

Remuneration Committee report

Report of the Remuneration Committee



“The committee is satisfied that the operation of the policy balances the challenging market conditions, overall shareholder experience but recognises strategic progress and considers the attraction, motivation and retention of key talent.”

Jacqui Ferguson,
Remuneration Committee Chair

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A. Chair's letter

On behalf of the Board and the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2023.

This year has been a challenging year for the Group, with a weaker economic environment and customer destocking across consumer, crop and industrial markets impacting financial performance. Despite this, the Group continued to execute against the long-term growth strategy, driving sustainable innovation and continuing to invest in biotechnology, pharma expansion and capacity to support fast growth in Asia. We also took the opportunity to evolve our organisational structure, ensuring we are well positioned to capture future growth opportunities.

As a knowledge-based business, attracting, developing and retaining high-quality people throughout the organisation is key to our success. The Committee believes that an effective reward structure, as part of a wider employee engagement framework, plays a key role in the continued achievement of the Group's strategic objectives and in the delivery of sustainable, profitable growth.

Last year we reviewed and updated our Remuneration Policy to ensure alignment with Croda's evolving ambition and were pleased to receive 94% votes in favour. The Remuneration Committee is not proposing any changes to the operation of the policy in 2024, being satisfied with the outcome of the review and operation of the policy in 2023, with reward outcomes aligned with the shareholder experience.

As Chair of the Remuneration Committee, I would like to thank my colleagues for their commitment and engagement throughout the year and to welcome Chris Good as a new member of the Committee.

Remuneration out-turn for 2023

With a challenging trading environment in 2023, financial performance was weaker, with sales of £1.7bn down by 19% and adjusted operating profit of £320m down by 38%. Despite this, execution against our strategy continued, ensuring we are positioned for sustainable growth over the long term.

Under our senior annual Bonus Plan the maximum opportunity for the CEO and CFO was 175% and 150% of base salary, respectively, based on profit performance (90% weighting) and an ESG metric (10% weighting). Consistent with the approach taken in prior years, bonusable profit was adjusted for the lipid system sales for our principal COVID-19 vaccine contract. In 2023, however, profit performance was below the threshold with no annual bonus payable for this element of the award. For 2023 the ESG metric was based on safety. However, given the weakness of the overall financial performance of the Group, it was recommended by management and supported by the Committee that no annual bonus should be payable for 2023.

2023 was the year in which PSP grants made in 2021 concluded their three-year cycle and the Committee reviewed performance against targets. Over the period, Total Shareholder Return (TSR) performance (35% weighting) was (23.5)%. This placed Croda below median when compared to our bespoke comparator group and this part of the award will not vest. Earnings per Share (EPS) growth over the period (35% weighting) was achieved at just above threshold at 5.6%. Consistent with last year, EPS was adjusted for the divestment of the majority of the PTIC business.

Remuneration Committee overview

Responsibilities

The Committee determines and agrees with the Board the Company's Remuneration Policy and framework, ensuring that reward structures incentivise senior management appropriately, are aligned with Company strategy and promote the long-term success of the Company.

Key responsibilities

- Determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chair, the Group Chief Executive, the Executive Directors, the Company Secretary and other members of senior management
- Ensure that the remuneration framework is aligned with the Company's strategy and promotes the long-term success of the Company, appropriately incentivising senior management and the wider workforce
- Review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the Remuneration Policy for Directors
- Feedback to the Board on workforce reward, incentives and conditions in support of the Board's monitoring of whether the workforce policies and practices of the Company are aligned with its Purpose, values and strategy
- Review the ongoing appropriateness and relevance of the Remuneration Policy
- Establish the selection criteria, select, appoint and set the terms of reference for any remuneration consultants who advise the Committee and obtain reliable, up-to-date information about remuneration in other companies

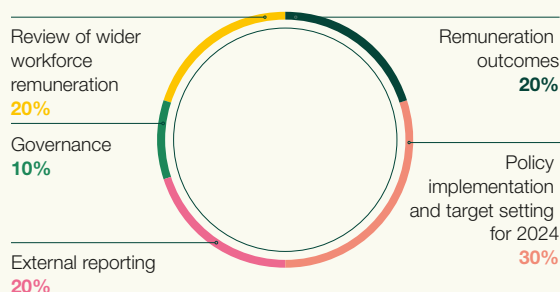
- Oversee any major changes in employee benefits structures throughout the Group.

Detailed responsibilities are set out in the Committee's terms of reference, which can be found at croda.com/en-gb/investors/governance/board-committees/remuneration-committee.

Specific focus areas in the year

- Determine remuneration outcomes for 2023, including vesting of the 2021 PSP awards
- Review of wider workforce remuneration including benefit structures
- Setting appropriate targets for the senior annual Bonus Plan and Performance Share Plan for 2024

Time allocation



New and Protected Products (NPP) growth (15% weighting) met the stretching vesting target, with NPP sales growing by 3.3 times non-NPP sales over the period and full vesting achieved for this element of the award. The 2021 PSP cycle included sustainability metrics (15% weighting), split equally between Climate Positive and Land Positive targets. The Climate Positive metric was a reduction in scope 1 emissions from a 2020 baseline of 102,750 MT. For 2023, Scope 1 emissions were 86,740 MT representing a 15.6% reduction against the baseline which results in 100% of this condition vesting. For the Land Positive element, the target was met, and full vesting was achieved.

The 2021 PSP award was subject to an Economic Value Added (EVA) underpin such that awards would be subject to a reduction (including potentially to nil) in the event that EVA had not improved over the three-year performance period. The EVA underpin was not met and the Committee therefore considered an appropriate reduction.

As part of these deliberations the Committee also took into account the Discretion Framework where a range of factors are considered to ensure payout is consistent with and reflective of overall performance over the period. One consideration made, as part of the Discretion Framework, was that the downturn against emissions targets had benefitted from the lower volumes in the year. More details of all the considerations taken into account are set out on page 122. Taking into account the EVA underpin alongside the Discretionary Framework the Committee determined that the overall vesting of the PSP would be reduced by 10%. The resultant overall PSP vesting was 37.1% of the total award.

Performance framework for 2024

Croda's strategy continues to focus on delivering sustainable, profitable growth by providing innovative and sustainable solutions to our customers. This is consistent with our Purpose, Smart science to improve lives™, with our remuneration framework therefore underpinning our Purpose through performance measures and stretching targets.

For 2024, the senior annual Bonus Plan will continue to be based on a profit performance metric (90% of the total award) and an ESG metric (10% of the total award). The ESG metric was introduced into the senior annual Bonus Plan as part of the policy review in 2023 and the focus of this metric varies each year, adapting to our evolving priorities in this area. For 2024 the focus will continue to be based on safety, building on the work done in 2023 to support the embedding of SHE as a Value through the entire workforce.

The PSP performance framework is unchanged in substance and will continue to include EPS growth (35% of the award), relative TSR (35% of the award) and NPP and sustainability targets (30% of the award). The NPP element (15% of total award) incentivises innovation based on NPP revenue, being revenue from those products that will drive our future growth. Innovating sustainably is core to Croda's success, and we continue to focus management on the delivery of this. The sustainability element (15% of total award) will be focused on our 'Climate Positive' sustainability commitments, which for this award will include scope 3 emissions targets as well as competency-building on scope 3 through our organisation. It is only through continued innovation and collaboration, that we can reduce scope 3 emissions

Remuneration Committee report continued

across the full life cycle of our customers' products, and ultimately achieve our ambition to be 'Climate Positive'.

In line with normal practice, the Committee reviewed targets ahead of 2024. Targets for our senior annual Bonus Plan continue to be set using a consistent and distinctive framework, focused on year-on-year growth in Bonusable Profit. Bonusable Profit is an established performance measure at Croda, which has been used for many years and is focused on operational profitability based on Group EBITDA.

For the PSP award to be granted in 2024, the Committee considered share price performance over last year, recognising the impact of the challenging macroeconomic environment. Performance is always considered holistically; each year the Committee applies our comprehensive Discretion Framework to satisfy itself that the outcome in terms of primary performance metrics has not been to the detriment of other measures of corporate performance. The Committee will review vesting outcomes against this Discretion Framework, with particular attention paid to share price performance to ensure Executive Directors do not benefit from any windfall gains. In addition to this we also have ROIC as an underpin in our PSP recognising that long-term ROIC performance continues to be a key focus for the business. The ROIC underpin, which is discretionary, has been revised for 2024 taking into account the current market environment. Safety also continues to be a specific underpin in our senior annual Bonus Plan.

Salaries for 2024

For 2024, there will be a general increase to salaries for UK employees of 3%. The Committee reviewed the salaries of our Executive Directors and determined that an increase of 3% would be awarded in line with that of the UK workforce.

Board changes

Danuta Gray will join the Board with effect from 1 February 2024 and will succeed Anita as Chair at the conclusion of the Company's AGM on 24 April 2024. Anita Frew will then retire from the Board after nine years as Croda's Chair.

In anticipation of the appointment of a new Chair, the Committee instigated a review of the Chair fees recognising that in the nine years since Anita's appointment, Croda has grown in size and complexity to become an established FTSE 100 company. This review, which was supported by Deloitte, also included an extensive review of the market to consider what other similar sized organisations paid in order to attract the desired skills and experience to lead an increasingly diverse and international business. It was ultimately determined that the fee for the new Chair would be set at £425,000. The Committee also determined that it would be appropriate for this fee to apply for Anita, as the current Chair, from 1 January 2024 for the remainder of her tenure.

Louisa Burdett, Chief Financial Officer, will leave Croda in June 2024 and the Board has commenced a search for her successor.

Remuneration arrangements for Louisa Burdett have been managed in line with the Remuneration Policy and the proposed approach is in line with the approach that would be taken for other UK employees on giving notice. While Louisa remained eligible for an annual bonus for 2023, as discussed above, no annual bonus will be payable to all executives reflecting Croda's financial out-turn in the year. For 2024, she will receive a 3% salary increase, in line with the normal approach for UK employees that have given notice but will remain employed for part of the year, but will not be eligible for an annual bonus or PSP award. Further, all outstanding PSP awards will lapse.

Consideration of wider workforce and alignment of reward across the organisation

Our approach to workforce reward forms an important part of Croda's philosophy and culture. One of the principles of Croda's culture is to drive 'One Croda', and therefore many of the remuneration structures

that apply to the Executive Directors also apply further in the global organisation. The key difference being that remuneration for Executive Directors is more heavily weighted towards variable pay and share ownership. Highlights of our approach to workforce pay include:

- Our commitment to paying a Global Living Wage – in 2021 Croda established a Living Wage in each of the countries in which it operates and ensured that all employees receive this as a minimum. In 2023, we made progress in receiving certification from the Fair Wage Network (FWN), we expect to be able to confirm this by the end of the first quarter of 2024.
- Sharing of success with employees – achieved through the operation of various all-employee share plans, including our Free Share Plan which was introduced in 2021. We are pleased that workforce participation in these plans remains consistently strong year-on-year and allows our employees to become shareholders in the business.
- Generous and inclusive benefits – our holistic health and wellbeing benefit offering, which was enhanced in response to the cost-of-living crisis, is highly valued across the workforce. In addition, our CARE defined benefit pension, which applies across our entire UK workforce, is a generous and inclusive benefit.

In line with our 'One Croda' culture, our senior leaders all share the same performance metrics for the senior annual Bonus Plan and PSP. Around 550 employees participate in the senior annual Bonus Plan and 65 of these are also in the PSP. We believe that this focuses our leadership on working together globally to deliver the best overall outcome for our customers and, in turn, our shareholders and other stakeholders.

Workforce engagement

Over the last two years, we have established a regular engagement programme to gain insight from employees across the Group. Through surveys, listening groups, site visits and a dedicated email, all Croda colleagues can give their feedback directly so we can better understand how they are feeling about certain areas of business.

Through the Purpose and Sustainability Commitment (PSC) survey, we have gained valuable feedback on how changes to reward in each location and support offered with cost-of-living have been positively received, a direct impact of last year's Remuneration Committee review.

