

Remuneration Report

Report of the Remuneration Committee

for the year ended 31 December 2021



“Croda’s remuneration approach plays a key role in the continued achievement of the Group’s strategic objectives and in the delivery of sustainable, profitable growth.”

Dr Helena Ganczakowski
Chair of the Remuneration Committee

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A. Chair’s letter

On behalf of the Board and the Remuneration Committee, I am pleased to present Croda’s Directors’ Remuneration Report for the year ended 31 December 2021. I would like to thank my colleagues for their engagement throughout the year, and to welcome Julie Kim as a new member of the Committee in 2021 and Nawal Ouzren who joined the Committee in February 2022.

The Committee believes that Croda’s remuneration approach plays a key role in the continued achievement of the Group’s strategic objectives and in the delivery of sustainable, profitable growth. In 2019 we reviewed and updated our policy to ensure ongoing alignment

to Croda’s evolving ambition and received 97.6% votes in favour. Last year we were pleased to receive 98.8% votes in favour of the 2020 Remuneration Report.

The Remuneration Committee is not proposing any material changes to the operation of the policy in 2022, being satisfied with both the outcome of the 2019 review and subsequent minor changes made last year.

Continued strong progress

I am pleased to confirm that Croda continues to progress successfully in line with its strategy, with excellent, profitable growth across all sectors. Recent acquisitions have been successfully incorporated, opening up new fast growth markets, and vigorous progress has been made in building the Life Sciences platform. The full year financial results were very strong, with reported sales up 36%, driven by organic growth and acquisitions, and with improving margin driving excellent profit growth.

This pleasing performance was delivered despite the ongoing challenges of COVID-19 where we continued to balance the needs of all our stakeholders while always ensuring the health and safety of our employees. As we reported last year, in managing COVID-19, we have not made anyone redundant or furloughed any employees and have protected pay and benefits, including for those unable to work normally due to the need to self-isolate or work from home. We also provided support for our suppliers and customers, where appropriate, and continued to pay dividends for our shareholders.

Alignment to strategic objectives

Croda’s strategy continues to focus on consistently delivering sustainable, profitable growth by providing innovative, sustainable solutions to our customers consistent with our Purpose: Smart science to improve lives™.

During 2021 we conducted a strategic review of our Performance Technologies and Industrial Chemicals (PTIC) businesses to decide on the best ownership structure going forward.

The conclusion of this review was to sell the majority of the PTIC businesses to Cargill, a company which has a distinguished history and strong values.

Under Cargill’s ownership, PTIC and its employees will benefit from further investment which will enable the business and employees to capture new growth opportunities and flourish.

In March 2021 we acquired Alban Muller, a leader in the creation and supply of natural and botanical ingredients for the global beauty industry, and in June 2021 our wholly owned Iberchem subsidiary successfully completed the acquisition of Parfex S.A., a fine fragrance business based in Grasse, France. These acquisitions, alongside Iberchem and Avanti in 2020, all represent strong alignment to our objective of transitioning to a pure-play Life Sciences and Consumer Care company.

Delivering sustainable, profitable growth is directly reflected in our performance measures and stretching targets. The Group Profit Incentive Bonus Scheme (senior annual Bonus Plan) is based on a single operating profit metric with no pay-out unless the previous year’s outcome is exceeded.

For the longer-term Performance Share Plan (PSP), 35% of the award is based on earnings per share (EPS) growth and 35% is based on relative Total Shareholder Return (TSR) performance against a bespoke group of our most relevant competitors. 30% of the 2022 award will continue to be based on sustainability metrics. Within this, 15% will be based on our innovation metric, New and Protected Products (NPP); 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 remaining 15% will be focused on selected KPIs aligned to the delivery of our 'Climate Positive' and 'People Positive' sustainability commitments. We have also revised our EVA underpin to a more discretionary basis following the divestment of the majority of the PTIC businesses.

Performance is always considered holistically; each year the Committee applies a 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. Health & safety always remains a key metric of particular focus in this review.

Workforce engagement

In 2021 I met with a cross section of employees through a series of listening groups in Asia, the Americas and Western Europe. Participants expressed their appreciation at the content and openness of the sessions which provided me with valuable feedback on a broad range of reward topics, including executive remuneration. In addition, there is a dedicated email address where employees can communicate with me directly and my Board colleagues also held listening groups throughout 2021 covering a range of topics including reward.

The Committee receives regular updates on employees' global terms and conditions, and we are made aware of any significant policy changes impacting employees. In 2021 we were pleased to note that flexible working was extended across the business including the facilitation of increased home working and flexible hours. The pay and benefits of employees that choose to work flexibly are maintained in full reflecting our belief that flexible working enhances productivity.

In response to COVID-19 we also continued our wellbeing initiatives; all sites offered targeted activities; some have been local one-off events and others are more broadly applicable such as the availability of Employee Assistance Programmes globally. We continued to use our online recognition programme in North America and Latin America and our Asia colleagues launched their own programme, 'Kudos!'.

Alignment of executive reward with the wider workforce

Our 'One Croda' culture drives focus on the alignment of executive reward with the wider workforce. In 2021 we launched a 'Free Share Plan' for all of our employees who are not

eligible to receive the senior annual Bonus Plan. As the senior annual Bonus Plan paid out for 2021, every employee globally in the Free Share Plan, around 5,150 in total, will receive ten Croda shares or the cash equivalent, payable in May 2022. This Plan is in addition to other reward plans offered at a local level.

In 2018 we gained accreditation in the UK as a Living Wage Employer from the Living Wage Foundation. In 2021 we extended this globally to complete an assessment of all employees worldwide, in partnership with the Fair Wage Network, establishing a Living Wage in each of the countries in which we operate and ensuring all employees receive this as a minimum. Our target for 2022 is to ensure that this is also applied to all of our regularly employed contractors.

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 510 employees participate in the senior annual Bonus Plan and 66 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.

Pay for all employees is set in line with the market and closely monitored and in 2021 we conducted extensive salary benchmarking in many countries, making adjustments where it was appropriate to do so. Local bonus schemes are available for those below senior leader level in most regions. Around 84% of our UK workforce and 60% globally participate in share plans and therefore benefit from the rewards enjoyed by all shareholders.

We continue to offer a career average defined benefit pension scheme that is open to all new and existing UK employees, a generous and inclusive benefit for our UK workforce. An important part of the value to employees is that the level of accrued pension is guaranteed, as the Company bears all the investment risk. This security for our workforce is an important part of our 'One Croda' culture. In 2020 we reduced Executive Director pension supplements to align to the UK workforce.

Remuneration out-turn for 2021

Croda delivered an outstanding performance in 2021 with very strong sales and profit growth, driven in part by lipid system sales for COVID-19 applications. The Committee determined that, given the unique nature and scale of this piece of business, the profit from our principal COVID-19 vaccine contract should be excluded from the Bonusable Profit calculation for both the 2021 and 2022 bonus.

In line with our usual practice, profit contributions from in-year acquisitions (e.g. Parfex and Alban Muller) are excluded from the calculation to ensure a like-for-like comparison with the base year.

Bonusable Profit (after exclusion of in-year acquisition profits and the lipid system sales for our principal COVID-19 vaccine contract) significantly exceeded the outcome for 2020 and the maximum payout target. The Committee used the Discretion Framework to satisfy itself that this performance was robust

and sustainable by reviewing underlying performance. The Committee determined that 100% of the senior annual Bonus Plan was payable.

