where local laws or standards differ from this Supplier Code of Conduct, we expect suppliers to comply with the more stringent standards and principles.

### Conflict of Interest

Supplier must avoid conflicts of interest that may influence business relationships.

### Human Rights

Suppliers must adopt policies that are consistent with the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, the UK Modern Slavery laws, and similar local laws. Such policies include:

- **No Discrimination** – There must be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- **Child Labour Shall Not be Used** – There shall be no recruitment or use of child labour.
- **Employment is Freely Chosen** – There shall be no forced or compulsory labour in any form, including bonded, trafficked or prison labour. Workers are free to leave work and terminate their employment upon reasonable notice without penalty and employers must not retain any personal identification, travel documents or wages as conditions of employment.
- **No Harsh or Inhumane Treatment is Allowed** – Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited.
- **Living Wages are Paid** – Wages and benefits paid for a standard working week must meet national legal standards or industry benchmark standards. In any event wages should be enough to meet basic needs and to provide some discretionary income. All workers shall be provided with written and understandable information about employment conditions in respect to wages before they enter employment.
- **Working Hours are Not Excessive** – Working hours must comply with national laws and benchmark industry standards, whichever affords greater protection.
- **Freedom of Association and the Right to Collective Bargaining** – Workers have the right to join or form trade unions of their own choosing and to bargain collectively.

## Health and Safety

Suppliers must manage the working environment to ensure safe and hygienic working conditions, while continuously striving to eliminate accidents and injury to health.

- **Working Conditions** – A safe and hygienic working environment shall be provided with access to clean toilet facilities and potable water.
- **Employee Training** – Policies and Procedures regarding the prevention of ill health and injury must be implemented through the training of all employees to a level relevant to their role. Worker training shall be regular and recorded.
- **Performance Monitoring** – Health and safety performance shall be continually measured, and systems must be in place to manage and mitigate risk.

## Environmental Management

An environmental management system (EMS) with the applicable statutory and international standards regarding environmental protection must be in place to maximise resource efficiency, whilst minimising risk and negative impact. Suppliers and representatives will continually strive towards improving the efficiency and sustainability of their operations. Such EMS must manage, but is not limited to:

- Emissions
- Water use and discharge
- Waste
- Energy usage
- Raw materials sourcing

Additional information regarding sustainability measures critical to working in partnership with Croda are outlined in the Sustainability section of this document.

## Bribery and Corruption

Suppliers shall adhere to the highest standards of ethical requirements to prohibit bribery and corruption. The offering, paying, soliciting or acceptance of bribes including facilitation payments is strictly prohibited. At a minimum, suppliers and their representatives must comply with the standards outlined in the UK Bribery Act of 2010 and the U.S. Foreign Corrupt Practices Act of 1977 (FCPA), as applicable.

- **Bribes** – A bribe may involve giving or offering any form of gift, consideration, reward, hospitality, kickbacks, favours, gratuities, or any other advantage to someone in business or government to obtain or retain a commercial advantage.
- **Facilitation Payments** – Facilitation payments are payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance).
- **Corruption** – There will be no engagement in commercial espionage, covert surveillance of competitors, or other activities that would lead to an unfair competitive advantage or breach of anti-trust legislation.

## Conflict Minerals

Suppliers shall take reasonable efforts to avoid in its products the use of raw materials which directly or indirectly finance armed groups who violate human rights.

## Animal Welfare

Animal testing shall not be undertaken. Animal testing, also known as animal experimentation, animal research and in vivo testing, is the use of non-human animals in experiments that seek to control the variables that affect the behaviour or biological system under study.

The only allowance for this is where there is a regulatory requirement to undertake such testing to gain safety data.

## Confidentiality

The confidentiality of information exchanged during business must be respected and shall not be used for questionable purposes or for individual gain. False information must not be provided during commercial negotiations.

## Quality

- **Goods** – Suppliers must ensure that any goods supplied shall be without fault and of the best available design, quality, material, and workmanship.
- **Services** – Any services supplied shall be provided by appropriately qualified and trained personnel with due care and diligence.

## Reporting Violations

Suppliers shall report any violations or suspected violations of applicable laws, regulations, and this Supplier Code of Conduct to Croda. Suppliers may report a violation confidentially using the Croda Speak Up Hotline: <http://www.speak-up.info/croda>.

## Audit and Termination of Agreements

Croda will seek assurance that its suppliers adhere to the principles of this Supplier Code of Conduct and that they take responsibility to ensure compliance within their own supply chains.

- **Audits** – Croda reserves the rights to verify supplier and representative compliance with this Supplier Code of Conduct. This will include requiring suppliers to report information to EcoVadis, our sustainability reporting partner.
- **Remediation** – Where reviews or audits demonstrate shortcomings in any areas, the supplier and representatives must communicate and implement a time-bound programme of improvement leading to conformance.
- **Termination** – In the event that a supplier or representative fails to meet the requirements of this Supplier Code of Conduct and there are no actions made toward remediation, Croda reserves the right to terminate the supplier agreement and take any other actions as outlined by law or contractual language.

## Additional Resources

Additional resources for topics critical to doing business with Croda are as follows (click the link to access the web page):

[Croda Sustainability Reports](#)

[Croda Code of Ethics](#)

[Croda Whistleblowing Policy](#)

[Croda Equal Opportunities Policy](#)

[Croda Countering Bribery](#)

[Croda Modern Slavery Statement](#)

## Supplier Acknowledgement

Croda would like to ensure that our suppliers receive, review, and understand our Sustainability Planning and Supplier Code of Conduct requirements. We aspire to partner only with suppliers who share our ethics, values, and commitments to being Climate, Land and People positive.

Save as amended by this notification and acknowledgement, the terms of any Frame Agreement between your organisation and Croda shall remain in full force and effect. This notice shall be governed by and construed in accordance with English Law or other local country law, as applicable.

This Supplier Code of Conduct may be updated from time to time. As new versions are sent, suppliers will be asked to confirm their receipt, so we can ensure the information has been received. As a recipient of this information, we would like to ask that you share this Supplier Code of Conduct with the appropriate individuals within your leadership, sales, procurement, and operational teams.

The most current version of the Code can be found on the Croda website at [www.croda.com](http://www.croda.com).

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