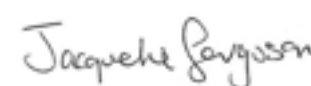
We were also happy to see that questions related to wellbeing and safety have seen an uplift in the number of positive responses, building on the great work to truly embed safety as a value in the organisation that has taken place in 2023.

We continue to operate a dedicated email address so that employees can send questions or comments direct to the Remuneration Committee Chair.

Looking ahead

We remain confident that the Remuneration Policy that was approved in 2023 will continue to serve us well over the next two years and are not proposing any changes to its operation for 2024.

Going forward, we will continue to seek out opportunities to further enhance the remuneration approach at Croda, considering advice from our investors and other stakeholders such as listening groups with our employees. We remain committed to ensuring that our remuneration framework reflects the evolving needs of all of our stakeholders and the communities in which we operate.



Jacqui Ferguson
Remuneration Committee Chair

B. 2023 Remuneration at a glance

How we performed in 2023

Adjusted operating profit

**(37.9)% to
£320m**

Adjusted basic EPS

**(38.4)% to
167.6p**

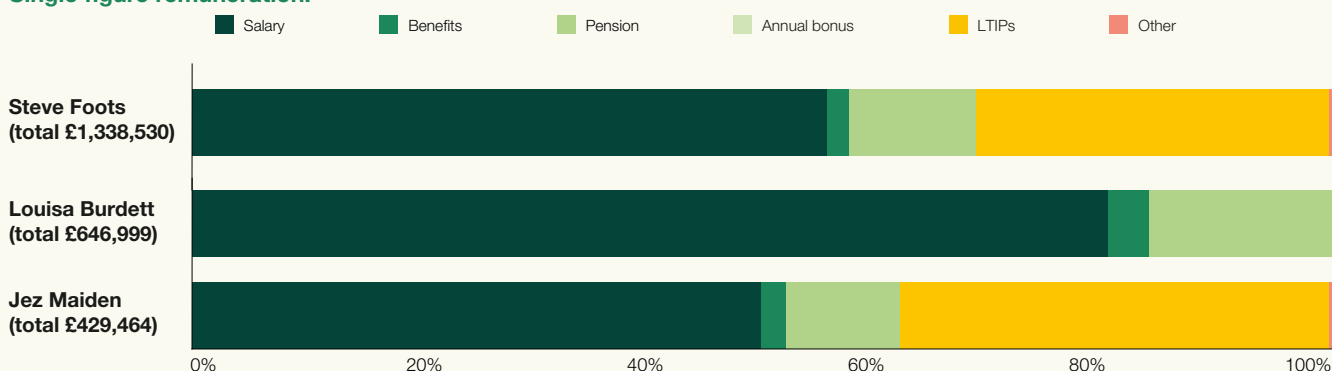
NPP (constant currency)

33.5%
of Group sales

Total Shareholder Return

(23.5)%
over the three-year PSP
performance period
(1 January 2021 to
31 December 2023)

Single figure remuneration:



Operation of our policy in 2023

Key component	Feature	Group Chief Executive (CEO) – Steve Foots	Chief Financial Officer (CFO) – Louisa Burdett	Group Finance Director (GFD) – Jez Maiden															
Basic salary	Competitive package to attract and retain high calibre executives.	£745,116	£520,000	£214,114															
Annual bonus	Incentivise delivery of strategic plan, targets set in line with Group KPIs.	£0	£0	£0															
	<table border="1"> <thead> <tr> <th></th> <th>Threshold</th> <th>Maximum</th> <th>Actual</th> <th>% payout</th> </tr> </thead> <tbody> <tr> <td>Bonusable Profit (90%) See page 111 for definition of Bonusable Profit.</td> <td>2022 actual</td> <td>2022 actual plus 10%</td> <td>Below 2022 actual</td> <td>0%</td> </tr> <tr> <td>ESG metric (10%)</td> <td colspan="2">Payout determined by the extent to which the eligible population complete three specific safety related tasks.</td> <td>Safety training completed at 98%, with continued reporting of progress on other safety tasks</td> <td></td> </tr> </tbody> </table>		Threshold	Maximum	Actual	% payout	Bonusable Profit (90%) See page 111 for definition of Bonusable Profit.	2022 actual	2022 actual plus 10%	Below 2022 actual	0%	ESG metric (10%)	Payout determined by the extent to which the eligible population complete three specific safety related tasks.		Safety training completed at 98%, with continued reporting of progress on other safety tasks				
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ESG metric (10%)	Payout determined by the extent to which the eligible population complete three specific safety related tasks.		Safety training completed at 98%, with continued reporting of progress on other safety tasks																
	Notwithstanding the out-turn in relation to the safety measure, considering the overall financial performance in the year, it was recommended by management and supported by the Committee that no annual bonus would be payable for 2023. 0% of maximum bonus paid																		
Deferred element of bonus	Compulsory deferral of one third of bonus into shares with three-year holding period to align with long-term business performance.	£0	£0	£0															

Remuneration Committee report continued

Key component	Feature	Group Chief Executive (CEO) – Steve Foots	Chief Financial Officer (CFO) – Louisa Burdett	Group Finance Director (GFD) – Jez Maiden				
PSP	Incentivise execution of the business strategy over the long term measuring profit, shareholder value, innovation and sustainability.	£415,186	£0	£161,996				
	Vesting of the 2021 PSP award							
					Threshold	Maximum	Actual	% payout
	EPS ¹ (35%)				5%	11%	5.6%	32%
	TSR (35%)				Median	Upper Quartile (UQ)	Below Median	0%
	NPP ² (15%)				NPP sales growth to be at least twice non-NPP sales.	3.3x	100%	
	Sustainability metric 1 - Climate Positive (7.5%)				A reduction target specifically aimed at Scope 1 emissions and aligned with our external commitment to achieve a Science Based Target (SBT) in line with a 1.5°C pathway. Over the three-year PSP performance period the target is a 12.6% reduction (average of 4.2% per year) compared to verified emissions ³ in 2020 with any award paid in defined ranges between: <ul style="list-style-type: none"> a reduction of 12.6% and above award of 7.5% (max) a reduction of 6.2% and below no award (0%). 	15.6% reduction	100%	
	Sustainability metric 2 - Land Positive (7.5%)				Our key target for 2030 is that we will save more land than we use. For the three-year PSP performance period we have set annual targets for Land Area saved, with a target in 2023 of 56,750 ha of additional land saved over that in the 2019 baseline year with any award paid in defined ranges between: <ul style="list-style-type: none"> 56,750 ha or above award of 7.5% (maximum) below 35,600 ha no award (0%). 	58,815 ha additional land saved	100%	
	Overall outcome (before consideration of EVA underpin and Discretion Framework)				41.2%			
	Adjustment - EVA underpin ⁴ and Discretion Framework				(10)%			
Final vesting outcome	37.1%							
	<ol style="list-style-type: none"> EPS growth p.a. is calculated on a simple average basis over the three-year period. The calculation of the EPS growth has been adjusted for the divestment of the majority of the PTIC business. Subject to a minimum average of 3% growth per year and overall positive Group profit growth. Emissions in 2020 were independently verified by Avieco. EVA underpin applied across the whole PSP award, requiring an improvement in EVA over the three-year performance period. 							
Pension	Pension benefits are either a capped career average defined benefit pension plan with a cash supplement above the cap, or a cash supplement. For 2023, cash allowance of up to 20% of salary, in line with the UK workforce.	£149,023	£104,000	£42,823				
Shareholding requirements	Share ownership guideline to ensure material personal stake in business.	CEO – 250% of salary CFO – 200% of salary GFD – 175% of salary	>250% of salary <200% of salary	>175% of salary				

The single figure remuneration also includes all benefits. For a full breakdown of the Executive Directors' remuneration for 2023 please see page 120.

C. Report of the Remuneration Committee

Summary of Remuneration Policy and implementation for the year ending 31 December 2024

Key component	Implementation in 2024												
Basic salary	<p>Executive Directors' base salaries were reviewed during the final quarter of the financial year ended 31 December 2023. Salaries for 2024 were increased by 3% in line with the general increase for our UK employees. Salaries for 2024 are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Salary at Jan 2024</th> <th>Salary at Jan 2023</th> <th>% Increase</th> </tr> </thead> <tbody> <tr> <td>Steve Foots</td> <td>£767,469</td> <td>£745,116</td> <td>3%</td> </tr> <tr> <td>Louisa Burdett</td> <td>£535,600</td> <td>£520,000</td> <td>3%</td> </tr> </tbody> </table>		Salary at Jan 2024	Salary at Jan 2023	% Increase	Steve Foots	£767,469	£745,116	3%	Louisa Burdett	£535,600	£520,000	3%
	Salary at Jan 2024	Salary at Jan 2023	% Increase										
Steve Foots	£767,469	£745,116	3%										
Louisa Burdett	£535,600	£520,000	3%										
Pension	20% of salary as pension supplement aligned to UK workforce.												
Other benefits	Other benefits such as company cars or car allowances, fuel and travel allowances and health benefits are made available to Executive Directors.												
Performance-related Annual Bonus Plan	<p>Steve Foots - 175% of salary Louisa Burdett - not eligible for 2024 (normal opportunity maximum for other Executive Directors is 150% of salary)*</p> <p>Underlying profitability for the performance-related Annual Bonus Plan ("Bonusable Profit") is based on Group EBITDA for continuing operations before exceptional items, less a notional interest charge on working capital employed during the year. The targets for the awards are set out below:</p> <table border="1"> <thead> <tr> <th>Performance measure (weighting)</th> <th>Threshold</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Bonusable Profit** (90%)</td> <td>Equivalent to 2023 actual</td> <td>2023 actual plus 10%</td> </tr> <tr> <td>ESG metric (10%)</td> <td colspan="2"> <p>The proposed safety measure for 2024 is in relation to the whole population of eligible employees (c.550 employees), and the extent to which the population:</p> <ol style="list-style-type: none"> 1. Agree a quarterly communication (SAY) and engagement plan (DO) for their team and peers. All leaders to set quarterly targets and capture progress in Croda's global human resources information system (HRIS). Achievement is recorded via the employees end of year appraisal. 90% of the cohort must achieve by year end for this element to be considered complete. 2. Measure workforce engagement through a 'Safety is a Value' survey. Based on Croda's current 'Pulse' Survey which currently has around a 70% response rate globally we will launch a 'Safety is a Value' survey which must receive a 70% response rate across the whole organisation by year end for this element to be considered as complete. 3. Identify measures of success for their team and demonstrate achievement at year end. All leaders must capture their objective in Croda's global HRIS. Achievement is recorded via the employees end of year appraisal. 90% of the cohort must achieve by year end for this element to be considered complete. <p>Two of the elements must be considered complete for a 5% payout. All of the elements must be considered complete for the full 10% to be payable.</p> </td> </tr> </tbody> </table>	Performance measure (weighting)	Threshold	Maximum	Bonusable Profit** (90%)	Equivalent to 2023 actual	2023 actual plus 10%	ESG metric (10%)	<p>The proposed safety measure for 2024 is in relation to the whole population of eligible employees (c.550 employees), and the extent to which the population:</p> <ol style="list-style-type: none"> 1. Agree a quarterly communication (SAY) and engagement plan (DO) for their team and peers. All leaders to set quarterly targets and capture progress in Croda's global human resources information system (HRIS). Achievement is recorded via the employees end of year appraisal. 90% of the cohort must achieve by year end for this element to be considered complete. 2. Measure workforce engagement through a 'Safety is a Value' survey. Based on Croda's current 'Pulse' Survey which currently has around a 70% response rate globally we will launch a 'Safety is a Value' survey which must receive a 70% response rate across the whole organisation by year end for this element to be considered as complete. 3. Identify measures of success for their team and demonstrate achievement at year end. All leaders must capture their objective in Croda's global HRIS. Achievement is recorded via the employees end of year appraisal. 90% of the cohort must achieve by year end for this element to be considered complete. <p>Two of the elements must be considered complete for a 5% payout. All of the elements must be considered complete for the full 10% to be payable.</p>				
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	<p>* In line with the bonus plan rules Louisa Burdett will not receive a bonus award due to her planned resignation.</p> <p>** The Bonusable Profit target is measured on a constant currency basis, excludes any charges or credits under IFRS 2 Share-based Payments, and is after the cost of bonuses. For 2024, and consistent with prior years, the calculation is adjusted for the lipid system sales for the principal Covid-19 vaccine contract.</p>												
	<p>Commentary</p> <ul style="list-style-type: none"> • No change in opportunity levels or the balance of performance measures. • When determining bonus outcomes, the Committee applies the Discretion Framework which includes a range of factors, see page 114. • The Committee remains comfortable that the structure of the senior annual Bonus Plan does not encourage inappropriate risk-taking and that the mandatory deferral of one third of bonus into shares for a three-year period provides clear alignment with shareholders and fosters a longer-term link between annual performance and reward. • Malus and clawback provisions apply. • Full retrospective disclosure of targets and actual performance against these will be made in next year's Annual Report on Remuneration. • The Committee considers the targets set for 2024 to be at least as demanding as in previous years and were set after taking due account of the Company's commercial circumstances and the current market environment. 												