Croda's longer-term performance in profitable growth and Total Shareholder Return was also very strong and reflected the long-term growth trajectory of the business. 2021 was the year in which PSP grants made in 2019 concluded their three-year period, and the Committee reviewed performance for the targets that were set at that time. Over the period TSR performance was 109.8%, placing Croda in the top quartile against our bespoke comparator group with 100% of this part of the award vesting. Our strong profit performance led to EPS growth of 31.4%, which resulted in a 93.5% payment of this part of the award. NPP growth, for the first time, met the stretching vesting target, which reflected the ambition of this metric and led to a payment of 100% of this part of the award.

The PSP award is dependent on satisfactory underlying financial performance of the Group. The Committee considered this, and a range of other broader performance criteria using the Discretion Framework, and concluded that the PSP awards were consistent with and reflective of overall financial performance over the time period. Therefore, after consideration of all factors, an overall PSP vesting of 97.4% of the total award was agreed.

Salaries for 2022

For 2022, the general salary increase set for the UK workforce is 5%, with additional funds available to address specific market issues.

The Committee considered the salaries of the Executive Directors in the context of the UK workforce increases, low positioning against market benchmarks, Croda's overall strong performance and the strong performance of the Executive Directors, and concluded that the 2022 salary increase for Executive Directors should be in line with that of the UK workforce.

A review of the Chair fees was also undertaken and, reflecting similar principles and the continuing high time commitment, an increase in line with that of the UK workforce was also awarded.

Looking ahead

Measures and targets for 2022 have been set for the senior annual Bonus Plan and PSP, as outlined above.

The Remuneration Policy is due for its triennial renewal at the 2023 AGM and therefore during 2022 we will be undertaking a comprehensive review to ensure that it continues to align to our strategy, taking on board input and advice from our investors and other stakeholders. 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.

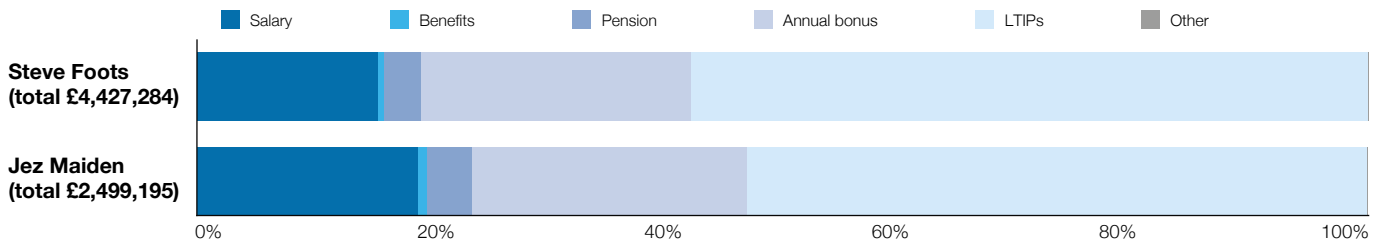


Dr Helena Ganczakowski
Chair of the Remuneration Committee

B. Remuneration at a glance

How we performed in 2021	Adjusted Operating Profit	Adjusted EPS	NPP	Total Shareholder Return
	+46.6% to £468.6m	+42.5% to 250.0p	37% of Group sales	109.8% over the three-year PSP performance period (1 January 2019 to 31 December 2021)

Single figure remuneration:



Operation of our policy in 2021

Key component and timeline	Feature	Metrics and results	Group Chief Executive (CEO)	Group Finance Director (GFD)																				
Basic salary	Competitive package to attract and retain high calibre executives.	<ul style="list-style-type: none"> Pay rise of 1% awarded to Executive Directors. UK workforce was awarded a 1% increase. An additional 1% increase was awarded to the majority of the UK workforce in July 2021, excluding Executive Directors and those in our most senior grades. 	£682,340	£470,579																				
Annual bonus	Incentivise delivery of strategic plan, targets set in line with Group KPIs.	<p>Bonusable Profit (see page 95 for definition of Bonusable Profit)</p> <table border="1"> <tr> <td>Threshold</td> <td>2020 actual</td> </tr> <tr> <td>Maximum</td> <td>2020 actual plus 10%</td> </tr> <tr> <td>Actual</td> <td>2020 actual plus 24%</td> </tr> </table> <p>100% of maximum bonus paid</p>	Threshold	2020 actual	Maximum	2020 actual plus 10%	Actual	2020 actual plus 24%	£1,023,510	£588,224														
Threshold	2020 actual																							
Maximum	2020 actual plus 10%																							
Actual	2020 actual plus 24%																							
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.	N/A	Of which £341,170 is deferred	Of which £196,075 is deferred																				
PSP	Incentivise execution of the business strategy over long-term measuring profit, shareholder value and innovation.	<p>Vesting of the 2019 PSP award</p> <table border="1"> <thead> <tr> <th></th> <th>Threshold</th> <th>Maximum</th> <th>Actual</th> <th>% payout</th> </tr> </thead> <tbody> <tr> <td>EPS*</td> <td>5%</td> <td>11%</td> <td>10.5%</td> <td>93.5%</td> </tr> <tr> <td>TSR</td> <td>Median</td> <td>Upper Quartile (UQ)</td> <td>89.4 percentile Above UQ</td> <td>100%</td> </tr> <tr> <td>NPP**</td> <td colspan="2">NPP sales growth to be at least twice non-NPP sales.</td> <td>3.8x</td> <td>100%</td> </tr> </tbody> </table> <p>Total payout – 97.4%</p> <p>* EPS growth p.a. is calculated on a simple average basis over the three-year period. ** Subject to a minimum average of 5% growth per year and overall positive Group profit growth.</p>		Threshold	Maximum	Actual	% payout	EPS*	5%	11%	10.5%	93.5%	TSR	Median	Upper Quartile (UQ)	89.4 percentile Above UQ	100%	NPP**	NPP sales growth to be at least twice non-NPP sales.		3.8x	100%	£2,556,242	£1,322,175
	Threshold	Maximum	Actual	% payout																				
EPS*	5%	11%	10.5%	93.5%																				
TSR	Median	Upper Quartile (UQ)	89.4 percentile Above UQ	100%																				
NPP**	NPP sales growth to be at least twice non-NPP sales.		3.8x	100%																				
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 2021, cash allowance of up to 20% of salary, in line with the UK workforce.	N/A	£136,635	£94,116																				
Shareholding requirements	Share ownership guideline to ensure material personal stake in business.	<ul style="list-style-type: none"> CEO – 225% of salary GFD – 175% of salary 	>225% of salary	>175% of salary																				

C. Report of the Remuneration Committee for the year ended 31 December 2021

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1. Summary of Remuneration Policy adopted in 2020

An updated Remuneration Policy was presented and approved by shareholders at the 2020 AGM. This is intended to operate until the AGM in 2023. In reviewing the Policy and its implementation, the Remuneration Committee undertook a thorough review of existing arrangements with a particular focus on alignment to Croda's strategy and ambitions. This review was completed with the following principal objectives in mind:

- achieve the closest possible alignment with the Company's strategy;
- support the Company's ambition to be a purpose-led organisation focused on Smart science to improve lives™;
- ensure that business performance is appropriately measured and rewarded and that the scale of reward is proportionate;
- make certain that the Policy properly reflects the various interests of all our stakeholders in its structure and metrics;
- ensure that the Policy is fair and competitive and that it also considers reward more broadly in the organisation;
- disclose the Policy in an open and transparent way.

