

Statement on Modern Slavery – 2024

Policy Statement

Croda is strongly committed to upholding and respecting human rights. Our Human Rights Policy supports principles set out in the UN Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's Fundamental Conventions and states the commitment to respecting everyone's human rights in all aspects of our operations.

We are committed to eradicating modern slavery and human trafficking in all its forms from our business and our supply chains. We ensure that everyone who works for Croda benefits from a working environment in which their fundamental human rights are respected, and we are taking the appropriate steps to ensure that all organisations within our supply chains uphold these principles.

The information within this statement details policies, processes, and actions we have taken to ensure that fundamental human rights are respected, and 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 2023 required under the provisions of the Modern Slavery Act 2015.

Our Business

Our Purpose is to use Smart science to improve lives™, enabled by our distinctive values-led culture that governs how we work with one another and guides our relationships with all partners. We combine our knowledge, passion, and entrepreneurial spirit to create, make and sell specialty ingredients that are relied on by industries and consumers around the world.

We have a global footprint and operate in two main markets – Consumer Care and Life Sciences. We develop innovative and sustainable ingredients that provide functionality to Consumer Care formulations, enabling customers to differentiate their products. We develop components and systems for the delivery of Active Pharmaceutical Ingredients, enabling delivery of the next generation of biologic drugs and vaccines. We are an innovation partner to crop science companies, developing delivery systems to meet the sustainability challenges and enable next generation solutions.

2023 Highlights

Sales of £1,694.5m and adjusted profit before tax of £308.8m

Over 5,800 employees

58,815 hectares of land area saved

22.8 million lives sustainable improved by Croda Foundation projects

0.72 total recordable injury rate

35% water use reduction

Croda purchases directly from thousands of suppliers across the globe to meet the product and service needs of our operations. In 2023, 59% of Croda raw material volume was comprised of organic raw materials purchased from bio-based resources. We have an ambitious sustainable innovation target stating that, by 2030, over 75% of our organic raw materials by weight will be bio-based, absorbing carbon from the atmosphere as they grow.

This transition away from petrochemical feedstocks has a positive climate impact and avoids the release of additional fossil carbon into the atmosphere at the end of life of our ingredients. We recognise 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 are no human rights violations, including 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, our actions to achieve them, and our current progress are contained within the 2023 Croda Sustainability Impact 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 Human Rights and Modern Slavery

Croda is strongly committed to upholding and respecting human rights. In our Code of Conduct we set the standard to protect the human rights of every person involved in our operations and supply chain, and we also commit to:

- Ensuring that no forced, trafficked or child labour is used in any of our operations or supply chains through effective due diligence, 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.
- Creating a safe working environment free from bullying and harassment.

In 2016, we designed a Modern Slavery policy with the aim of ensuring that we take all appropriate steps to reduce the risk of modern slavery taking place within Croda's supply chains.

In 2020, Croda introduced its Human Rights Policy that supports the principles set out in the UN Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation's Fundamental Conventions and states the commitment to respecting everyone's human rights in all aspects of our operations.

Croda's Human Rights Policy identifies the following as being specific areas of responsibility:

- Equality and Diversity
- Freedom of association and collective bargaining
- Fair wages
- Health and safety
- Labour rights

- Zero-tolerance approach towards forced labour and modern slavery
- Zero-tolerance approach towards child labour.

In 2021, Croda designed a Supplier Due Diligence Policy for Modern Slavery with a focus on supplier participation in the EcoVadis assessment process. This policy strengthens our approach by clearly defining our requirements for supplier due diligence assessments, determining supplier risk, acceptable scoring, and expectations for Corrective Action Plans (CAPs) for areas needing performance improvement.

In 2022, Croda carried out a revision of its Supplier Code of Conduct, this document outlines our expectations for suppliers, including alignment with our sustainability ambitions and key principles. As an international business with suppliers and representatives throughout the world, Croda wants 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.

Croda also worked with the Action for Sustainable Derivatives (ASD) to publish our Grievance Policy in the palm derivatives sector. Croda defines a grievance as any complaint, allegation or concern we identify that is inconsistent with the Croda Supplier Code of Conduct, our Responsible Palm Sourcing Policy, or any relevant Croda corporate policies on governance and human rights. Grievances may cover both environmental and social concerns.