Remuneration Committee report continued

Key component	Implementation in 2024									
Performance Share Plan	Steve Foots - 250% of salary Louisa Burdett - not eligible for 2024 (normal opportunity maximum for other Executive Directors is 200% of salary)									
	The targets for the awards are set out below:									
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EPS ¹ (35%)	5% p.a.	11% p.a.								
TSR ² (35%)	Median	Upper quartile								
	<p>NPP (15%)</p> <p>Subject to overall positive Group profit growth and a minimum average of 3% NPP growth per year (25% vesting), with payments being made on a sliding scale up to 7% growth per year (maximum vesting).</p>									
	<p>Sustainability metrics (15%)</p> <p>Climate Positive – Two independent targets specifically focused on our upstream Scope 3 emissions:</p> <p>1. Scope 3 emissions (10%) – Delivery of absolute upstream Scope 3 emissions reductions. A reduction in upstream Scope 3 emissions aligned with our Science Based Target (SBT) trajectory from a 831,250 Mt CO₂e adjusted baseline³ by end 2026, equating to an absolute reduction of 52,134Mt.</p> <p>100% payout (10%) would be achieved if upstream Scope 3 emissions were reduced in line with or above target.</p> <p>50% payout (5%) would be achieved if upstream Scope 3 emissions were reduced by 30,000Mt.</p> <p>2. Scope 3 competency build (5%) – Target focused on competence building on Scope 3 to ensure all leaders have knowledge and skills applicable to Croda and to the key frameworks and standards used, and are accountable for ensuring the enablers are in place to support delivery of our Scope 3 reduction target.</p> <p>100% payout (5%) would be achieved if 98% of all relevant⁴ leaders and employees (c.550 individuals in total) complete the pre-set relevant training modules as part of the Sustainability Academy by the end of 2026.</p> <p>50% payout (2.5%) would be achieved if 95% of all relevant leaders and employees complete the pre-set relevant training modules.</p>									
	<p>Awards will be subject to a ROIC underpin such that vesting is subject to satisfactory ROIC performance over the three-year performance period, as determined by the Committee. In determining whether the underpin has been met, the Committee will consider a range of factors including, but not limited to, the intended time horizons for returns on capital deployed, and Croda's long-term ROIC objective. In circumstances where the underpin is not met, the Committee may consider, in its absolute discretion, whether to reduce or cancel the vesting of awards.</p>									
	<p>1. EPS growth p.a. is calculated on a simple average basis over the three-year period and therefore growth of 33% or more over three years is required for maximum vesting.</p> <p>2. TSR group: Akzo Nobel, Ashland, Avantor, BASF, Catalent, Chr. Hansen, Clariant, Elementis, Evonik, Givaudan, IFF, Johnson Matthey, Kerry, DSM-Firmenich, Lonza, Merck, Novozymes, Syngro, Symrise, Synthomer, Tate & Lyle and Victrex</p> <p>3. Adjusted baseline is the three-year average Scope 3 emissions from 2021 to 2023.</p> <p>4. Scope 3 emission reduction affects Croda's entire value chain, from the sourcing of ingredients to the processing and formulation of products, and the delivery and engagement with customers and markets, as well as the management and disclosure of the relevant data. Therefore many different functions need to be involved, at different levels, across both businesses, including senior leadership teams.</p>									
	<p>Commentary</p> <ul style="list-style-type: none"> • Louisa Burdett will not receive an award in 2024 due to her planned resignation. • Performance period 1 January 2024 to 31 December 2026. • An additional two-year holding period will apply for any shares vesting. • Malus and clawback provisions apply. • No change to the balance of NPP and sustainability metrics from last year. NPP and sustainability targets remain equally weighted at 15% of the total PSP. Sustainability targets aligned to key 2030 sustainability ambitions. • When assessing outcomes, the Committee applies the Discretion Framework which considers, for example, the management of EVA and ROIC, health and safety and sales growth and may adjust awards if it considers appropriate. The specific ROIC underpin has been revised for 2024 taking into account the current market environment. • Considering the share price performance over the last year, the Committee will review awards on vesting to ensure that participants do not benefit from any windfall gains arising. 									
Shareholding guidelines	<p>Chief Executive Officer – 250% of salary Chief Financial Officer – 200% of salary</p> <p>Post-employment shareholding guidelines also apply for two years after leaving employment. These are set at 100% of the in-employment guideline.</p>									

How our reward strategy aligns to and supports the delivery of our business strategy

Over the last three years we have accelerated key elements of our strategy to transition to a dedicated Consumer Care and Life Sciences company. Across these markets, innovation and sustainability will be the core drivers of our future growth.

In developing and implementing our Remuneration Policy the Committee has been mindful to ensure that every element of reward directly aligns to our strategy, ensuring we provide and protect long-term shareholder value.

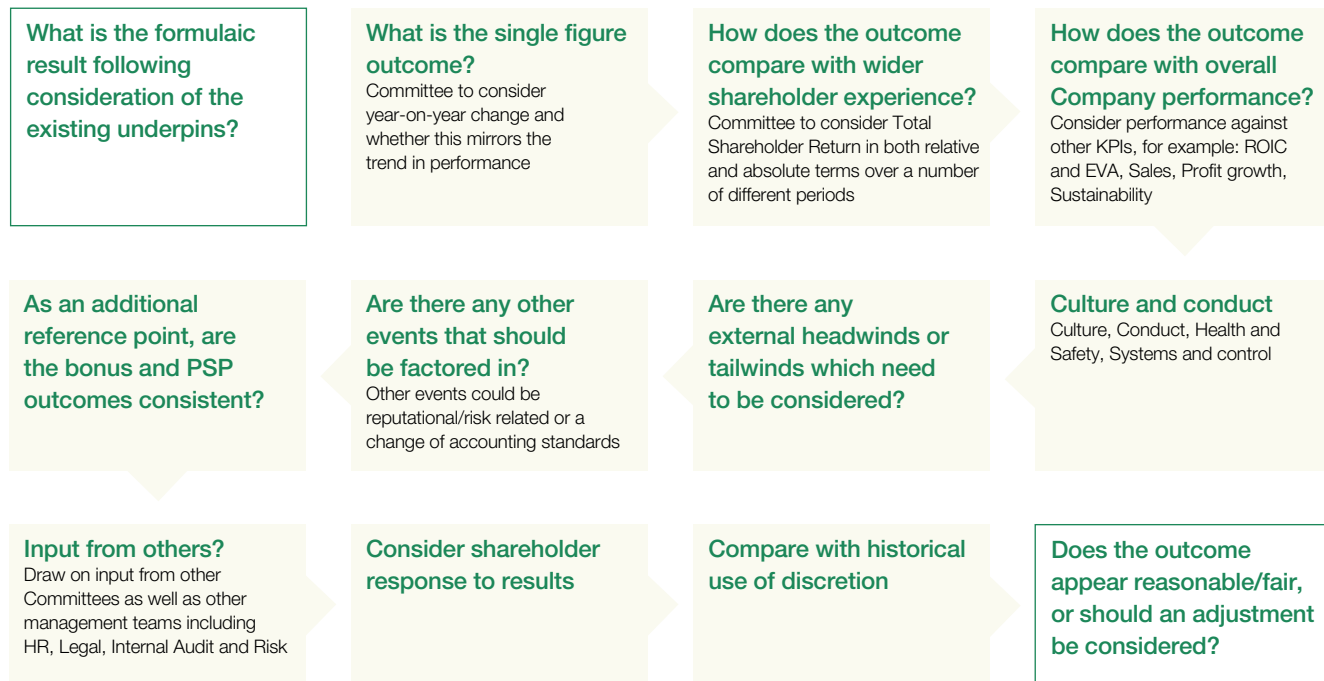
Element of reward	Link to strategy	Sustainability	Innovation	Growth	Long-term shareholder value
Senior annual Bonus Plan					
Profit	Clear and simple measure that supports our strategic objective of consistent bottom-line growth. One third of awards are deferred, further protecting shareholder value.			✓	✓
Sustainability	Sustainability is at the centre of Croda's strategy and our senior annual Bonus Plan includes an ESG metric. One third of awards are deferred, further protecting shareholder value.	✓			✓
Performance Share Plan					
Earnings per share (EPS)	A measure of earnings growth over a three-year period recognising that sustained growth can only come through relentless innovation.		✓	✓	✓
Total Shareholder Return (TSR)	Measured against our peers, a key indicator of long-term growth and shareholder value.		✓	✓	✓
New & Protected Products (NPP)	An established measure of innovation, the metric is growth of NPP, those products rewarding growth that is driven by innovation.	✓	✓	✓	✓
Sustainability	Since 2020 we have incorporated sustainability metrics directly linked to our ambitions to be Climate, Land and People Positive by 2030.	✓	✓	✓	✓
Underpins & Discretion Framework					
Safety, health and environment (SHE)	The SHE underpins ensure that rewards are not made at the expense of the safety, health and environment of our employees or the communities that we serve.	✓			✓
Financial underpins	The financial underpins, including ROIC and our broader Discretion Framework, ensure that reward reflects the overall financial health of the business.			✓	✓
Culture and ethics	The culture and ethics underpin ensures that reward reflects strong governance and the experience of all our stakeholders.	✓			✓
Other features					
Holding periods	Extends the period to five years before shares are released, further protecting shareholder value.				✓
Shareholding requirements	Ensures that our Executives' interests are aligned to shareholders.				✓
Malus and clawback	Allows incentive awards to be clawed back or reduced in the event of significant financial or personal misconduct.				✓

Remuneration Committee report continued

Our Discretion Framework

To enhance the rigour with which performance is reviewed the Committee has adopted a Discretion Framework which it applies when assessing bonus and long-term incentive plan outcomes.

As with all Board/Committee decisions (in line with section 172) we also reflect on the experience of all our stakeholders throughout the course of the plan periods.