The Remuneration Committee is not proposing any substantive changes to the operation of the Policy in 2022, being satisfied with both the outcome of the review and the minor changes made since then.

In line with the normal three-year cycle under the remuneration reporting regulations, a new Policy will be subject to shareholder approval at the 2023 AGM. In advance of this, during 2022, the Remuneration Committee will undertake a review of the existing Policy to ensure it continues to align to Croda's strategy, taking on board input and advice from investors and other stakeholders.

Summary of Policy and its operation

<i>Salary</i>	Set taking into account an individual's responsibilities, performance and experience as well as pay and employment conditions elsewhere in the Group and other external factors.
<i>Annual bonus</i>	<p>Maximum annual bonus opportunities:</p> <ul style="list-style-type: none"> • Group Chief Executive – 150% of salary • Group Finance Director – 125% of salary <p>Bonusable Profit growth targets, with no bonus payable until the previous year's profit is exceeded. Discretion Framework applies, which includes health, safety and environmental performance.</p> <p>One third deferred for three years.</p> <p>Malus and clawback provisions apply.</p>
<i>Performance Share Plan</i>	<p>Normal maximum PSP opportunities:</p> <ul style="list-style-type: none"> • Group Chief Executive – 225% of salary • Group Finance Director – 175% of salary <p>Awards based on financial (e.g. EPS), shareholder return (e.g. relative TSR) and strategic (e.g. sustainability) metrics. The Discretion Framework also applies, which includes satisfactory underlying financial performance.</p> <p>Three-year performance period with an additional two-year holding period.</p> <p>Malus and clawback provisions apply.</p>
<i>Pension and benefits</i>	<p>Pension benefits are either a capped career average defined benefit pension plan with a cash supplement above the cap, or a cash supplement.</p> <p>Cash allowance for Executive Directors of up to 20% of salary which aligns with our UK workforce.</p> <p>Typical other benefits include a company car, private fuel allowance, private health insurance and other insured benefits.</p>
<i>Shareholding guidelines</i>	<p>Shareholding guidelines of:</p> <ul style="list-style-type: none"> • Group Chief Executive – 225% of salary • Group Finance Director – 175% of salary <p>Post-employment shareholding guidelines also apply for two years after leaving employment. These are set at 100% of the in-employment guideline for the first year after leaving employment, tapering to 0% by the end of year two. This policy applies to shares from awards that vest in 2020 and beyond. The Committee is implementing structures to ensure that post-employment shareholding guidelines are adhered to, by the placing of restrictions on the sale of shares via our third-party share plan administrator.</p>

Further details about the Policy can be found on pages 106 to 108.

Remuneration Report (continued)

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

Over the last eighteen months we have accelerated key elements of our strategy to complete our 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
Annual bonus					
<i>Profit</i>	Clear and simple measure that supports our strategic objective of consistent bottom-line growth. One third of awards are deferred, further protecting shareholder value.			✓	✓
Performance Share Plan					
<i>Earnings per share (EPS)</i>	A measure of earnings growth over a three-year period recognising that sustained growth can only come through relentless innovation.		✓	✓	✓
<i>Total Shareholder Return (TSR)</i>	Measured against our peers, a key indicator of long-term growth and shareholder value.		✓	✓	✓
<i>New & Protected Products (NPP)</i>	An established measure of innovation, the metric is growth of NPP products versus non-NPP products rewarding growth that is driven by innovation.	✓	✓	✓	✓
<i>Sustainability</i>	Over the last three years we have incorporated sustainability metrics directly linked to our ambitions to be Climate, Land and People Positive by 2030.	✓	✓	✓	✓
Underpins & Discretion Framework					
<i>Safety, Health and Environment (SHE)</i>	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.	✓			✓
<i>Financial underpins</i>	The financial underpins including EVA within our Discretion Framework ensure that reward reflects the overall financial health of the business.		✓	✓	✓
<i>Culture and ethics</i>	The culture and ethics underpin ensures that reward reflects strong governance and the experience of all our stakeholders.	✓			✓
Other features					
<i>Holding periods</i>	Extends the period to five years before shares are released, further protecting shareholder value.				✓
<i>Shareholding requirements</i>	Ensures that our Executives' interests are aligned to shareholders.				✓
<i>Malus and clawback</i>	Allows incentive awards to be clawed back or reduced in the event of significant financial or personal misconduct.				✓

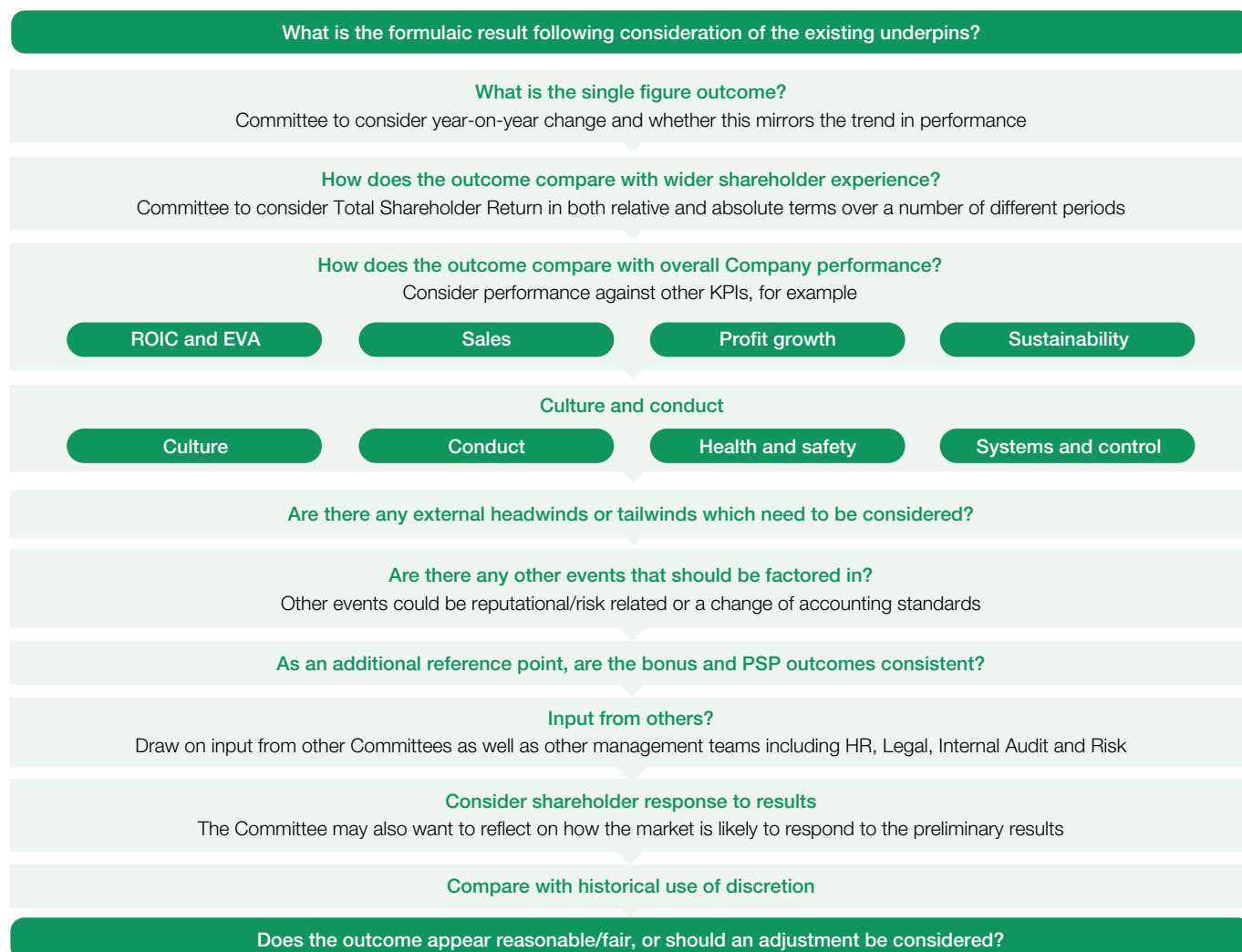
3. How our Remuneration Policy reflects the UK Corporate Governance Code