During 2023, 4 grievances related to human rights were received through Croda’s palm grievance process. Of these, 3 were related to disputes regarding local land ownership and 1 was related to potential findings of child labour and lack of PPE provision. Upon our investigation, we confirmed that the mills and plantations cited in these grievances did not feature in any Croda supply chains.

Croda has in place several avenues to detect potential human rights and modern slavery concerns. Amongst this, our Whistleblowing Policy plays an important role. We encourage all our employees, third parties we work with and our suppliers to report any suspected wrongdoing or breaches of any of our policies. Our whistleblowing tool, the Speak Up system, offers an anonymous route to reporting any potential infringement.

In 2023, we received 46 reports from whistleblowers. In total we investigated and closed 36 cases during the year. 10 cases are currently under investigation.

Amongst these, 22 cases were considered as having a potential impact on human rights, a breakdown per issue type and outcome is provided below:

Synopsis	Primary Issue	Total	Outcome
Substantiated/partially substantiated	Employee relations	5 ¹	Dismissal
	Policy Issues	2	Policy review
	Sexual Harassment	1	Warning
	Wage / hour issues	2	Policy review

Substantiated Total		10	
Unsubstantiated	Discrimination	2	No action taken
	Employee Relations	1	No action taken
	Retaliation of Whistleblowers	1	No action taken
	Safety Issues and Sanitation	1	No action taken
	Wage/Hour Issues	3	No action taken
Unsubstantiated Total		8	
Ongoing	Employee relations	1	To be determined
	Safety Issues and Sanitation	1	To be determined
	Sexual harassment	1	To be determined
	Workplace violence / threats	1	To be determined
Ongoing Total		4	

¹ 4 of these cases referred to the same issue.

Our Governance

In 2027 Croda established an Ethics Committee, which is responsible for the development, reinforcement, oversight and cascading of the Company’s ethics and compliance strategy, Code of Conduct and other policies and procedures related to the ethics and human rights programme. The work of the Ethics Committee has been demonstrative of the top-level commitment to respecting and upholding human rights.

In 2023, the Ethics Committee has continued to meet quarterly in support of Croda’s culture of integrity, honesty, and openness, and to promote the importance of respecting human rights across the group and among our supply chain partners.

In 2023, Croda appointed two dedicated professionals as “Global Compliance Director” and “Global Compliance Manager” these individuals will develop, reinforce, oversee and cascade the ethics and compliance strategy and have been specifically entrusted with the further development and strengthening of Croda’s human rights programme.

Addressing Modern Slavery within Croda Operations

Croda has more than 5,800 employees working at our 92 locations across 39 countries within Asia, EMEA, 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.

Embedding respect for Human Rights across our business

Croda is 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.

Our HR team plays a key role in preventing human rights infringements within our own operations. With the purpose to identify potential issues our HR team carries out regular listening groups across the organisation and performs culture pulse surveys to ensure that our employees are comfortable and enjoy a healthy working environment.

Fair Income

In 2018, Croda gained accreditation in the UK as a Living Wage Employer from the Living Wage Foundation. We extended our work to be a Living Wage Employer globally, completing an assessment of all employees worldwide in 2021. This was done in partnership with the Fair Wage Network, establishing a Living Wage in each of the countries in which we operate and ensuring all employees receive this as a minimum, even more important in light of the global cost of living crisis. We are now working with the Fair Wage Network to gain accreditation for our work and to ensure our progress stands up to external scrutiny. In 2022, we also began the process of ensuring all our regular contractors are paid a Living Wage and are aiming to achieve this milestone before the end of 2024.

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.

Tier 1 Suppliers

We recognise the risk from human rights violations, including modern slavery and human trafficking, may be higher within our agricultural supply chains. The Tier 1 supplier locations for our key agricultural RMs is summarised below. To gain further transparency within these supply chains, we plan to confirm country of origin information for these materials by the end of 2024.

Feedstock	Tier 1 Top Countries	Top Country % of Total
Palm	USA, Malaysia, Singapore, UK	65%
Corn	USA	88%
Rapeseed	UK, USA	73%
Castor	USA, India	87%
Coconut	USA	92%
Wheat	Belgium, Spain, China	86%
Sunflower	UK	91%
Soya	USA	77%
Sesame	Netherlands, Brazil	89%
Olive	Spain, Italy	98%
Sugar	Brazil, Germany, France	95%
Shea	France	82%
Wood	UK, France	97%
Cocoa	UK	100%
Linseed	Brazil, Canada	100%

From the above-mentioned countries, Malaysia, India, China, Indonesia and Brasil, have been identified as part of our top 5 high-risk countries according to our human rights country risk matrix. In 2024 we plan to carry out on-site suppliers' interviews prioritising one or more of these countries. During 2024 we will also continue to monitor suppliers' performance through our EcoVadis assessments.