How our Remuneration Policy reflects the UK Corporate Governance Code

When developing the Remuneration Policy, the Committee was mindful of the UK Corporate Governance Code and considers that the executive remuneration framework appropriately addresses the following factors:

Factors	How these are addressed
Clarity	Our commitment to openness and transparency is reflected in our reward principles. The Committee is committed to providing open and transparent disclosure on executive remuneration for our stakeholders. Our arrangements are clearly disclosed and any changes to our Remuneration Policy and its operation are highlighted in a way that defines their alignment to both our strategic ambitions as well as the provisions of the UK Corporate Governance Code.
Simplicity	Our executive remuneration arrangements, as well as those throughout the global organisation, are simple in nature and well understood by both participants and shareholders. Our senior annual Bonus Plan, in which around 550 of our global employees participate, is primarily based on a single profit metric, with a simple key requirement that no bonus can be paid for this element until the previous year's profit is exceeded.
Risk	The Committee considers that the structure of incentive arrangements does not encourage inappropriate risk-taking. Performance is based on a balance of metrics which also reflect our broader stakeholders, for example inclusion of sustainability targets and health and safety underpins. We then take a holistic assessment of performance using our Discretion Framework. Annual bonus deferral, the PSP holding period and our shareholding guidelines provide a clear link to the ongoing performance of the business as well as alignment with shareholders. Executives will be rewarded for sustainable long-term shareholder return. Malus and clawback provisions also apply for both the senior annual Bonus Plan and PSP.
Predictability	Our Remuneration Policy contains details of maximum opportunity levels for each component of pay, with actual incentive outcomes varying depending on the level of performance achieved against specific measures.
Proportionality	Our Remuneration Policy directly aligns to our strategy and financial performance. The Committee considers performance from a range of perspectives. Poor financial performance is not rewarded.
Alignment to culture	Alignment to our 'One Croda' culture is clearly established in our Remuneration Policy. Our senior annual Bonus Plan has the same metrics for all participants. Our PSP metrics, and from 2023 our senior annual Bonus Plan ESG metric, reflect our commitment to sustainability. Pensions are also aligned across the workforce.

Workforce remuneration at Croda

Highlights of our approach

<p>'One Croda' culture Alignment of remuneration structure across our workforce</p>	<p>Sharing of success with employees Under the Free Share Plan, all eligible employees are gifted an award of Croda shares when the senior annual Bonus Plan pays out</p>	<p>Continued high participation in all employee share plans</p>	<p>Living Wage employer Croda pays a 'Living Wage' globally</p>
<p>CARE pension in the UK Applies across our entire UK workforce and is a generous and inclusive benefit</p>	<p>Workforce engagement on executive remuneration</p>	<p>Holistic health and wellbeing benefit offering We recently enhanced health care benefits for UK employees</p>	<p>Fair Wage Network In 2023 we made progress in gaining certification from the Fair Wage Network. We expect to be able to confirm this by the end of the first quarter of 2024.</p>

Workforce engagement

We continue to develop our approach to workforce engagement. We believe it is important to our culture and our values to have an active dialogue with employees on topics such as reward, recognition, motivation, wellbeing, safety, and inclusion. A summary of engagement activities undertaken to date is as follows:

<p>Reward principles</p>	<p>Our reward principles, which were developed and approved during 2019, guide the way we recognise and remunerate all our global employees. These principles focus on total reward including intangible rewards and were strongly influenced by the results of our previous Global Employee Survey. These have been shared across the organisation.</p>
<p>Employee pulse surveys</p>	<p>In 2023 a number of pulse surveys covering a range of topics, including culture and reward, were undertaken and findings were shared with the Board, management and employees to help guide decisions.</p>
<p>Listening groups</p>	<p>During 2023 the Chair of the Board and other Non-Executive Directors attended listening groups to better understand how employees felt on a range of different topics, including reward.</p>
<p>Dedicated email to Chair of Committee</p>	<p>A dedicated email address has been established for employees to send comments or questions to the Chair of the Remuneration Committee.</p>
<p>Overview of pay and policy decisions</p>	<p>Committee members are updated annually on global employees' terms and conditions and are made aware of any significant changes to policies and other pay-related matters.</p>

Remuneration Committee report continued

How our Remuneration Policy relates to reward in the wider employee context

When making decisions about executive remuneration the Committee considers the pay and reward structures across the business. Annually, the President Human Resources provides the Committee with a review of workforce remuneration, and the Committee is updated periodically on any feedback received on remuneration practices across the Group.

One of the principles of Croda's culture is to drive 'One Croda', therefore, many of the remuneration structures that apply to Executives also apply further in the global organisation, as set out in the table below. The key difference between the policy for Executive Directors compared to other employees is that remuneration for Executive Directors is more heavily weighted towards variable pay and share ownership.

Remuneration element	Who participates?	Details
Base salary	All employees	Pay is set in line with the market and closely monitored. Any comparator group used as a reference point is country and/or industry specific. We pay a 'Living Wage' globally.
Annual bonus	Executive Directors, Executive Committee, senior leaders and senior managers (c.550 employees globally)	Consistent senior annual Bonus Plan aligned to increase in annual profit and ESG priorities. Operates across the most senior global grades on a tiered basis from 175% of salary to 22% of salary. Deferral applies for Executive Directors and members of the Executive Committee.
	All other employees	Local schemes apply in many locations.
Free Share Plan	All employees who do not participate in the senior annual Bonus Plan (c.5,200 employees globally)	An award of free shares or the cash equivalent if the senior annual Bonus Plan pays out. For 2023 as the senior annual Bonus Plan did not payout there was no Free Share Plan award.
Performance Share Plan	Executive Directors, Executive Committee and senior leaders (c.65 employees globally)	Consistent PSP based on EPS, TSR and sustainability metrics, including NPP. Operates across the most senior global grades on a tiered basis from 250% of salary to 30% of salary.
Restricted Share Plan (RSP)	Selected employees generally not eligible for PSP	Discretionary awards can be granted annually to selected employees to reward exemplary performance.
All-employee share plans¹	All employees	Employees can participate in our global Sharesave Scheme, subject to qualifying service, allowing everyone to save monthly and purchase discounted shares.
Pension (UK only)²	All employees	Defined benefit plan based on career average salary plus 20% cash supplement paid for salaries above the cap or to employees who are tax limited and have opted out of the pension scheme.
Healthcare (UK only)³	All employees	All UK based employees benefit from membership of Bupa private healthcare provided free of charge for employees and subsidised for family members. In addition, employees are provided with triennial health assessments also with Bupa.

1. Sharesave or similar schemes are provided where local social security laws allow.

2. Other pension arrangements, aligned to local practice and legislation, are available in many of our locations.

3. A range of health care benefits are also available in many of our locations globally.

Sharing success across the business

The Committee believes in sharing success across the business and extending share ownership more widely across our employee base. This is promoted through the operation of our 'Free Share Plan' and a number of all-employee share schemes.

Free Share Plan

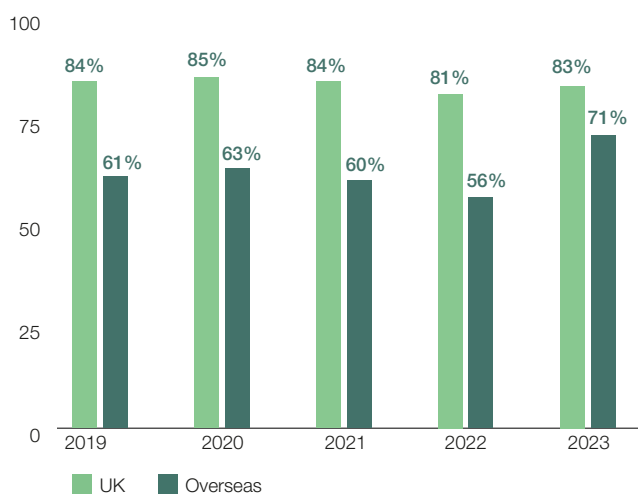
In 2021 we launched the 'Free Share Plan'. Under this new plan, all employees globally who are not eligible for the senior annual Bonus Plan are gifted Croda shares (or the cash equivalent) if the senior annual Bonus Plan pays out. Unlike other elements of remuneration this award is not set as a multiple of salary, instead it rewards all eligible employees at the same value.

The Free Share Plan was developed in response to findings from the Global Reward Survey in 2020 and aims to share success more widely across the business and encourage share ownership.

As the senior annual Bonus Plan did not pay out for 2023, no award was made under the Free Share Plan.

All-employee share plans

Workforce participation in these plans has remained consistently strong and is driven by our culture of employees feeling a strong loyalty to the business.



Living Wage

We were pleased to announce in 2018 that we gained accreditation in the UK as a Living Wage Employer from the Living Wage Foundation. In 2024, we will continue to ensure that all our UK employees and regular contractors are paid at, or above, the rates advised by the Living Wage Foundation.

In addition, the business continues to pursue its Global Living Wage target, one of our sustainability KPIs linked to the UN SDGs. In 2020 we forged a partnership with the Fair Wage Network (FWN) to establish, using an independent and economically rigorous methodology, Living Wage levels across the world. In 2021, we compared our global wage levels to Living Wage comparators provided by the FWN and made all necessary adjustments to ensure that all our employees are now paid a Living Wage at a minimum.

We reviewed our Living Wage levels in 2023 and made any adjustments necessary in order to continue paying a Living Wage to all employees. Through 2023 we made good progress in gaining accreditation for our work from the Fair Wage Network and expect to be able to confirm this by the end of the first quarter of 2024. In 2022 we also began the process of ensuring all our regular contractors are paid a Living Wage and plan to achieve this milestone by the end of 2024.

More than just pay

Our employees and our culture remain central to the continued success of Croda. We have continued to enhance our offering of activities available to employees, including:

- We are proud of the training and development that we provide for employees and have set a target of ensuring all employees receive at least one week of training a year by the end of 2025. In 2023, our employees undertook over 197,000 hours of training with the average number of hours an employee completed being 34 hours.
- In 2021 we relaunched and redesigned our core company development programmes for senior leaders and future leaders with our values at their heart. 2023 was the second year many of these programmes were able to run and all programmes have been positively received by employees.
- In 2021 we also launched an inclusion-based global leadership programme, Phoenix Rising. In 2023, we invited a third cohort to begin this programme, with participants joining from all over the world, and invited the participants from 2021 and 2022 cohorts to meet at a week-long "Phoenix Rising Unites" learning event. We also ran a series of leadership webinars on diversity & inclusive leadership.
- Each of our sites is tasked with ensuring at least four health and wellbeing events are run per year, with many sites running significantly more than this. We also continued with Employee Assistance Programmes in many of our countries.

See pages 16 & 17 for further information on our culture including details on how we approach the recruitment, development and training of our workforce.

Remuneration Committee report continued

Other disclosures

UK gender pay gap

The table below shows a summary of the gender pay gap for UK employees of Croda Europe Ltd:

	2019	2020	2021	2022	2023
Mean pay gap	27.1%	18.7%	17.7%	7.2%	7.9%
Median pay gap	23.9%	19.2%	21.1%	15.7%	12.1%
Mean bonus gap	67.1%	64.4%	62.6%	23.3%	3.2%
Median bonus gap*	33.4%	0%	0%	29.9%	17.3%

* The senior annual Bonus Plan and Croda Europe Discretionary Bonus Scheme did not pay out for 2019 (payable in 2020) or 2020 (payable in 2021). A small number of employees received a sales bonus but the median bonus for both female and male employees was zero giving a median bonus gap of 0%.

We are confident that our gender pay gap is not an equal pay issue but is a result of a lack of female representation across our business at senior levels and particularly in production roles which represent the bulk of the workforce between the 25th and 75th percentile. Addressing this issue will require a long-term approach but we have already begun work to increase the number of females working in production and in senior positions.

Over 2023 42% of hires and promotions to leadership positions were female, with the number of women in leadership positions now at 39% (2022: 38%).

Other actions taken to address the gender pay gap include:

- Ensuring balanced shortlists for all appointments where possible with a target of having 80% of shortlists gender balanced.
- Further improving our talent and succession planning processes to help identify and nurture talent early in their career.
- Ensuring that our global talent development programmes continue to have a gender-balanced mix of participants.
- Supporting female leaders in their development, offering attendance on programmes such as Solaris, a women's executive leadership development programme for women specifically of Black heritage.
- Finding ways to reduce shift work (especially night work) and to examine the feasibility of part-time and job share arrangements in our production facilities.
- Continuing to invest in our STEM activities to encourage a wide range of applicants to apply for roles in our business.

More information is available on the Croda website.

UK CEO pay ratio

The table below sets out the ratio of the CEO's 'single figure' total remuneration to the 25th, 50th and 75th percentile full-time equivalent total remuneration of the Company's UK employees. The pay ratios are calculated on a Group-wide basis by reference to UK employees only.