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
<i>Clarity</i>	Our values of openness and transparency are 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.
<i>Simplicity</i>	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 510 of our global employees participate, is based on a single profit metric, with a simple key requirement that no bonus can be paid until the previous year's profit is exceeded.
<i>Risk</i>	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.
<i>Predictability</i>	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.
<i>Proportionality</i>	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.
<i>Alignment to culture</i>	Alignment to our 'One Croda' culture is clearly established in our Remuneration Policy; our senior annual Bonus Plan has the same metric for all participants, our PSP metrics reflect our commitment to sustainability and pensions are aligned across the workforce.

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.



Remuneration Report (continued)

4. Reward in the wider employee context

Workforce engagement

Engagement with the workforce is an area in which we continue to make progress. In addition to continuing with established workforce engagement channels (pulse surveys and a dedicated email address for employees to contact the Chair of the Committee), in 2021, the Chair of the Remuneration Committee attended virtual listening groups where employees discussed and shared their thoughts on executive remuneration and reward in the wider business. As 2022 will be the year that we consider our Remuneration Policy, with any changes adopted in 2023, we plan to engage the workforce more widely through pulse surveys and further listening groups with the Chair of the Remuneration Committee. A summary of engagement activities undertaken to date is as follows:

<i>Reward principles</i>	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.
<i>Employee pulse surveys</i>	In 2021, a small number of pulse surveys covering a range of topics, including COVID-19 and resulting changes to the workplace, were undertaken and findings were shared with the Board as well as management to help guide decisions. For 2022 a new series of pulse surveys covering culture and reward will be issued.
<i>Listening groups</i>	During 2021, Helena Ganczakowski, Chair of the Remuneration Committee, held listening groups across a cross-section of employees in Asia, the Americas and Western Europe. Helena presented on the role of the Board and the Remuneration Committee and also shared an overview of the Elements of Reward at Croda and feedback on the Global Reward pulse survey conducted in 2020. The sessions were greatly appreciated by those who attended, with a number of participants noting that they had limited knowledge of the Board and Remuneration Committee before the session. The Chair of the Board and other Non-Executive Directors also attended listening groups throughout the year. Anita Frew held listening groups to better understand how employees were feeling on a range of different topics, including strategy, culture, recognition, and value. These listening groups also focused on employees' wellbeing at Croda and what additional support the Board could offer. Roberto Cirillo presented listening groups on Board responsibilities to a cross section of employees in Italian.
<i>Dedicated email to Chair of Committee</i>	A dedicated email address has been established for employees to send comments or questions to the Chair of the Remuneration Committee.
<i>Overview of pay and policy decisions</i>	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.

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 Group Human Resources Director 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
<i>Base pay</i>	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.
<i>Annual bonus</i>	Executive Directors, Executive Committee, senior leaders and senior managers (c. 510 employees globally) All other employees	Consistent senior annual Bonus Plan aligned to increase in annual profit. Operates on a tiered basis from 150% of salary to 20% of salary across the most senior global grades. Deferral applies for Executive Directors and members of the Executive Committee. Local schemes apply in many locations.
<i>Free Share Plan</i>	All employees who do not participate in the senior annual Bonus Plan (c. 5,150 employees globally)	New for 2021, an award of free shares or the cash equivalent if the senior annual Bonus Plan pays out. For 2021 this will be 10 shares or the cash equivalent.
<i>Performance Share Plan</i>	Executive Directors, Executive Committee and senior leaders (c. 66 employees globally)	Consistent PSP based on EPS, TSR and sustainability metrics, including NPP. Operates on a tiered basis from 225% of salary to 30% of salary across the most senior global grades.
<i>Restricted Share Plan</i>	Selected employees generally not eligible for PSP	Discretionary awards can be granted annually to selected employees to reward exemplary performance.
<i>All employee share plans¹</i>	All employees	Employees can participate in our global Sharesave Scheme, subject to qualifying service, allowing everyone to save monthly and purchase discounted shares.
<i>Pension (UK only)²</i>	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.

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.

5. 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 a new 'Free Share Plan' and a number of all-employee share schemes.

Free Share Plan

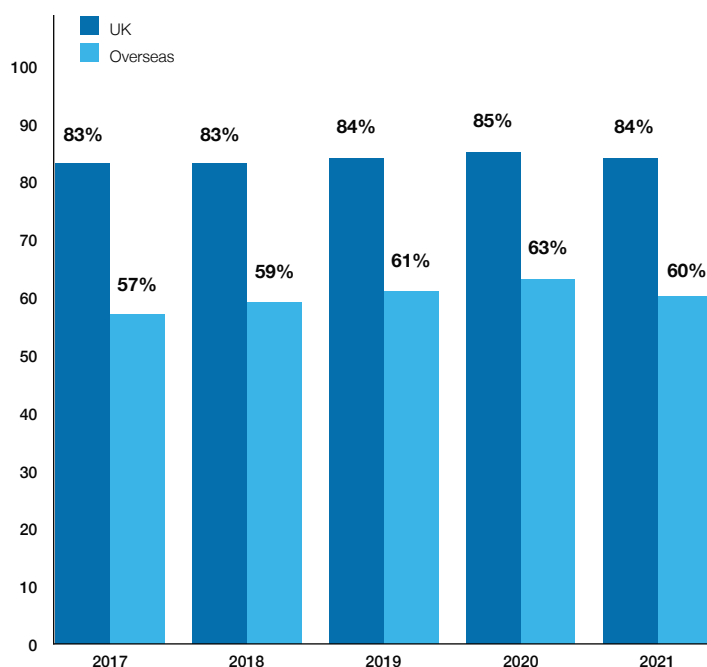
Croda is proud to announce that in 2021 we launched the 'Free Share Plan'. Under this new plan, all employees globally who are not eligible for the senior annual Bonus Plan will be gifted Croda shares (or the cash equivalent) if the senior annual Bonus Plan pays out. Unlike other elements of remuneration 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 paid out for 2021, all eligible employees will receive 10 Croda shares (or the cash equivalent) in April 2022 under the Free Share Plan. The value of the award is determined by the share price at vesting and based on the recent share price will be in the region of £706 (based on a share price of £70.60 on 18 February 2022).

All-employee share schemes

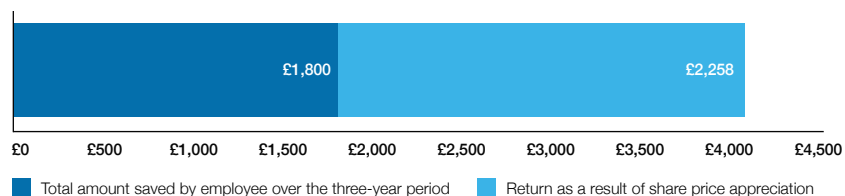
Workforce participation in these plans has remained consistently strong and is driven by our culture of employees feeling a strong loyalty to the business.