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.

Our global procurement teams, led by our Global Head of Procurement and Sustainable Sourcing, receive continuous information and education to help them engage with suppliers to improve sustainability practices within their operations and supply chains, including the mitigation of modern slavery. 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 people, including a requirement to provide evidence of how they ensure the prevention of modern slavery within their operations and supply chains.

Our global procurement teams are trained at least annually on the use of EcoVadis to assess suppliers. This training reinforces the requirements within our Human Rights Policy and Supplier Due Diligence 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 2023, we confirmed that key suppliers representing 83% of targeted spend have been evaluated using EcoVadis and corrective actions have been assigned and prioritised. We have an action plan in place to achieve 100% participation by 2024 year end.

To date, we have not found any evidence of slavery and human trafficking in our supply chains through these assessments. We recognise however that we need to supplement the EcoVadis due diligence and the work we are doing with Action for Sustainable Derivatives, with further supplier interviews and on the ground due diligence. This additional due diligence forms an integral part of our strengthened human rights programme that is being rolled out in 2024.

Assessing Supplier Risk

In line with our Human Rights Policy and our Supplier Due Diligence Policy, Croda suppliers are prioritised 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 uses the most current Global Slavery Index to determine supplier risk. This risk is 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 are subject to these due diligence requirements.

Case study – High Risk Supply Chains – A Focus on 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 minimise the negative impact of palm oil cultivation on the environment and communities in palm oil producing regions.

In 2023 88.4% of our global palm derivatives consumption was RSPO physically certified by Mass Balance. In Europe and the Americas we achieved 100% 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. For 2022 purchasing (investigated in 2023), supply chain transparency was achieved for 97.7% of volume to refineries, 95.3% of volume to mills, and 33.2% of volume to plantations.

Sustainable Palm Index – The Sustainable Palm Index (SPI) is an evaluation scorecard for suppliers of palm-based derivatives, aimed at assessing the level of commitments, processes and achievements in terms of sustainable sourcing practices such as No Deforestation, no Peat, no Exploitation (NDPE) principles. In 2023, we participated in the SPI assessment of our palm oil derivatives volumes and actions taken during 2022, confirming compliance to the SPI. This 2022 score increased to 99/100 (+12 pts), despite more demanding criteria.

Human Rights Grievance Policy – We continue work with ASD to update and execute our Grievance Policy in the palm derivatives sector. Grievances may cover both environmental and social concerns.

EUDR – We will further our risk mitigation efforts within palm supply chains during 2023, gaining compliance with European Deforestation Regulations (EUDR) before the stated year-end deadline. EUDR requires that we undertake raw material supply due diligence and demonstrate that EU traded materials are produced free from deforestation, with no human rights violations, and in compliance with the laws of the country of origin.

Our Plans for 2024

Double materiality assessment

At the end of Q1 2024 we kicked off a project, with the support of an external consultant, to carry out a double materiality assessment which will allow us to capture Croda's impacts on risks relevant to both Croda's stakeholders and Croda. During Q2 2024 the following actions will take place: (i) identification of relevant stakeholders and a desktop review will be carried out to capture data for all the necessary indicators; (ii) internal and external stakeholder engagement interviews and workshops will be conducted to inform the assessment; (iii) validation workshop with local management to validate the material sustainability topics; (iv) a materiality report will be issued.

Human rights programme

In Q1 2024 we completed our work to further develop and strengthen our human rights programme, which will enable us to:

- Elaborate on Croda's commitment to support human rights.
- Set the tone from the top, ensuring leaders are setting the example.
- Provide the principles and procedures that are to be embedded across Croda in order that all business functions take responsibility for and respect, the human rights of others.
- Respond to relevant stakeholder expectations.
- Ensure Croda is aware of new human rights risks and adapts accordingly.

- Build increased trust with external stakeholders and ensure Croda works together with these stakeholders to understand and help to address their human rights concerns.
- Promote in-house learning on human rights issues.
- Demonstrate international good business practice.
- Avoid “tick box” or “paper” compliance practices and embed human rights into the business-as-usual tasks of all individuals across the business.