Under the regulations, there are three methodologies that companies can choose to report their pay ratio, known as Option A, B and C. For 2023 we have chosen to continue to use the Government's preferred option, Option A. Using this methodology, we have determined the full-time equivalent total remuneration for all UK employees and have ranked this data to identify employees whose remuneration places them at the 25th, 50th and 75th percentile. The pay ratios are then calculated by comparing total remuneration for these three employees against our CEO 'single figure' total remuneration.

	Methodology	25 th percentile	50 th percentile	75 th percentile
FY 2023	A	36:1	27:1	22:1
FY 2022*	A	121:1	90:1	73:1
FY 2021	A	103:1	81:1	67:1
FY 2020	A	48:1	37:1	31:1
FY 2019	A	57:1	44:1	37:1
FY 2018**	C	85:1	67:1	57:1

- Calculations for the workforce exclude severance pay, notice pay, SIP repayments, fractional share payments, SAR payments and relocation expenses.
 - The calculations for the workforce exclude the value of the defined benefit pension plan due to the difficulty of calculating these figures for our complex historical pension arrangements.
 - Calculations of sales bonus for a small number of the workforce reflect an estimate at the time of the calculation of the ratio. The actual amounts paid to these employees will be finalised in March 2024 and the ratio will be updated in next year's report to reflect the actual amounts paid.
 - Calculations for the workforce include amounts granted under the Restricted Share Plan and Free Share Plan. Unlike the PSP these figures will not be restated at vesting.
 - Excludes Non-Executive Directors, contractors and employees who left during the relevant year.
 - New starters, part-time employees and employees on long-term sick and maternity are included; their salary has been amended to reflect a full-time and full-year salary.
- * The ratio for 2022 has been restated. This is to reflect the updated CEO 'single figure' total remuneration for 2022, which was due to the 2022 PSP award being updated to reflect the actual share price at vesting. Where relevant PSP calculations for the workforce have also been updated on the same basis. Annual bonus amounts for the workforce have also been updated to reflect the actual amounts paid in March 2023.
- ** The CEO pay ratio for 2018 was calculated using Option C, which enabled us to calculate, on an indicative basis, the total remuneration packages of three individual UK employees at the 25th, 50th and 75th percentile. Option C was used in 2018 because the full administrative process to enable us to calculate the equivalent total remuneration for UK employees was not in place.

Employee total remuneration

	Actual base salary 2023	Total remuneration 2023
75 th percentile	£54,791	£61,142
50 th percentile	£47,718	£49,357
25 th percentile	£35,714	£37,490

The CEO pay ratio is calculated based on the total remuneration payable to the CEO, which could include payments under the senior annual Bonus Plan and PSP. The outcomes of these elements are directly linked to performance, with the value of the PSP also incorporating share price growth. It is therefore expected that the ratios will fluctuate significantly year-on-year to reflect Croda's performance. In respect of the 2023 figures, as the senior annual Bonus Plan did not pay out and the PSP has paid out at a lower level, from 100% in 2022 to 37.1% in 2023, the ratio has decreased significantly.

D. Directors' remuneration for the year ended 31 December 2023 – Audited information

In this section

1. Directors' remuneration for the year ended 31 December 2023
2. Pension
3. Payments for cessation of office
4. Payments to past Directors
5. Transition of Chief Financial Officer
6. Share interests
7. Performance graph
8. 10-year remuneration figures for Group Chief Executive
9. Board Chair and other Non-Executive Directors' fees 2023 and 2024
10. Non-Executive Directors' remuneration
11. Service contracts and outside interests
12. Remuneration Committee attendance and advisers
13. Other disclosures
14. Statement of voting

1. Directors' remuneration for the year ended 31 December 2023

	Steve Foots		Louisa Burdett		Jez Maiden ¹	
	2023	2022	2023	2022	2023	2022
Salaries	£745,116	£716,457	£520,000	-	£214,114	£494,108
Benefits ²	£25,969	£22,402	£22,999	-	£9,642	£20,064
Pension supplement ³	£149,023	£143,291	£104,000	-	£42,823	£98,822
Total fixed pay	£920,108	£882,150	£646,999	-	£266,579	£612,994
Annual bonus	-	£1,074,686	-	-	-	£617,635
Long-term incentives ^{4A-B}	£415,186	£2,195,327	-	-	£161,996	£1,177,553
Other ⁵	£3,236	£3,117	-	-	£889	£6,335
Total variable pay	£418,422	£3,273,130	-	-	£162,885	£1,801,523
Single total figure of remuneration	£1,338,530	£4,155,280	£646,999	-	£429,464	£2,414,517

1. Jez Maiden retired from the Company on 31 May 2023. His salary, benefits and pension supplement were paid up until the date of his departure and these values have been included in the table above. His PSP award granted in March 2021 which reached the end of its performance period on 31 December 2023, was pro-rated to reflect the period during which he was employed. This pro-rated amount is included in the table above.

2. Benefits include company car or cash allowance, private medical insurance and private fuel and travel allowances.

3. This represents the 20% of salary supplement.

4. A. The PSP awards granted in March 2021 reached the end of their performance period on 31 December 2023. The awards will vest at 37.1% of maximum (see page 122). The values included in the table above are based on the three-month average price to 31 December 2023 of 4582.6p. This is 27.1% lower than the share price at grant, and therefore no value is attributable to share price growth. These values will be updated in next year's Annual Report based on the share price at vesting which will take place on 24 March 2024.

B. The PSP award included in the 2022 single figure (the 2020-22 PSP award) has been updated to reflect the actual share price at vesting of 6962p. Of these values, £675,279 and £362,216 is attributable to share price growth for Steve Foots and Jez Maiden, respectively.

5. Represents the value received in the year from participation in all-employee share schemes. Steve Foots and Jez Maiden received 33 and 14 matching shares respectively as part of the Share Incentive Plan (SIP) with a transaction value of £1,855 and £889. Steve Foots also participated in the 2023 Sharesave Scheme and was granted 139 shares at a discounted rate of 3977p. The share price on the date of grant was 4970.5p representing a 20% discount.

Annual bonus

The annual bonus for Executive Directors in 2023 was calculated by reference to profit and safety performance. In line with our well established practice, profit targets were set based on the amount by which the profit for the year exceeded the profit for 2022 (the 'Bonusable Profit'). Bonusable Profit is focused on operational profitability based on Group EBITDA, and, consistent with last year, was adjusted for the divestment of our PTIC business and the lipid system sales for our principal Covid-19 vaccine contract.

	Threshold target	Maximum target	Actual	Bonus outcome (% of maximum)
Bonusable Profit (90% weighting)	£444.3m	£488.8m	£341.1m	0%
ESG metric (10% weighting)	<p>Safety measure in relation to the whole population of eligible employees, and the extent to which the population:</p> <ol style="list-style-type: none"> 1. Completes one specifically defined SHE leadership behaviour objective. 2. Completes specified face to face (or virtual) safety training. 3. Completes and documents one safety focused visit and conversation to demonstrate safety is a value through organisation engagement and risk management. <p>Payment schedule to be 100% pay-out if 98% of eligible employees complete all three tasks and 50% pay-out if 95% of eligible employees complete all three tasks. For clarity this is not an individual measure – if less than 95% of eligible employees complete the three tasks no payment to any employee will be made.</p>			<p>Safety training completed by 98% of eligible employees. Continued reporting of progress against the other safety tasks.</p>
<p>Notwithstanding the out-turn in relation to the safety measure, considering the overall financial performance in the year, it was recommended by management and supported by the Committee that no annual bonus would be payable for 2023.</p>				
	Final outcome for 2023			0%

While not applicable for 2023, the Remuneration Committee has discretion to reduce (including to zero) the amount of any payment under the scheme if it considers the safety, health or environment (SHE) performance is in serious non-compliance with the Croda SHE policy statement, document of minimum standards. In addition, the Committee can also reduce any payment (including to zero) if it considers the underlying business performance of the Company is not sufficient to support the payment of any bonus. The Committee also applies the Discretion Framework, a rigorous framework for the application of judgement and discretion, when reviewing awards (see page 114).

Remuneration Committee report continued

PSP

PSP awards vesting in March 2024

The PSP awards granted in March 2021 reached the end of their three-year performance period on 31 December 2023.

Measure	Weighting	Threshold	Maximum	Actual performance	Out-turn (% of max element)
Relative TSR versus bespoke peer group ¹	35%	Median (50 th percentile)	Upper quartile (75 th percentile)	Below Median	0%
Adjusted annual average EPS growth over three years ²	35%	5% p.a.	11% p.a.	5.6% p.a.	32%
NPP	15%	NPP sales to grow at twice the rate of non-NPP, subject to overall positive Group profit growth and a minimum average of 3% NPP growth per year, with payments being made on a sliding scale up to 5% growth per year.		NPP sales 3.3x non-NPP sales and overall NPP growth of 53%	100%
Sustainability Climate Positive metric	7.5%	Reduction target specifically aimed at scope 1 emissions and aligned with our external commitment to achieve a Science Based Target (SBT) in line with a 1.5°C pathway. Over the three-year PSP performance period the target was a 12.6% reduction (average of 4.2% per year) compared to verified emissions ³ in 2020 with any award paid in defined ranges between: <ul style="list-style-type: none"> a reduction of 12.6% and above award of 7.5% (maximum) a reduction of 6.2% and below no award (0%). 		15.6% reduction	100%
Sustainability Land Positive metric	7.5%	Key target for 2030 is that we will save more land than we use. For the three-year PSP performance period we set annual targets for land area saved, with a target in 2023 of 56,750 ha of additional land saved over that in the 2019 baseline year with any award paid in defined ranges between: <ul style="list-style-type: none"> 56,750 ha or above award of 7.5% (maximum) below 35,600 ha no award (0%). 		58,815 ha additional land saved	100%
Overall outturn before consideration of EVA underpin and Discretion Framework					41.2%
Adjustment – EVA underpin and Discretion Framework – see commentary below					(10)%
Final out-turn					37.1%

1. TSR peer group constituents: AzkoNobel, Albermarle, Ashland, BASF, Clariant, Eastman Chemicals, Elementis, Evonik Industries, Givaudan, Johnson Matthey, Kemira, Lanxess, Novozymes, Solvay, Symrise, Synthomer, Victrex. Koninklijke DSM has been excluded following delisting in May 2023.

2. EPS growth p.a. is calculated on a simple average basis over the three-year period. The calculation of the EPS growth has been adjusted for the divestment of the majority of the PTIC business.

3. Emissions in 2020 were independently verified by Avieco.

The PSP awards granted in March 2021 were subject to an EVA underpin such that an improvement in EVA over the three-year PSP performance period was required. In circumstances where the underpin is not achieved, the underpin operates such that the Committee considers an appropriate reduction (including to nil) to the vesting of awards. In certain circumstances, the Committee retains the right not to apply discretion.

The EVA in respect of 2023 did not exceed EVA in 2020 (the year prior to the start of the performance period). The Committee therefore considered the level of reduction to apply to the PSP vesting outcome.

In relation to the EVA underpin, the Committee took into account the following:

- Consideration of the various factors which had impacted EVA performance over the period, which included both business performance as well as external factors such as market challenges, interest rate increases and their impact on the notional cost of capital in the EVA calculation.
- The degree to which the overall PSP vesting outcome had already been impacted, in particular through the TSR and EPS metrics which align to shareholder value and profitability. The TSR outcome was zero, and the Adjusted EPS outcome was at threshold. These measures together comprised 70% of the award, and therefore overall vesting had already been significantly impacted by the downturn in performance in the final year of the performance period.

- That on an aggregate basis, EVA over the performance period was significantly positive.

As part of its deliberations the Committee also took into account the Discretion Framework where a range of factors are considered to ensure payout is consistent with and reflective of overall performance over the period. Our PSP performance framework includes consideration of both financial performance, as well as innovation and sustainability, which are key drivers to Croda's long term strategic success. The Committee noted the strong performance in innovation via NPP performance, and in relation to sustainability, the land savings, and the specific actions that have contributed to a reduction in our Scope 1 emissions. However the Committee also recognised that the outturn against the emissions targets had benefitted from the lower volumes in the year.

