

Statement on Modern Slavery – 2021

Policy Statement

At Croda, we are committed to our role in eradicating modern slavery and human trafficking in all its forms from our business and our 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 that all organizations within our supply chains uphold these principles.

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

Our Business

Croda creates, makes, and sells speciality chemicals that deliver benefits to a range of products including personal care, home care, fragrances, health care, crop protection, seed enhancement, smart materials, energy technologies, and industrial chemicals.

2021 Highlights

- Sales of £1.9B
- Over 6,100 employees
- 105 locations across 39 countries within Asia Pacific, Europe and EEMEA, Latin America and North America

Croda purchases directly from thousands of suppliers across the globe to meet the product and service needs of our operations. In 2021 69% of Croda raw material volume was comprised of organic raw materials purchased from bio-based resources. We recognize that our commitment to increase our purchases of raw materials from within global agricultural supply chains creates a high level of responsibility to ensure there is no modern slavery and human trafficking within our supplier networks.

Croda has clear public Commitments to sustainability which include our aim to be Climate, Land and People positive by 2030. The details of these Commitments and our actions to ensure we achieve them are contained within the Croda Annual Sustainability Report.

A complete description of our business model and values as well as our key reporting and policy statements can be found on our website at www.croda.com.

Our Policies in Relation to Modern Slavery

Group Policy on Modern Slavery

This policy sets out the Croda International Plc stance on modern slavery. Croda is committed to acting ethically and with integrity in all our business dealings and has a zero-tolerance approach to modern slavery. We will ensure compliance with this policy within our business and take appropriate steps to mitigate the risk of any modern slavery taking place within our supply chains.

Group Human Rights Policy

Croda is committed to respecting the human rights of everyone in all aspects of our operations. We have a responsibility to ensure that human rights are understood and observed in all countries where we operate. We support the principles set out in the following international standards:

- UN Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- The International Labour Organization's Fundamental Convention

Group Code of Conduct

Our Code of Conduct sets out the standards that we will work to, our expectations of each other, and confirms the responsibility of everyone to speak-up and report suspected or actual breaches of our policies. Within this Code of Conduct, it specifies that we will seek to protect the human rights of every person involved in our operations and supply chains by:

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

Supplier Code of Conduct

This document outlines our expectations suppliers, including alignment with our Sustainability ambitions and Key Principles. 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.

Supplier Due Diligence, Modern Slavery

In 2021, we continued to strengthen our approach with a new policy outlining supplier due diligence assessments, determining supplier risk, acceptable scoring, and expectations for Corrective Action Plans (CAPs) for areas needing performance improvement. This policy expands upon our previous requirement that suppliers participate in third party due diligence with our preferred sustainability monitoring partner, EcoVadis.

Croda Statement on Human Rights in the Palm Sector

Responsibly addressing the social and environmental issues associated with palm raw materials purchasing is a priority for Croda, and Croda is a founding member of the Action for Sustainable Derivatives (ASD). In early 2021 the ASD organization outlined the ASD Collective Statement on Human Rights which includes specific documentation regarding human rights grievances. Croda is fully aligned with the ASD and has signed off on this policy.

Whistleblowing Policy

Employees must, as soon as practicable, notify their line managers if there has, or they suspect there has been, a breach of the Group Policy on Modern Slavery even where it may be unsure whether there has been a breach. Employees are welcome to use the confidential Whistleblowing helpline to report concerns or to report to the Company Secretary of Croda International plc Cowick Hall, Snaith, East Yorkshire DN14 9AA, United Kingdom. We also welcome reports of wrongdoing from those outside our company.

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 6,100 employees working at our 105 locations across 39 countries within Asia Pacific, Europe and EEMEA, Latin America and North America. Our people are a priority within 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; and
- Providing fair and transparent policies and procedures to manage employee concerns or disciplinary matters.

Working Conditions

We provide fair working conditions for all 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.

Human Rights

We will seek to protect the human rights of every person involved in our operations and supply chains. 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; and
- Creating a safe working environment free from bullying and harassment.

Addressing Modern Slavery within Croda Supply Chains

Croda purchases directly from thousands of suppliers across the globe to meet the product and service needs of our operations. 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 within them, and complete transparency and traceability throughout.

In late 2020 we recruited a Global Head of Procurement and Sustainable Sourcing. This senior leadership position is responsible for the direction and execution of Croda procurement and sustainable sourcing performance as well as influencing and assisting 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

We have a partnership 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.