Croda's strong share price performance has led to the all-employee share schemes being a strong benefit for employees.

Example value of the 2018 Sharesave Scheme

The 2018 Sharesave Scheme which was granted in September 2018 at a share price of 4144p could be exercised from November 2021. The price of Croda shares on the settlement date in November 2021 was 9438.2p, meaning employees could have made a potential return of c.128% on their savings. For example, an employee saving £50 a month would have made a profit in excess of £2,258.



Remuneration Report (continued)

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 2022, 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 have established processes to ensure that Living Wage levels are reviewed annually and the necessary adjustments to wages are made in order to continue paying a Living Wage to all employees.

In addition, we will also begin to plan for and progress towards our commitment of paying a Living Wage to all regularly employed contractors globally by the end of 2022.

More than just pay

Our employees and our culture remain central to the continued success of Croda. Croda has been resilient in its response to COVID-19 and during the pandemic the wellbeing and safety of our employees has been and continues to be a key priority.

In addition, we continue to enhance our range of other workforce initiatives, including:

- We continued with the rollout of our online recognition programme, Croda Stars, in North America and Latin America. An online recognition programme, Kudos! was also launched in Asia. All programmes have been positively received by employees.
- 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 2021, our employees undertook over 93,000 hours of training with the average number of hours an employee completed being 16 hours.
- We relaunched and redesigned our core company development programmes for senior leaders and future leaders with our values at their heart.
- We launched a new inclusion based global leadership programme, Phoenix Rising, and a series of leadership webinars on diversity & inclusive leadership.
- We recorded over 100 wellbeing activities which took place in 2021. We also extended Employee Assistance Programmes in many of our countries.

6. Promoting diversity & inclusion

As a business with innovation at its heart, diversity of thought and ideas is critical to our long-term success and we are committed to encouraging and promoting all types of diversity within our organisation. We have established a global Diversity & Inclusion Steering Committee plus a number of regional and country committees designed to discuss and promote diversity & inclusion.

At the beginning of 2021, we published a Board diversity & inclusion policy and communicated our commitment to greater diversity within our business. Julie Kim was appointed as a new member of the Board in 2021 and Nawal Ouzren joined the Board in February 2022. These two appointments mean we have fulfilled our commitment to meeting the requirements of the Parker Review on ethnic diversity as well as also achieving full gender balance on the Board.

In 2021 we ran a global diversity survey to collect wider diversity data in the organisation. All data was collected in good faith, in line with local laws and legal restrictions, including data privacy regulations. The data will be used to influence future work and is the first step in being able to report on our ethnicity pay gap. For further information on this please refer to page 37.

7. Other disclosures

UK gender pay gap

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

	2018	2019	2020	2021
Mean pay gap	27.68%	27.06%	18.72%	17.70%
Median pay gap	23.10%	23.90%	19.22%	21.11%
Mean bonus gap	63.05%	67.08%	64.36%	62.58%
Median bonus gap*	33.26%	33.36%	0%	0%

* 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.

The number of women in leadership positions is now 36%. We are also pleased to report that we have 43 women working as process operators across 13 of our sites globally.

Over 2020 and 2021 only 40% of hires and promotions to leadership positions were female. At this rate we will not meet our 2030 target to achieve gender balance across our leadership. Therefore, we have included a 'People Positive' target in our 2022 PSP. This target relates to the gender balance of appointments and promotions to our most senior grades.

Other actions taken to address the gender pay gap include:

- Ensuring we have a balanced shortlist for all positions that we are recruiting for; we have a target of achieving balanced shortlists for 80% of roles by 2023.
- Further improving our talent and succession planning processes to help identify and nurture talent early in their career.
- 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.
- Changing the way we advertise production roles to ensure we reach a diverse population.
- Improving family-friendly policies; in 2019 we introduced a new Global Parental Leave Policy and in 2020 we launched new Flexible Working guidance. All locations have implemented this and have local policies in place.
- 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 2021 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 2021	A	132:1	96:1	80:1
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

1. Calculations for the workforce exclude severance pay, notice pay, SIP repayments, fractional share payments, SAR payments and relocation expenses.

2. 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.

3. Excludes Non-Executive Directors, contractors and employees who left during the relevant year.

4. 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 2020 has been restated to reflect the updated CEO 'single figure' total remuneration for 2020. This was due to the 2020 PSP award being updated to reflect the actual share price at vesting.

** 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.

Remuneration Report (continued)

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 2021 figures, as this has been an outstanding year for performance both the senior annual Bonus Plan and PSP have paid out at high levels. As the senior annual Bonus Plan did not pay out last year this represents a large increase in remuneration for the CEO; the PSP has also paid out at a higher level, from 40% in 2020 to 97.4% in 2021.

Employee total remuneration

	Actual base salary 2021	Total remuneration 2021
75 th percentile	£48,904	£55,440
50 th percentile	£30,603	£46,050
25 th percentile	£27,865	£33,654

We believe that our CEO pay ratio is consistent with our pay, reward and progression policies. The sharing of success has been a strong theme in 2021 and although the CEO pay ratios have widened, employees have also benefitted from a strong performing year. The newly launched 'Free Share Plan' will pay out for 2021, rewarding our most junior employees proportionally the most, annual bonus plans will pay out globally and we awarded over double the amount of RSP awards compared to previous years.

8. Remuneration Committee year ended 31 December 2021

Responsibilities

The Committee determines and agrees with the Board the Company's Remuneration Policy and framework, which should:

- Support the Company's strategy and promote long-term sustainable success; and
- Ensure that the senior management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

The Committee also determines the remuneration packages for all Executive Directors, members of the Executive Committee, including the Company Secretary, and the Chair of the Board and recommends and monitors the level and structure of remuneration for senior managers.

Key responsibilities

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

A summary is provided below:

- 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
- In determining such policy, take into account factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance
- 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.

Key focus areas

Remuneration outcomes for 2020 and approach for 2021:

- Remuneration outcomes for 2020, including vesting of 2018 PSP awards
- Establishing the senior annual Bonus Plan and PSP targets for 2021
- Granting of 2021 PSP awards and Restricted Share Plan awards

Wider workforce:

- Introduction of Free Share Plan
- Feedback from employee listening groups attended by the Remuneration Committee Chair
- Annual review of wider workforce remuneration

Remuneration approach for 2022:

- Review of latest market and governance developments
- Consideration of approach for 2022, including new sustainability targets
- Approval of salary increase for the CEO and Group Finance Director effective 1 January 2022
- Approval of Chair fee increase effective 1 January 2022

9. Executive Directors' remuneration for the year ending 31 December 2022

Key component Implementation in 2022

Basic salary Executive Directors' base salaries were reviewed during the final quarter of the financial year ended 31 December 2021. Salaries for 2022 are as follows:

	Salary at Jan 2022	Salary at Jan 2021	% Increase
Steve Foots	£716,457	£682,340	5%
Jez Maiden	£494,108	£470,579	5%

Commentary

- For 2022, the general salary increase set for the UK workforce is 5%, with additional funds available to address specific market issues.
- The Committee considered the salaries of the Executive Directors in the context of the UK workforce increases, low positioning against market benchmarks, Croda's overall strong performance and the strong performance of the Executive Directors, and concluded that the 2022 salary increase for Executive Directors should be in line with that of the UK workforce.