Taking into account both the EVA underpin and the Discretion Framework, it was considered that a downwards adjustment of 10% was appropriate, reducing the overall PSP vesting outcome from 41.2% to 37.1%.

Overall, considering the adjustments to both the annual bonus and PSP out-turns, the Committee is satisfied that incentive outcomes are reflective of overall performance.

The forecast vesting value of the awards made in March 2021 is included in the 2023 single figure table on page 120. Any shares vesting will be subject to a two-year holding period.

Gains made on exercise of share options and PSP

The gains are calculated according to the market price of Croda International Plc ordinary shares on the date of exercise, although the shares may have been retained.

Executive Director	Exercise date	Shares exercised	Scheme	Exercise price	Market price	Gain (before tax)
Steve Foots	02 May-23	31,533	PSP	0p	6962p	£2,195,327
	14 Mar-22	26,779	PSP	0p	6904p	£1,848,822
	14 Mar-22	2,526	DBSP	0p	6904p	£174,395
	06 Dec-22	138	Sharesave	3898p	6968p	£4,237
Jez Maiden	02 May-23	16,914	PSP	0p	6962p	£1,177,553
	13 Jun-23	72	Sharesave	5509p	5510p	£1
	14 Mar-22	13,851	PSP	0p	6904p	£956,273
	14 Mar-22	1,449	DBSP	0p	6904p	£100,039
	01 Nov-22	230	Sharesave	3898p	6758.2p	£6,579

PSP awards granted in 2023

Executive Director	Number of PSP shares awarded	Basis of award granted (% of salary)	Face/maximum value of awards at grant date ¹	% of award vesting at threshold (maximum)	Performance period
Steve Foots	26,674	225%	1,676,461	27% (100%)	01.01.23 – 31.12.25
	2,691	25%	186,271	27% (100%)	01.01.23 – 31.12.25
Louisa Burdett	14,478	175%	909,942	27% (100%)	01.01.23 – 31.12.25
	1,878	25%	129,995	27% (100%)	01.01.23 – 31.12.25

1. Face value/maximum value is calculated based on a share price of £62.85 and £69.22, being the average mid-market share price of the three dealing days prior to the date of the grants.

The 2023 PSP awards were granted in two installments. The first grant of 225% and 175% of salary for Steve Foots and Louisa Burdett, respectively, was made on 17 March 2023 at the same time as awards for other employees. Following the approval of the Directors' Remuneration Policy at the 2023 AGM, which included an increase to the maximum PSP of 25% of base salary for both Steve Foots and Louisa Burdett a further grant of 25% of salary was made on 2 May 2023.

The 2023 PSP awards are subject to a performance condition which is split into three parts: 35% EPS, 35% TSR, and 30% sustainability metrics, including NPP. Performance targets were disclosed in full last year, see page 112 of our Annual Report and Accounts 2022. Vesting will take place on a sliding scale. A ROIC underpin applies across the entire award, also detailed on page 112 of our Annual Report and Accounts 2022.

Any shares vesting will be subject to a two-year holding period.

Jez Maiden retired in 2023 and as such was not granted a PSP award for 2023. Louisa Burdett will forfeit this award considering her resignation.

All-employee share plans

Executive Directors are invited to participate in the HMRC tax-approved UK Sharesave Scheme and the Croda Share Incentive Plan (SIP) in line with, and on the same terms as, the wider UK workforce.

SIP

Details of shares purchased and awarded to Executive Directors under the SIP are shown in the table below. A brief description of the SIP is set out in note 23 on page 193.

Executive Director	SIP shares held 01.01.23	Partnership shares acquired in year	Matching shares awarded in year	Total shares 31.12.23*	SIP shares that became unrestricted in the year	Total unrestricted SIP shares held at 31.12.23
Steve Foots	5,892	33	33	5,958	52	5,662
Jez Maiden*	541	14	14	0	576	0

There have been no changes in the interests of any Director between 31 December 2023 and the date of this report, except for the purchase of five SIP shares and the award of five matching shares by Steve Foots during January and February 2024. Jez Maiden was not eligible to remain in the SIP after his retirement and therefore holding at the end of 2023 was nil. As Louisa Burdett had under one year of service through 2023 she was not eligible to participate in the SIP.

* Jez Maiden also had seven additional shares acquired through the Dividend Reinvestment Plan.

Remuneration Committee report continued

Sharesave

Details of awards made under the UK Sharesave Scheme are set out below:

Date of grant	Earliest exercise date	Expiry date	Face value*	Exercise price	Number at 01.01.23	Granted in year	Exercised in year	Cancelled in year	Number at 31.12.23
Steve Foots									
10 September 2020	01 November 2023	30 April 2024	£6,724	4804p	112	–	–	–	112
16 September 2021	01 November 2024	30 April 2025	£8,975	7327p	98	–	–	–	98
15 September 2022	01 November 2025	30 April 2026	£6,748	5509p	98	–	–	–	98
14 September 2023	01 November 2026	30 April 2027	£6,909	3977p	–	139	–	–	139
					308	139	–	–	447
Jez Maiden									
15 September 2022	01 November 2025	30 April 2026	£22,448	5509p	326	–	72	254	–
					326	–	72	254	–

During 2023, the highest mid-market price of the Company's shares was 7200.58p and the lowest was 4072p. The year-end closing price was 5050p. The year-end mid-market price was 5073p.

* Face value is calculated using the market value on the day before the date of grant, multiplied by the number of shares awarded.

2. Pension

The pension rights that accrued during the year in line with the policy on such benefits as set out in the Policy Report were as follows:

Executive Director	Normal retirement date under the CPS	Total accrued pension at 31.12.23 (p.a.)	Single remuneration pension figure 2023	Single remuneration pension figure 2022	Single remuneration pension figure 2023 excluding supplement
Steve Foots	14 September 2033	£143,041	£149,023	£143,291	–
Louisa Burdett	N/A	–	£104,000	–	–
Jez Maiden	N/A	–	£42,823	£98,822	–

* Neither Steve Foots, Jez Maiden or Louisa Burdett were active members of the Croda Pension Scheme in 2023 or 2022.

Croda has a number of different pension plans in the countries in which we operate. Pension entitlements for Executive Directors are tailored to local market practice, length of service and the participant's age. In 2016, a Career Average Revalued Earnings (CARE) scheme was introduced with a cap applied to pension benefits; at this time the cap was set at £65,000. The cap is increased each year in line with inflation, and from April 2024 will be £80,445. Employees who earn in excess of the pension cap or who cannot be members of the plan due to tax limitations receive a pension supplement. For Executive Directors this supplement is up to 20% of salary in line with the wider UK workforce.

Steve Foots' historic pension provision

Steve Foots was a member of the Croda Pension Scheme up to 31 January 2021. Steve Foots accrued pension benefits under the Croda Pension Scheme up to this date with a CARE accrual rate of 1/60th and an entitlement to retire at age 60. From 6 April 2011 onwards, pension benefits accruing were based on a capped salary. This cap was £187,500 until April 2014 at which point it reduced to £150,000, and due to annual allowance regulations and changes to the pension scheme, reduced to £37,500 in April 2016 (reduced from the scheme cap of £65,650 due to annual allowance regulations) and reduced again in April 2020 to £15,000 following new annual allowance regulations. If Steve Foots retires before the age of 60, a reduction will be applied to the element of his pension accrued before 6 April 2006, unless he is retiring at the Company's request. In the event of death, a pension equal to two thirds of the Director's pension would become payable to the surviving spouse. Steve Foots' pension in payment is guaranteed to increase in line with the rate of inflation up to a maximum of 10% per annum for benefits accrued before 6 April 2006, and in line with inflation up to a maximum of 2.5% per annum for benefits accrued from 6 April 2006 onwards.

Steve Foots is entitled to death-in-service benefits from an Excepted Life Policy. Steve Foots elected to opt out of the Croda Pension Scheme from 31 January 2021 and therefore only now receives a pension supplement of 20% of salary.

Louisa Burdett's pension provision

Louisa Burdett elected not to join the Croda Pension Scheme and was therefore paid a pension supplement of 20% of salary in 2023. She is entitled to death-in-service benefits from an Excepted Life Policy.

Jez Maiden's pension provision

Jez Maiden elected not to join the Croda Pension Scheme and was therefore paid a pension supplement of 20% of salary in 2023. He was entitled to death-in-service benefits from an Excepted Life Policy.

3. Payments for cessation of office

There were no payments for loss of office during the year under review.

4. Payments to past Directors

Jez Maiden retired as Group Finance Director of Croda in 2023. Remuneration arrangements in relation to his leaving were disclosed in full last year, see page 134 of our Annual Report and Accounts 2022. Payments made in respect of 2023 are included in the single figure table on page 120.

There were no other payments to past Directors during the year under review.

5. Transition of Chief Financial Officer

Louisa Burdett will leave the Company in June 2024 by way of resignation. As such she will not be entitled to a senior annual Bonus Plan award or PSP award for 2024. Any existing PSP awards will also lapse.

6. Share interests

The interests of the Directors who held office at 31 December 2023 are set out in the table below:

	Legally owned ¹		SIP					Total 31.12.23*	% of salary held under shareholding guideline
	31.12.22	31.12.23	PSP (unvested)	DBSP (unvested)	Sharesave (unvested)	Restricted	Unrestricted		
Executive Director									
Steve Foots	188,756	205,438	75,436	10,552	335	296	5,662	297,719	>250% target
Louisa Burdett ²	–	–	16,356	–	–	–	–	16,356	<200% target
Jez Maiden ³	23,296	24,744	24,712	–	–	–	576	50,032	>175% target
Non-Executive Director									
Roberto Cirillo	–	–	–	–	–	–	–	–	–
Jacqui Ferguson	76	76	–	–	–	–	–	76	–
Anita Frew	9,425	9,425	–	–	–	–	–	9,425	–
Helena Ganczakowski ⁴	361	361	–	–	–	–	–	361	–
Chris Good ⁵	–	–	–	–	–	–	–	–	–
Julie Kim	60	60	–	–	–	–	–	60	–
Keith Layden	60,339	60,339	–	–	–	–	–	60,339	–
Nawal Ouzren	–	–	–	–	–	–	–	–	–
John Ramsay	2,836	2,836	–	–	–	–	–	2,836	–

1. Including connected persons.

2. Louisa Burdett appointed 1 January 2023, holding on appointment Nil.

3. Jez Maiden retired on 31 May 2023 and his holding is shown as of his date of departure.

4. Helena Ganczakowski retired on 26 April 2023.

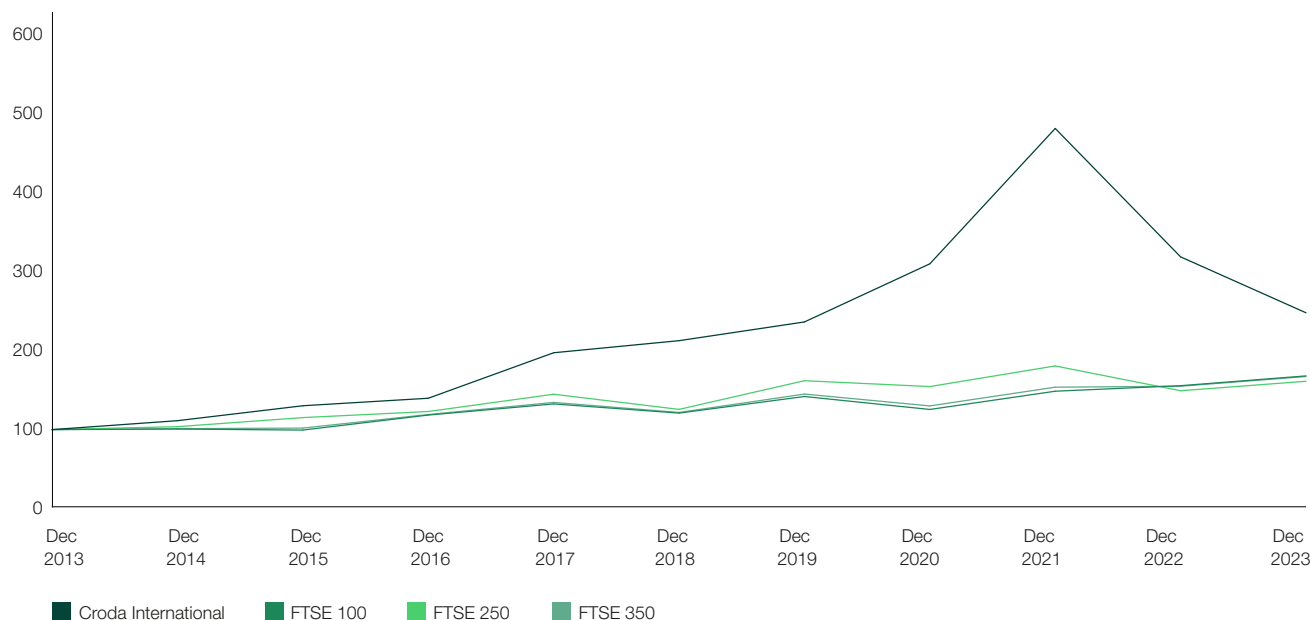
5. Chris Good appointed 27 April 2023, holding on appointment Nil.