Policy commitment

Croda has in place several policies that play their part in the respect of human rights, we will look to combine some of these policies to provide a consistent message.

To introduce and embed a programme, in 2024 we will raise awareness on human rights across the organisation through specific human rights training. We will ensure top level commitment and accountability during the roll out of the programme covering human rights under our compliance commitment statements.

We will work to define which procedures need to be put in place to address our salient risks and mitigate future risks. Our strengthened human rights procedures will be embedded as a priority into the higher risk areas of the business, so they become business as usual. As we carry out our human rights due diligence (i.e. during site visits) additional identified risk will be considered and additional mitigations will be put in place and covered under the designed human rights procedures. Training on specific human rights procedures will be provided to relevant employees.

Identification and assessment of adverse impacts / cooperate for remediation

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.

From the risk assessment exercise, we have identified the following potential human rights risks.

Potential human rights risks within our own workforce:

- Fair wages
- Gender equality
- Freedom of association and collective bargaining
- Bullying and harassment
- Discrimination

Potential human rights risks within our supply chain (Contractors, subcontractors, bio-based material suppliers, logistics, transportation, use of migrant workers)

- Health and safety
- Working hours
- Forced labour

In 2024, we will continue to identify potential human rights issues through enhanced human rights due diligence carrying out site visits in higher-risk locations (selected according to the results of our human rights country risk matrix which combines Croda presence with a human rights Index and the salient risks identified through our risk assessment), with the support of external service providers where necessary. In addition, we are engaging with different technology service providers that can help us leveraging human rights due diligence using technology, in line with one of our core values “innovation”.

Our HR team will continue to conduct listening groups and pulse surveying the organisation with an special focus on our identified salient risks.

Our procurement team will continue to carry out suppliers assessments through EcoVadis, and we will carry out enhanced due diligence measures with regards to our highest risk third parties.

This process will allow us to identify relevant stakeholders that can help us cascading our human rights programme and will inform / shape our risk assessment exercise.

In addition, we will look to establish a remediation process for potential human rights infringements, developing a remediation network internally and with the support of external service providers that could help us with internal investigations.

Cease, prevention or mitigation of adverse impacts

Croda has in place a series of systems to communicate potential human rights infringements at present including Croda’s grievance procedure, Croda’s near-miss reporting tool and the anonymous whistleblowing system. Anything reported through these tools is thoroughly investigated and where issues are found, remedial actions are taken / mitigation steps are put in place from the learnings.

Recognising that rightsholders engagement is paramount for our human rights programme success, in 2024 we will look to carry out consultation processes to align / take a joined-up approach to risk mitigation.

Track implementation

Our strengthened human rights due diligence programme includes the definition of implementation KPIs that help us measuring progress against our plan.

As we identify potential human rights issues we will look to develop specific KPIs that will help us to effectively track mitigation in line with our human rights programme.

Communication of how impacts are addressed

In the People Impact section of our sustainability report for 2023 we cover our progress on human rights. As we continue to develop our human rights programme, we will ensure that the relevant data points are gathered to strengthen transparency.

European Deforestation Regulations (EUDR)

EUDR became law on June 30, 2023 and is enforced from December 30, 2024 requiring Croda, our suppliers, and our customers to undertake RM supply due diligence and

demonstrate that EU traded materials are produced free from deforestation, with no human rights violations, and in compliance with the laws of the country of origin.

In response to this regulation, Croda has written a global policy, selected leadership for a cross-organisation project team, and created a robust plan of action to be followed through during 2023. Our planning will enable us to do the following:

1. Execute traceability and origin mapping for plots of land used to generate our EUDR RMs. This includes geolocation coordinates, timing of production, and proof of legality.
2. Perform risk assessments.
3. Mitigate risk from smallholder exclusion while de-risking supply chains.
4. Create and submit official due diligence statements to demonstrate compliance.
5. Perform risk mitigation activities.

2024 Sustainability Milestones

Croda will continue actions to progress towards the 2024 Milestones outlined in our 2023 Sustainability Impact Report. The following two milestones are directly related to our due diligence and risk mitigation efforts to ensure there are no human rights violations within our supply chains:

- By the end of 2024, all key suppliers will be required to achieve a minimum of the average score from EcoVadis (or equivalent) or will have an action plan with timelines to close gaps.
- By the end of 2024, suppliers of crop-based raw materials will be required to provide supply chain transparency in a fully traceable and sustainable manner.

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, 2024

*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.