Other benefits Other benefits such as company cars or car allowances, fuel allowance and health benefits are made available to Executive Directors.

Performance-related Annual Bonus Plan Steve Foots 150% of salary

Jez Maiden 125% of salary

The targets for the awards are set out below:

Level of award	*Bonusable Profit	% of bonus payable
Threshold	Equivalent to 2021 actual	0%
Maximum	2021 actual plus 10%	100%

* Bonusable Profit is the growth in underlying profitability (defined for bonus purposes as Group EBITDA for continuing operations before exceptional items and any charges or credits under IFRS 2 Share-based Payments) less a notional interest charge on working capital employed during the year. Target is measured after providing for the cost of bonuses on a constant currency basis. For 2022, considering the unique nature of the business, the profit from our lipid system sales for our principal COVID-19 vaccine contract, will be excluded from the Bonusable Profit calculation.

Commentary

- No change to maximum award levels or performance measures from last year.
- When determining bonus outcomes, the Committee applies the Discretion Framework which includes a range of factors, see page 89.
- 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 provides clear alignment with shareholders and fosters a longer-term link between annual performance and reward.
- Malus and clawback provisions apply.
- One third of any bonus paid will be deferred into shares for a three-year period.
- 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 2022 to be at least as demanding as in previous years and were set after taking due account of the Company's commercial circumstances and inflationary expectations.

Remuneration Report (continued)

Performance share plan	Steve Foots 225% of salary	Jez Maiden 175% of salary
	The targets for the awards are set out below:	
	Performance measure (weighting)	Threshold vesting
	EPS ¹ (35%)	5% p.a.
	TSR ² (35%)	Median
	Maximum vesting	
	11% p.a.	
	Upper quartile	
Sustainability metrics (30%)	<ul style="list-style-type: none"> 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 (25% vesting), with payments being made on a sliding scale up to 5% growth per year (maximum vesting). 'Climate Positive' (7.5%) – a reduction target specifically aimed at Scope 1 and 2 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 25.2% reduction compared to a 2018 baseline³ with any award paid in defined ranges between: <ul style="list-style-type: none"> a reduction of 25.2% and above would result in maximum vesting a reduction of 21% would result in 50% vesting, with no vesting below this. 'People Positive' (7.5%) – a target aimed at increasing the number of women in leadership positions, aligned to our gender balance ambition. Over the three-year performance period the target is to appoint or promote women in more than 50% of available leadership roles with any award paid in defined ranges between: <ul style="list-style-type: none"> 55% or above leadership roles hired being filled by women would result in maximum vesting 40% of leadership roles being filled by women would result in 25% vesting, with no vesting below this. 	
	An EVA underpin applies across the whole PSP award, such that vesting is subject to satisfactory EVA performance in the performance period, as determined by the Committee.	
	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.	2. TSR peer group constituents: AzkoNobel, Albermarle, Ashland, BASF, Clariant, Koninklijke DSM, Eastman Chemicals, Elementis, Evonik Industries, Givaudan, Johnson Matthey, Kemira, Lanxess, Novozymes, Solvay, Symrise, Synthomer, Victrex.
		3. 2018 baseline of 208,992 MTCO ₂ e has been independently verified by Avieco. As of 2021 a reduction of 12.7% has been achieved.
	Commentary	
	<ul style="list-style-type: none"> No changes to maximum award levels from last year. No change to the balance of 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. Performance period 1 January 2022 to 31 December 2024. 	<ul style="list-style-type: none"> Revision to the EVA underpin to a more discretionary basis, taking into account the changes to the capital allocation strategy following the divestment of the majority of the PTIC businesses. When assessing outcomes, the Committee applies the Discretion Framework which considers, for example, the management of ROIC, health and safety and sales growth and may adjust awards if it considers appropriate. An additional two-year holding period will apply for any shares vesting. Malus and clawback provisions apply.
Pension	20% of salary as pension supplement aligned to UK workforce.	

D. Directors' remuneration for the year ended 31 December 2021 – Audited information

In this section

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| 1. Directors' remuneration for the year ended 31 December 2021 | 8. Board Chair and other Non-Executive Directors' fees 2021 and 2022 |
| 2. Pension | 9. Non-Executive Directors' remuneration |
| 3. Payments for cessation of office | 10. Service contracts and outside interests |
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1. Directors' remuneration for the year ended 31 December 2021

Elements of remuneration

Executive Directors' remuneration

Executive Director	Steve Foots		Jez Maiden	
	2021	2020	2021	2020
Salaries	£682,340	£675,584	£470,579	£465,920
Benefits ¹	£24,939	£33,642	£20,126	£20,117
Pension supplement ²	£136,218	£130,992	£94,116	£93,184
Pension ³	£417	£7,500	–	–
Total fixed pay	£843,914	£847,718	£584,821	£579,221
Annual bonus	£1,023,510	–	£588,224	–
Long-term incentives ^{4A-B}	£2,556,242	£692,540	£1,322,175	£358,215
Other ⁵	£3,618	£3,119	£3,975	£1,830
Total variable pay	£3,583,370	£695,659	£1,914,374	£360,045
Single total figure of remuneration	£4,427,284	£1,543,377	£2,499,195	£939,266

- Benefits include benefit-in-kind for company car or cash allowance, benefit-in-kind for private medical insurance and private fuel allowance.
- This represents the 20% of salary supplement. For January 2021 the supplement for Steve Foots was only in relation to benefits provided above the salary pension cap.
- For defined benefit pensions the amount included is the additional value accrued during the year, calculated using HMRC's methodology for the purposes of income tax using a multiplier of 20. This methodology can result in year-on-year fluctuations due to underlying inflation inputs. In 2020, the calculation methodology was amended to align the revaluation rate that is applied to value Steve Foots' Croda Pension Scheme benefits to the inflation rate that is allowed for within the calculation of the disclosable benefit. This reduces the level of volatility in the calculated figure from year to year. Steve Foots was only an active member of the Croda Pension Scheme for one month in 2021.
- A. The PSP awards granted in March 2019 reached the end of their performance period on 31 December 2021. The awards will vest at 97.4% of maximum (see page 98). The values included in the table above are based on the three-month average price to 31 December 2021 of 9545.7p. Of these values, £1,266,031 and £654,834 is attributable to share price growth for Steve Foots and Jez Maiden, respectively. These values will be updated in next year's Annual Report based on the share price at vesting which will take place on 14 March 2022.
B. The PSP award included in the 2020 single figure (the 2018-20 PSP award) has been updated to reflect the actual share price at vesting of 6205p. Of these values, £178,130 and £92,137 is attributable to share price growth for Steve Foots and Jez Maiden, respectively.
- Represents the value received in the year from participation in all-employee share schemes. Steve Foots and Jez Maiden received 24 and 23 matching shares respectively as part of the Share Incentive Plan (SIP) with a transaction value of £1,823 and £1,742. Steve Foots and Jez Maiden also participated in the 2021 Sharesave Scheme and were granted 98 and 122 shares respectively at a discounted rate of 7327p. The share price on the date of grant was 9158p representing a 20% discount.

Annual bonus

The annual bonus for Executive Directors in 2021 was calculated by reference to the amount by which the profit for the year exceeded the profit for 2020 (the 'Bonusable Profit'). Bonuses for 2021 are payable against a graduated scale once the Bonusable Profit exceeds the base profit with bonus targets set, and performance measured, based on constant currency actual exchange rates. Considering the unique nature of the business, the profit from our lipid system sales for our principal COVID-19 vaccine contract contract, has been excluded from the Bonusable Profit calculation. In line with our usual practice, profit contributions from in-year acquisitions (e.g. Parfex and Alban Muller) are excluded from the calculation to ensure a like-for-like comparison with the base year.