* Danuta Gray was appointed to the Board on 1 February 2024 and held 900 shares at 31 December 2023.

Post-employment shareholding requirements also apply for two years after leaving employment. The policy applies to shares from awards that vest from 2020. From adoption of the 2023 policy, the post-employment shareholding requirements will be set at 100% of the in-employment guideline to be retained for the entire two-year period following leaving. The Committee is implementing structures to ensure that post-employment shareholding requirements are adhered to, via a restricted share dealing third party nominee account.

7. Performance graph (unaudited information)

10-year Total Shareholder Return chart



Source: Refinitiv Datastream

8. 10-year remuneration figures for Group Chief Executive (unaudited information)

The total remuneration figure includes the annual bonus and long-term incentive awards which vested based on performance in those years. The annual bonus and long-term incentive award percentages show the pay-out for each year as a percentage of the maximum.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total remuneration (£)	769,414	1,374,046	2,404,441	3,570,251	3,311,700	1,693,242	1,543,377	3,719,864	£4,155,280	£1,338,530
Annual bonus (%)	0%	76.4%	100%	78.4%	36.2%	0%	0%	100%	100%	0%
Long-term incentives vesting (%)	0%	0%	43%	100%	100%	56.2%	40%	97.4%	100%	37.1%

The 2022 total remuneration figure has been updated to reflect the value of the 2022 PSP award at vesting.

9. Board Chair and other Non-Executive Directors' fees 2023 and 2024 (unaudited information)

The fees paid to the Non-Executive Directors (including chairing of Committees) and to the Senior Independent Director were reviewed in January 2024 and increased by 3%, in line with the Executive Directors and the general increase for our UK employees. These changes took effect from 1 January 2024. The revised fee structure for the Board Chair and other Non-Executive Directors for 2024 is detailed below.

Position	2023 fee £	2024 fee £
Board Chair (all-inclusive fee) – Anita Frew ¹	331,868	425,000
Board Chair (all-inclusive fee) – Danuta Gray ²	-	425,000
Non-Executive Director base fee	69,749	71,841
Additional fees		
Senior Independent Director	11,588	11,936
Committee Chairs (Audit, Remuneration and Sustainability Oversight ³)	16,875	17,381

1. Anita Frew will step down from the Board following the 2024 AGM, to be held on 24 April 2024.

2. Danuta Gray will receive a fee of £71,841 for her services as a non-executive director and Chair designate from 1 February 2024. Following her appointment as Chair on 24 April 2024, her fee will increase to a total of £425,000 per annum.

3. Sustainability Oversight Committee formed 1 January 2024.

10. Non-Executive Directors' remuneration

The remuneration of Non-Executive Directors for the year ended 31 December 2023 payable by Group companies is detailed below; this table reflects actual payments in 2023.

		Non-Executive Director fees £	Benefits ¹ £	Total £
Anita Frew	2023	331,868	2,069	333,937
	2022	319,104	4,030	323,134
Helena Ganczakowski²	2023	26,278	998	27,276
	2022	89,025	1,537	90,562
Jacqui Ferguson²	2023	94,483	2,574	97,057
	2022	72,475	3,090	75,565
Roberto Cirillo	2023	69,749	2,162	71,911
	2022	67,066	5,157	72,223
Keith Layden	2023	69,749	331	70,080
	2022	67,066	4,311	71,377
John Ramsay	2023	86,624	542	87,166
	2022	83,291	6,569	89,860
Julie Kim³	2023	69,749	763	70,512
	2022	61,477	3,055	64,532
Nawal Ouzren⁴	2023	69,749	514	70,263
	2022	61,477	2,121	63,598
Chris Good⁵	2023	47,036	1,323	48,359
	2022	–	–	–

- The benefits relate to Directors undertaking business travel on behalf of Croda and ensuring the Directors are not out of pocket for related tax.
- Helena Ganczakowski was replaced by Jacqui Ferguson as the Chair of the Remuneration Committee on 1 September 2022 and the fees for both were pro-rated accordingly. Helena Ganczakowski stepped down from the Board on 26 April 2023.
- Julie Kim was appointed to the Board on 1 September 2021 and voluntarily decided to waive her fees for 2021 and January 2022.
- Nawal Ouzren was appointed to the Board on 1 February 2022.
- Chris Good was appointed to the Board on 27 April 2023.

Non-Executive Directors' appointment

The effective dates of the letters of appointment for the Board Chair and each Non-Executive Director who served during 2023 are shown in the table below:

Non-Executive Director	Original appointment date	Expiry date of current term
Anita Frew ¹	05 March 2015	24 April 2024
Roberto Cirillo	26 April 2018	26 April 2024
Jacqui Ferguson	01 September 2018	01 September 2024
Helena Ganczakowski ²	01 February 2014	26 April 2023
Julie Kim	01 September 2021	01 September 2024
Keith Layden	01 May 2017	01 May 2024
Nawal Ouzren	01 February 2022	01 February 2025
John Ramsay	01 January 2020	01 January 2026
Chris Good	27 April 2023	27 April 2026

- Anita Frew will step down from the Board following the 2024 AGM, to be held on 24 April 2024.
- Helena Ganczakowski stepped down from the Board on 26 April 2023.

Remuneration Committee report continued

11. Service contracts and outside interests (unaudited information)

The Executive Directors have service contracts as follows:

Executive Director	Contract date	Termination provision
Steve Foots	16 September 2010	by the Company 12 months, by the Director 6 months
Louisa Burdett	08 November 2022	by the Company 12 months, by the Director 6 months

External directorships

Executive Directors are permitted to accept external appointments with the prior approval of the Board. It is normal practice for Executive Directors to retain fees provided for Non-Executive roles. Louisa Burdett is a Non-Executive Director of RS Group. Jez Maiden was appointed as a Non-Executive Director of Intertek Group in May 2022.

12. Remuneration Committee attendance and advisers (unaudited information)

The following Directors served as members of the Committee during 2023:

- Jacqui Ferguson (Chair)
- Helena Ganczakowski (until she stepped down from the Board)
- Roberto Cirillo
- John Ramsay
- Julie Kim
- Nawal Ouzren
- Chris Good (from appointment)

In addition, the Committee invites individuals to attend meetings to ensure that decisions are informed and take account of pay and conditions in the wider Group. During 2023, invitees included other Directors and employees of the Group and the Committee's advisers, including Anita Frew (Chair), Steve Foots (Group Chief Executive), Louisa Burdett (Chief Financial Officer), Jez Maiden (former Group Finance Director), Keith Layden (Non-Executive Director), Michelle Lydon (President – Human Resources), Tracy Sheedy (former Group HR Director), Tom Brophy (Group General Counsel, Company Secretary and President Sustainability) and Laura Dobson (Deputy Company Secretary).

Attendees at Committee meetings are excluded from discussions that determine their own remuneration.

See page 88 for details of attendance at meetings during the year.

Remuneration Committee advisers (unaudited information)

Deloitte LLP were retained as the appointed adviser to the Committee for the whole of 2023 having been appointed in October 2017, following a tender and selection process led by the Chair and including Committee members. As well as providing advice in relation to Executive remuneration and Non-Executive fees, Deloitte LLP also provide advice to the Group in relation to global employer services, global business tax services, indirect tax and M&A.

Deloitte LLP is a signatory to the Remuneration Consultants Group Code of Conduct. The lead engagement partner has no other connection with the Company or individual Directors. The total fees paid to Deloitte LLP for its services during the year in relation to Executive remuneration and Non-Executive fees were £88,480 (excluding VAT). The Committee regularly reviews the external adviser's relationship and is comfortable that the advice it is receiving remains objective and independent.

13. Other disclosures (unaudited information)**Percentage change in remuneration levels**

The following chart shows the movement in salary/fees, benefits and annual bonus for each of the Group's Directors between the current and previous financial year compared with that of the average employee of the Group's Parent Company. The movement for the average UK employee is also provided for additional reference given the small number of employees employed by the Group Parent Company.

		% change in salary/fees	% change in benefits ¹	% change in bonus ^{2,3}
Average employee of the Group's parent Company ⁴	2023	1.55%	-3.56%	-100.00%
	2022	6.46%	27.95%	5.46%
	2021	-5.12%	-25.04%	–
	2020	3.66%	-0.06%	0.00%
Average UK employee ⁴	2023	8.34%	29.32%	-99.78%
	2022	5.54%	46.21%	17.32%
	2021	0.68%	-8.63%	–
	2020	3.43%	-3.27%	27.96%
Executive Directors				
Steve Foots	2023	4.00%	15.92%	-100.00%
	2022	5.00%	-10.17%	5.00%
	2021	1.00%	-25.87%	–
	2020	2.00%	0.50%	0.00%
Louisa Burdett ⁵	2023	–	–	–
	2022	–	–	–
	2021	–	–	–
	2020	–	–	–

Jez Maiden ⁶	2023	-56.67%	-51.94%	-100.00%
	2022	5.00%	-0.31%	5.00%
	2021	1.00%	0.04%	-
	2020	2.00%	2.29%	0.00%
Non-Executive Directors				
Dame Anita Frew DBE	2023	4.00%	-48.65%	-
	2022	5.00%	-	-
	2021	1.00%	-	-
	2020	2.00%	-100.00%	-
Helena Ganczakowski ^{7,8,9}	2023	-70.48%	-35.08%	-
	2022	-1.01%	-	-
	2021	4.84%	-	-
	2020	11.41%	-100.00%	-
Keith Layden	2023	4.00%	-92.32%	-
	2022	5.00%	-	-
	2021	1.00%	-	-
	2020	2.00%	-100.00%	-
Roberto Cirillo	2023	4.00%	-58.08%	-
	2022	5.00%	-	-
	2021	1.00%	-	-
	2020	2.00%	-100.00%	-
Jacqui Ferguson ⁸	2023	30.37%	-16.69%	-
	2022	13.47%	-	-
	2021	1.00%	-	-
	2020	2.00%	-100.00%	-
John Ramsay ^{7,10}	2023	4.00%	-91.74%	-
	2022	5.00%	-	-
	2021	7.50%	-	-
	2020	-	-	-
Julie Kim ¹¹	2023	13.45%	-75.03%	-
	2022	-	-	-
	2021	-	-	-
	2020	-	-	-
Nawal Ouzren ¹²	2022	13.45%	-75.78%	-
	2022	-	-	-
	2021	-	-	-
	2020	-	-	-
Chris Good ¹³	2023	-	-	-
	2022	-	-	-
	2021	-	-	-
	2020	-	-	-

1. The benefits for Non-Executive Directors relate to the undertaking of business travel on behalf of Croda and ensuring the Directors are not out of pocket for related tax. No taxable business travel expenses were claimed by Non-Executive Directors in 2020 due to the COVID-19 pandemic and therefore there are no comparable figures to give a % change in 2021. In 2022, Non-Executive Directors travel returned to pre-pandemic levels, however, reflective of the low levels of travel in the prior year, the % change figures are not meaningful. These are 35,311% for Dame Anita Frew DBE, 471% for Roberto Cirillo, 1,726% for Jacqui Ferguson, 238% for Helena Ganczakowski, 4,744% for Keith Layden, 727% for John Ramsay and -73% for Julie Kim. For a full breakdown of the benefits for non-Executive Directors see page 127.