Our global procurement teams are trained at least annually on the use of EcoVadis to assess suppliers. In January 2022 this training included the introduction of our new Supplier Due Diligence, Modern Slavery policy which provides additional guidance regarding the assessment of supplier risk, interpretation of EcoVadis assessment results, and supplier engagement to improve performance.

At the end of 2021, we confirmed that suppliers representing 65% of our spend have been evaluated for their responsible practices (2020: 50%). 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 in their performance, significantly increasing our influence in the supply chain.

To date, we have not found any evidence of slavery and human trafficking in our supply chains through these assessments.

Assessing Supplier Risk

Per our Supplier Due Diligence, Modern Slavery policy, Croda suppliers are prioritized for due diligence using a risk-based approach, as follows:

- Spend – The Croda spend with a supplier is a measure of the depth and scope of the supplier partnership.
- Geography – Croda will use the most current Global Slavery Index (2018) to determine supplier risk. This risk will be assessed based on the supplier corporate office location, the site location used by Croda, and/or the geography where the raw material supply chains originate (country of origin).
- Supplier Category – Due to the high importance Croda places on our use of renewable sources of raw materials, all suppliers within these key categories will be subject to these due diligence requirements.

This policy defines Croda requirements for timing of assessments, supplier assessment scores, and our approach to Corrective Action Plans (CAPs) to improve supplier performance.

High Risk Supply Chains – Palm

Palm oil and palm kernel oil are critical raw materials for Croda. Based on our supplier risk assessment criteria, palm supply chains are classified as high risk based on spend, geography, and supplier category. We continue to demonstrate an industry leading approach to transparency and due diligence work done within our palm supply chains.

- Roundtable on Sustainable Palm Oil (RSPO) – Croda was an early adopter in converting global palm purchasing to RSPO certified supply chains. Through compliance to RSPO criteria, these supply chains minimize the negative impact of palm oil cultivation on the environment and communities in palm oil producing regions.

In 2021 85% of our global palm derivatives consumption was RSPO physically certified by Mass Balance. In Europe and the Americas we achieved 99% transformation to RSPO, whereas in Asia we continue to face challenges completing the conversion.

- Action for Sustainable Derivatives (ASD) – Croda is a founder member of the ASD, a collaboration of 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. In 2020, 100% of key suppliers of palm products to Croda participated in this due diligence. Supply chain

transparency was achieved for 94% of volume to refineries, 90% of volume to mills, and 27% of volume to plantations.

- No Deforestation, No Peat, No Exploitation (NPDE) – Our policy has been to preferentially source from suppliers with NDPE commitments. In 2021 we confirmed that 81% of our palm volume was sourced from suppliers with published NDPE commitments. In 2022, we will follow up with suppliers not yet confirmed to ensure their commitment to NPDE.
- Human Rights Grievance Policy – In early 2021 the ASD organization outlined the ASD Collective Statement on Human Rights which includes specific documentation regarding the handling of human rights grievances within palm supply chains. Croda is fully aligned with the ASD and has signed off on this policy. In 2021 we confirmed that 75% of our palm volume was sourced from suppliers with established grievance procedures. In 2022, we will follow up with suppliers not yet confirmed to gain an understanding of their approach to grievances.

Our Plans for 2022

Croda did not let the challenges of 2020 and 2021 distract us from our efforts to eradicating modern slavery from our own operations and our supply chains. Our commitment to this work will continue into 2022 and beyond.

Expanded Supplier Due Diligence

At the end of 2021, we confirmed that suppliers representing 65% of our spend have been evaluated for their responsible practices (2020: 50%). We hope to expand these assessments to cover at least 75% of our spend before exiting 2022. We will also work with suppliers with low scores to prepare time-based action plans to address their gaps in performance.

Expanded Use of RSPO Certified Palm

In 2021 our transformation to fully RSPO certified physical supply chains was nearly complete, with 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 have addressed the remaining RSPO supply chains and during 2022 we expect to achieve RSPO certification with fully transparent supply chains for 100% of Croda palm derivative purchases.

Mill Lists for All Key Suppliers of Palm

To enable us to better identify and address known grievances related to human rights violations within palm supply chains, we will require all palm suppliers to provide us with a listing of mills supporting their supply chains. These mill lists will provide the transparency needed to identify potential incidents within our supply chains, to follow up with suppliers to confirm any risk, and to require suppliers to provide a time-based plan to remove the risk.

Expanded Policy for Castor Supply Chains

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, in 2021 we

joined the Sustainable Castor Association and will be reviewing all castor oil supply chains to enable SuCCESS certified supply chain purchasing (similar to RSPO).

We will engage with additional certification sources to expand these reviews of our renewable raw materials supply chains.

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, 2022

*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