Events in 2020 have given rise to new challenges and new opportunities, while also highlighting important issues that impact our people. As a business, we have been guided by our values of Responsible, Innovative and Together, ensuring the decisions we make and the policies we put in place support all who work on our behalf to feel safe, valued and respected.

Smart science to improve lives™

We combine our knowledge, passion, and entrepreneurial spirit to create a positive difference to the environment and to society.

Through 2020, we have continued to embed Our Purpose, Smart science to improve lives™, across the business, aligning our activities with the goals set out in Our Commitment.

Our Commitment sets out a series of stretching 2030 targets where we aim to be the most sustainable supplier of innovative ingredients. We will create, make and deliver solutions to tackle some of the biggest challenges the world is facing. By 2030, we will be Climate, Land and People Positive.

We continued to work towards our goal to increase the representation of women at Croda, across all levels and roles, but particularly in senior leadership positions. A summary of the progress we have made, and the actions taken, have been included in this report.

Inclusion at Croda

Jenn Hart
Managing Director, Croda Europe
The gender pay gap sets out a Company’s difference in the pay between men and women, using a variety of statistical measures.

It is not a review of ‘equal pay’, which is specifically a woman receiving the same compensation for the same or similar job.

The data:

Mean gender pay gap – this is the difference in the average hourly or bonus pay for women when compared to men.

Median gender pay gap – this is the middle point of the reviewed workforce, comparing the person who is at the mid-point of the data.

We continue to make progress in our goals of increasing the number of women in leadership positions and in production roles; there is not a ‘quick fix’ we are working in a number of areas awareness raising, training, recruitment practices and policies to ensure changes are meaningful and sustainable.
Croda Europe UK Gender Pay Gap results 2020

Number of employees

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th>Males</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>290</td>
<td>635</td>
</tr>
</tbody>
</table>

Population of men & women in each pay quartile

<table>
<thead>
<tr>
<th>Pay Quartile</th>
<th>Population of Males (%)</th>
<th>Population of Females (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper quartile</td>
<td>74.5%</td>
<td>25.5%</td>
</tr>
<tr>
<td>Upper-middle quartile</td>
<td>85.3%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Lower-middle quartile</td>
<td>73.3%</td>
<td>26.7%</td>
</tr>
<tr>
<td>Lower quartile</td>
<td>41.6%</td>
<td>58.4%</td>
</tr>
</tbody>
</table>

Portion of employees receiving a bonus

- Males: 95.8%
- Females: 94.5%
Progress & Plans

Pay gap

Reviewing 2019 reported figures for ‘hourly pay excluding bonus’, the mean pay gap for 2020 has decreased by nearly 4.8 percentage points, and the median pay gap for 2020 has decreased by 2.7 percentage points.

Leadership

We have made progress with our commitment to improve gender balance, particularly at senior levels, through the use of balanced short-listing in recruitment, that has positively impacted the UK gender pay gap. We have seen an increase in the number of women in the upper quartile, with an increase in representation of 6.7 percentage points vs 2019.

Globally in the last two years, we have increased the number of women in leadership positions by 19%. In our most senior grades, we have increased the number of women by 67%. We are pleased to report that we have 41 women working as process operators across 13 of our sites globally.
Culture & people development

2020 has provided opportunities for our business to lean on our values of Responsible and Together. Through 2020, we have continually engaged with all employees through Pulse Surveys to understand how the organisation is feeling and how we can support. With many employees working differently, we focussed on supporting employees to feel connected, able to work flexibly, and feeling able to raise any concerns with workload or the ability to balance home life with work. This was particularly important for those with care responsibilities. Alongside this, we launched a series of resources and training opportunities to move Diversity and Inclusion forward:

The D&I Steering Committee invited all employees to learn more about bias and how it impacts decision making. Within our eLearning platform, MyCroda, we created Diversity and Inclusion playlists for all employees to complete and assigned a module on Unconscious Bias. Over 2,500 employees have completed this training so far.

In 2020, we launched a resource website as part of our internal intranet. The website aims to give employees a place to learn and develop understanding of the issues and challenges faced by different groups of people, as well as providing tools to facilitate conversations about diversity.

We have added new content to the MyCroda eLearning platform, providing new training courses, particularly on Mental Health, and curated playlists of content to help support employees.
We released flexible working guidelines in 2020 after consultation through Pulse Surveys and gaining feedback from the experiences of employees during the Covid-19 pandemic. Employees have been actively encouraged to work flexibly, where their role allows, driven by the Executive Committee and senior leaders.

We have encouraged all employees to become more aware of their own mental health, and how to support others experiencing poor mental wellbeing. As part of this, we have continually offered guidance and advice on ways to stay well while working remotely.

Our commitment to D&I is led from the top, and to advance conversations and our programme of work, the Executive Committee and Board completed a series of sessions to develop awareness and action around race and racism. The sessions were facilitated by external guest speakers that talked through their own lived experiences and how systemic discrimination manifests in organisations.