2. Bonus including annual bonus, DBSP and sales bonus.

3. The senior annual Bonus Plan and Croda Europe Discretionary Bonus Scheme did not pay out for 2019 or 2020 and therefore there is no comparable figure to give a % change in 2021 for Executive Directors or the Average employee of the Group's parent Company. For the Average UK employee, the % change in 2020 relates to only a small number of employees who received a sales bonus. As the senior annual Bonus Plan and Croda Europe Discretionary Bonus Scheme paid out in full for 2021, the bonus received by the Average UK employee in 2021 is significantly higher and as such the % change is not meaningful.

4. Excluding Executive Directors and Non-Executive Directors.

5. Louisa Burdett appointed 1 January 2023.

6. Jez Maiden retired from the Company on 31 May 2023. His salary and benefits were paid up until the date of his departure.

7. In 2020 Helena Ganczakowski was appointed as the Senior Independent Director and John Ramsay was appointed as the Chair of the Audit Committee. Their fees were pro-rated accordingly.

8. Helena Ganczakowski was replaced by Jacqui Ferguson as the Chair of the Remuneration Committee on 1 September 2022 and the fees for both were pro-rated accordingly.

9. Helena Ganczakowski stepped down from the Board on 26 April 2023.

10. John Ramsay was appointed to the Board on 1 January 2020 and therefore has no comparable remuneration figures for 2019.

11. Julie Kim was appointed to the Board on 1 September 2021 and voluntarily decided to waive her fees for 2021 and January 2022, she therefore has no comparable remuneration figures for 2020 or 2021.

12. Nawal Ouzren was appointed to the Board 1 February 2022 and therefore has no comparable remuneration figures for 2021.

13. Chris Good was appointed to the Board 27 April 2023 and therefore has no comparable remuneration figures for 2022.

Remuneration Committee report continued

Relative importance of the spend on pay

The chart below shows the movement in spend on staff costs versus that in dividends and adjusted profit after tax.



1. Employee remuneration costs, as stated in the notes to the Group accounts on page 170. These comprise all amounts charged against profit in respect of employee remuneration for the relevant financial year, less redundancy costs and share-based payments, both of which can vary significantly from year to year.
2. Dividends are the amounts payable in respect of the relevant financial year.
3. Adjusted profit after tax is profit for the relevant year adjusted for exceptional items, acquisition costs, amortisation of intangible assets arising on acquisition and the tax thereon.

14. Statement of voting (unaudited information)

Number of votes	Remuneration Policy 2023 AGM		Annual Report on Remuneration 2023 AGM	
	number of votes	% of votes	number of votes	% of votes
Votes cast in favour	108,740,593	94.16%	111,790,609	96.80%
Votes cast against	6,741,782	5.84%	3,691,283	3.20%
Total votes cast	115,482,375	100%	115,481,892	100%
Withheld	42,225		42,708	

I will be available at the AGM to respond to any questions shareholders may raise on the Committee’s activities.

On behalf of the Board

Jacqui Ferguson

Chair of the Remuneration Committee

E. Summary of the Remuneration Policy

An updated Remuneration Policy was presented and approved by shareholders at the 2023 AGM. It is intended that this will operate until the AGM in 2026. The full Remuneration Policy can be found on pages 113 to 121 of our Annual Report & Accounts 2022.

Remuneration Policy table

The table below sets out the main components of Croda's Remuneration Policy for Executive Directors:

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
Basic salary – to assist in the recruitment and retention of high-calibre Executives		
<p>Normally reviewed annually with increases effective from 1 January. Base salaries will be set by the Committee, considering:</p> <ul style="list-style-type: none"> • The performance and experience of the individual concerned • Any change in scope, role and/or responsibilities • Pay and employment conditions elsewhere in the Group • Rates of inflation and market-wide wage increases across international locations • The geographical location of the Executive Director • Rates of pay in relevant sector and pan-sector companies of a comparable size and complexity. 	<ul style="list-style-type: none"> • Salaries may be increased each year in percentage of salary terms. • The Committee will be guided by the salary increase budget set in each region and across the workforce generally. • Increases beyond those linked to the region of the Executive Director or the workforce as a whole (in percentage of salary terms) may be awarded by the Committee at its discretion. For example, where there is a change in responsibility, experience or a significant increase in the scale of the role and/or size, value or complexity of the Group. • The Committee retains the flexibility to set the salary of a new hire at a discount to the market level initially, and to implement a series of planned increases in subsequent years, in order to bring the salary to the desired positioning, subject to individual performance. 	<ul style="list-style-type: none"> • The Committee considers individual salaries taking due account of the relevant factors set out in this Policy, which includes individual performance.

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
Benefits – to provide competitive benefits to act as a retention mechanism and reward service		
<p>The Group typically provides the following benefits:</p> <ul style="list-style-type: none"> • Company car (or cash allowance) • Private fuel allowance • Private health insurance, life assurance and other insured benefits • Other ancillary benefits, including travel reimbursement, relocation expenses/arrangements (including tax thereon) as required. <p>Additional benefits might be provided from time to time (for example in circumstances where an Executive Director is deployed to, or recruited from overseas).</p> <p>The Committee will consider whether the payment of any additional benefits is appropriate and proportionate when determining whether they are paid.</p>	<ul style="list-style-type: none"> • The cost of benefits is not pre-determined and may vary from year to year based on the cost to the Group. 	None.

Remuneration Committee report continued

Performance-related senior annual Bonus Plan – to incentivise and reward delivery of the Group’s key annual objectives and to contribute to longer-term alignment with shareholders

The senior annual Bonus Plan provides for payment of an annual bonus to Executive Directors and other senior employees of the Group, subject to certain performance conditions.

Normally one third of any bonus payable is compulsorily deferred into shares for three years through the Deferred Bonus Share Plan (DBSP).

The Committee has the discretion to permit DBSP awards to benefit from dividends on shares that vest.

The balance of the bonus is paid in cash.

Group Chief Executive: 175% of salary.

Other Executive Director: 150% of salary.

In exceptional circumstances, and only in connection with recruitment, annual awards may be made up to 200% of salary. This maximum does not apply to the incumbent Executive Directors at the time the Policy is approved.

- The majority of the bonus will typically be based on challenging financial targets set in line with the Group’s KPIs (for example profit growth targets).
 - For a minority of the bonus, targets related to other Group measures, such as sustainability, may be included where this is considered appropriate by the Committee.
 - For a profit measure, bonus normally starts to accrue once the threshold target is met, from 0% payable rising on a graduated scale to 100% for outperformance. Were an additional financial KPI metric to be introduced, the amount payable for threshold performance would not exceed 25% of maximum.
 - In relation to any sustainability measure, the structure of the target will vary based on the nature of the target set.
 - The Committee applies a Discretion Framework, which includes health, safety and environmental performance, when determining the actual overall level of individual bonus payments and it may adjust the bonus awards (including potentially reducing to zero) if it considers it appropriate to do so.
 - Bonuses paid are subject to provisions that enable the Committee to recover value overpaid through the withholding of variable pay previously earned or granted (malus) or through requesting a payment from an individual (clawback) in the event of a misstatement of results, an error in assessing the performance conditions, serious misconduct, serious reputational damage or material corporate failure. The provisions will operate for a three-year period following the date on which the bonus is paid.
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Performance Share Plan (PSP) – to incentivise and reward the execution of business strategy over the longer term and to reward sustained growth in profit and shareholder value

The PSP provides for awards of free shares (i.e. either conditional shares or nil-cost options) normally made annually which vest after three years subject to continued service and the achievement of challenging performance conditions.

Shares are subject to a two-year post-vesting holding period.

The Committee has the discretion to permit awards to benefit from the dividends paid on shares that vest.

Normal maximum opportunity of:

- Group Chief Executive: 250% of salary.
- Other Executive Director: 200% of salary.

In exceptional circumstances (e.g. recruitment), awards may be granted up to 300% of salary (e.g. to compensate for value forfeited from a previous employer).

- Granted subject to a blend of challenging financial (e.g. EPS), shareholder return (e.g. relative TSR) and strategic targets (e.g. sustainability). The performance targets may also include an additional underpin (e.g. a ROIC underpin).
 - Targets will normally be tested over three years.
 - In relation to financial targets (e.g. EPS growth and TSR) 25% of awards subject to such targets will vest for threshold performance with a graduated scale operating through to full vesting for equalling or exceeding the maximum performance targets (no awards vest for performance below threshold). In relation to strategic targets or underpin targets, the structure of the target will vary based on the nature of target set (e.g. for milestone strategic targets it may not always be practicable to set such targets using a graduated scale and so vesting may take place in full for strategic targets if the criteria are met in full).
 - Vesting is also dependent on application of the Discretion Framework, including satisfactory underlying financial performance of the Group over the performance period, and the Committee may adjust outcomes (including potentially reducing to zero) if it considers it appropriate to do so.
 - There are also provisions that enable the Committee to recover value overpaid through the withholding of variable pay previously earned or granted (malus) or through requesting a payment from an individual (clawback) in the event of a misstatement of results, an error in assessing the performance conditions, serious misconduct, serious reputational damage or material corporate failure. The provisions will operate for a three-year period following the date on which the PSP awards vest.
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Remuneration Committee report continued

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
<p>All-employee share plans – to encourage retention and long-term shareholding in the Company and to provide all employees with the opportunity to become shareholders in the Company on similar terms</p>		
<p>Periodic invitations are made to participate in the Group’s Sharesave Scheme and Share Incentive Plan.</p> <p>Shares acquired through these arrangements have significant tax benefits in the UK subject to satisfying certain HMRC requirements.</p> <p>The plans can only operate on an all-employee basis.</p> <p>The plans operate on similar terms but on a non-tax favoured basis outside the UK as appropriate.</p> <p>In the event that Croda were to introduce an all-employee plan similar in nature to the current Sharesave and Share Incentive Plan, or where an Executive Director is located overseas, the Committee retains the discretion to allow Executive Directors to participate in all-employee share plans on the same basis as other employees.</p>	<ul style="list-style-type: none"> • In relation to HMRC plans (or equivalent) the maximum participation level is as per HMRC limits. • For any other all-employee plan the maximum opportunity available to Executive Directors will be equivalent to the maximum applying to all employees. 	<ul style="list-style-type: none"> • There are no post-grant targets currently applicable to the Group’s Sharesave and Share Incentive Plan.
<p>Pension – to provide competitive long-term retirement benefits and to act as a retention mechanism and reward service</p>		
<p>Pension benefits are typically provided either through (i) participation in the UK’s defined benefit pension plan with a cash supplement provided above any pension salary cap; or (ii) a cash supplement provided in lieu of pension.</p> <p>In the event an Executive Director is located overseas, the Committee retains the discretion to offer pension benefits in line with local practice.</p> <p>Only basic salary is pensionable.</p>	<ul style="list-style-type: none"> • In line with current pension benefits provided to all UK employees, Career Average Revalued Earnings scheme (CARE) with a maximum 1/60th accrual up to a capped salary plus cash allowance of 20% of salary above the cap; or cash allowance of 20% of salary. • Pension benefits for an overseas Executive Director would be aligned with workforce rates. 	<p>None.</p>
<p>Legacy arrangements</p>		
<p>For the current CEO, and in line with other employees, there is a legacy capped defined benefit pension scheme. While there are no future accruals, the arrangement remains inflation-linked.</p>		