Executive Director	Threshold target	Maximum target	Actual	Bonus outcome (% of maximum)
Bonusable Profit	£384.8m	£423.3m	£477.5m	100%

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 89).

The Committee used the Discretion Framework to satisfy itself that performance was robust and sustainable. The Committee therefore determined that 100% of the senior annual Bonus Plan was payable.

One third of the bonus payable will be deferred into shares for three years.

Remuneration Report (continued)

PSP

PSP awards vesting in March 2022

The PSP awards granted in March 2019 reached the end of their three-year performance period on 31 December 2021.

Measure	Weighting	Threshold	Maximum	Actual performance	Out-turn (% of max element)
Relative TSR versus bespoke peer group ¹	40%	Median (50 th percentile)	Upper quartile (75 th percentile)	89.4 percentile	100%
Adjusted annual average EPS growth over three years ²	40%	5% p.a.	11% p.a.	10.5% p.a.	93.5%
NPP	20%	Target vesting for NPP sales growth to be at least twice non-NPP sales, subject to a minimum average of 5% growth per year and overall positive Group profit growth.		3.8x	100%
				Total out-turn	97.4%

1. TSR peer group constituents: AkzoNobel, Albemarle, Arkema, Ashland, BASF, Clariant, Koninklijke DSM, Eastman Chemicals, Elementis, Evonik Industries, Givaudan, Johnson Matthey, Kemira, Lanxess, Novozymes, Solvay, Symrise, Synthomer, Victrex.

2. 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.

As well as considering the EPS, TSR and NPP targets, under the rules of the PSP, the Remuneration Committee is obliged to consider the underlying performance of the Company over the performance period, which it did using the Discretion Framework on page 89. On review, the Committee considered the outcome of the PSP consistent with overall Company performance over the three-year performance period.

The forecast vesting value of the awards made in March 2019, subject to the above performance targets, is included in the 2021 single figure table on page 97. 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	15 Mar-21	11,161	PSP	0	6205p	£692,540
	15 Mar-21	5,581	DBSP	0	6205p	£346,301
	22 Mar-21	174	Sharesave	3092p	6257p	£5,507
	01 Nov-21	173	Sharesave	4144p	9432p	£9,148
	09 Mar-20	19,616	PSP	0	4259p	£835,445
	09 Mar-20	7,593	DBSP	0	4259p	£323,386
Jez Maiden	15 Mar-21	5,773	PSP	0	6205p	£358,215
	15 Mar-21	3,207	DBSP	0	6205p	£198,994
	01 Nov-21	217	Sharesave	4144p	9432p	£11,475
	09 Mar-20	10,146	PSP	0	4259p	£432,118
	09 Mar-20	4,187	DBSP	0	4259p	£178,324

PSP awards granted in 2021

The PSP awards granted on 24 March 2021 were as follows:

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	24,422	225%	£1,535,240	25% (100%)	01.01.21 – 31.12.23
Jez Maiden	13,100	175%	£823,505	25% (100%)	01.01.21 – 31.12.23

1. Face value/maximum value is calculated based on a share price of 6286.3p, being the average mid-market share price of the three dealing days prior to the date of grant.

The 2021 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 90 of our Annual Report and Accounts 2020. Vesting will take place on a sliding scale. An EVA underpin applies across the entire award, also detailed on page 90 of our Annual Report and Accounts 2020.

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

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 156.

Executive Director	SIP shares held 01.01.21	Partnership shares acquired in year	Matching shares awarded in year	Total shares 31.12.21*	SIP shares that became unrestricted in the year	Total unrestricted SIP shares held at 31.12.21
Steve Foots	5,794	24	24	5,842	78	5,540
Jez Maiden*	429	23	23	481	103	107

There have been no changes in the interests of any Director between 31 December 2021 and the date of this report, except for the purchase of 4 SIP shares and the award of 4 matching shares by Steve Foots and Jez Maiden during January and February 2022.

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

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 01.01.21	Granted in year	Exercised in the year	Number at 31.12.21
Steve Foots								
13 September 2017	01 November 2020	30 April 2021	£6,725	3092p	174	–	174	–
27 September 2018	01 November 2021	30 April 2022	£8,960	4144p	173	–	173	–
12 September 2019	01 November 2022	30 April 2023	£6,723	3898p	138	–	–	138
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
					597	98	347	348
Jez Maiden								
27 September 2018	01 November 2021	30 April 2022	£11,238	4144p	217	–	217	–
12 September 2019	01 November 2022	30 April 2023	£11,206	3898p	230	–	–	230
16 September 2021	01 November 2024	30 April 2025	£11,173	7327p	–	122	–	122
					447	122	217	352

During 2021, the highest mid-market price of the Company's shares was 10365p and the lowest was 6095p. The year-end closing price was 10120p. The year-end mid-market price was 10045p.

* 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 31.12.21 (p.a.)	Single remuneration pension figure 2021	Single remuneration pension figure 2020	Single remuneration pension figure 2021 excluding supplement
Steve Foots	14 September 2033	£128,740	£136,635	£138,492	£417*
Jez Maiden	N/A	–	£94,116	£93,184	–

* Steve Foots was only an active member of the Croda Pension Scheme for one month in 2021.

Note: Members of the Croda Pension Scheme (CPS) have the option to pay voluntary contributions. Neither the contributions nor the resulting benefits are included in this table. During 2021, Steve Foots was paid £136,218 (2020: £130,992) and Jez Maiden was paid £94,116 (2020: £93,184) in addition to their basic salary to enable them to make independent provision for their retirement.

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 2022 will be £72,966. 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' pension provision

Steve Foots accrued pension benefits under the CPS up to 31 January 2021 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. For January 2021 he also received a pension supplement at 20% of salary above his personal pension benefit cap in line with the wider UK workforce.

Jez Maiden's pension provision

Jez Maiden has elected not to join the Croda Pension Scheme and was therefore paid a pension supplement of 20% of salary in 2021. He is entitled to death-in-service benefits from an Excepted Life Policy.

Remuneration Report (continued)

3. Payments for cessation of office

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

4. Payments to past Directors

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

5. Share interests

The interests of the Directors who held office at 31 December 2021 are set out in the table below:

	Legally owned ¹		PSP (unvested)	DBSP (unvested)	Sharesave (unvested)	SIP		Total 31.12.21	% of salary held under shareholding guideline
	31.12.20	31.12.21				Restricted	Unrestricted		
Executive Director									
Steve Foots	163,912	173,115	83,449	2,526	348	302	5,540	265,280	>225% target
Jez Maiden	27,167	21,106	44,235	1,449	352	374	107	67,623	>175% target
Non-Executive Director									
Roberto Cirillo	–	–	–	–	–	–	–	–	–
Jacqui Ferguson	76	76	–	–	–	–	–	76	–
Anita Frew	9,425	9,425	–	–	–	–	–	9,425	–
Helena Ganczakowski	361	361	–	–	–	–	–	361	–
Keith Layden	80,314	60,339	–	–	–	–	–	60,339	–
John Ramsay	2,000	2,000	–	–	–	–	–	2,000	–
Julie Kim*	–	60	–	–	–	–	–	60	–

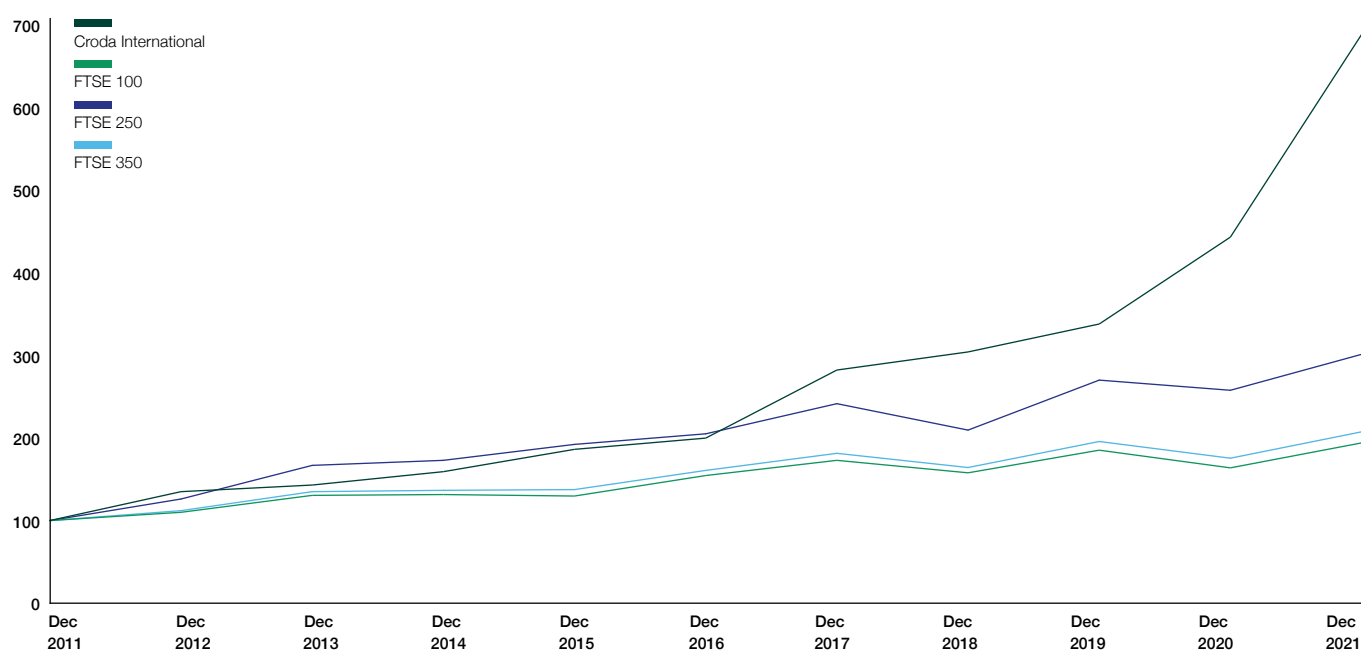
* Julie Kim appointed 1 September 2021, holding on appointment Nil.

1. Including connected persons.

Post-employment shareholding guidelines also apply for two years after leaving employment. These are set at 100% of the in-employment guideline for the first year after leaving employment, tapering to 0% by the end of year two. This policy applies to shares from awards that vest in 2020 and beyond. The Committee is implementing structures to ensure that post-employment shareholding guidelines are adhered to, by the placing of restrictions on the sale of shares via our third-party share plan administrator.

6. Performance graph (unaudited information)

Ten year Total Shareholder Return chart



Source: Thomson Reuters Datastream

7. Ten 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 payout for each year as a percentage of the maximum.

	2012	2013	2014	2015	2016	2017	2018	2019	2020 ¹	2021
Total remuneration (£)	1,364,048	1,427,156	769,414	1,374,046	2,404,441	3,570,251	3,311,700	1,693,242	1,543,377	4,427,284
Annual bonus (%)	28%	0%	0%	76.38%	100%	78.36%	36.19%	0%	0%	100%
Long-term incentives vesting (%)	100%	81.8%	0%	0%	43%	100%	100%	56.2%	40%	97.4%

1. The 2020 total remuneration figure has been updated to reflect the value of the 2020 PSP award at vesting.

8. Board Chair and other Non-Executive Directors' fees 2021 and 2022 (unaudited information)

The fees paid to the Non-Executive Directors (including chairing of Committees) and to the Senior Independent Director were reviewed in December 2021 and increased by 5%, in line with the UK workforce. These changes took effect from 1 January 2022. The revised fee structure for the Board Chair and other Non-Executive Directors for 2022 is detailed below.

Position	2021 fee £	2022 fee £
Board Chair (all-inclusive fee)	303,909	319,104
Non-Executive Director base fee	63,872	67,066
Additional fees		
Senior Independent Director	10,611	11,142
Committee Chairs (Audit and Remuneration)	15,453	16,226

9. Non-Executive Directors' remuneration

The remuneration of Non-Executive Directors for the year ended 31 December 2021 payable by Group companies is detailed below; this table reflects actual payments in 2021.

		Non-Executive Director fees £	Benefits ¹ £	Total £
Anita Frew	2021	303,909	11	303,920
	2020	300,900	–	300,900
Alan Ferguson²	2021	–	–	–
	2020	28,084	–	28,084
Helena Ganczakowski³	2021	89,937	456	90,393
	2020	85,789	–	85,789
Jacqui Ferguson	2021	63,873	169	64,042
	2020	63,240	–	63,240
Roberto Cirillo	2021	63,873	903	64,776
	2020	63,240	–	63,240
Keith Layden	2021	63,873	89	63,962
	2020	63,240	–	63,240
John Ramsay^{3,4}	2021	79,326	794	80,120
	2020	73,793	–	73,793
Julie Kim^{5,6}	2021	–	11,142	11,142
	2020	–	–	–

1. The benefits relate to Directors undertaking business travel on behalf of Croda and ensuring the Directors are not out of pocket for related tax.

2. Alan Ferguson retired on 23 April 2020. His fees were pro-rated accordingly.

3. Following Alan Ferguson's retirement, 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.

4. John Ramsay was appointed to the Board on 1 January 2020.

5. Julie Kim was appointed to the Board on 1 September 2021 and has voluntarily decided to waive her fees.

6. The benefits figure for Julie Kim relates to the undertaking of long-haul business travel and ensuring she is not out of pocket for the related tax.

Remuneration Report (continued)

Non-Executive Directors' appointment

The effective dates of the letters of appointment for the Board Chair and each Non-Executive Director who served during 2021 are shown in the table below:

Non-Executive Director	Original appointment date	Expiry date of current term
Anita Frew	05 March 2015	05 March 2023
Roberto Cirillo	26 April 2018	26 April 2024
Jacqui Ferguson	01 September 2018	01 September 2024
Helena Ganczakowski	01 February 2014	31 January 2023
Keith Layden	01 May 2017	01 May 2023
John Ramsay	01 January 2020	01 January 2023
Julie Kim	01 September 2021	01 September 2024

10. 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
Jez Maiden	09 October 2014	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 Director roles. Neither Executive Director held any external directorships during 2021.

11. Remuneration Committee attendance and advisers (unaudited information)

The following Directors served as members of the Committee during 2021:

- Helena Ganczakowski (Chair)
- Roberto Cirillo
- Jacqui Ferguson
- John Ramsay
- Julie Kim (From 01 September 2021)

See page 72 for details of attendance at meetings during the year.

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 2021, invitees included other Directors and employees of the Group and the Committee's advisers (see page 103), including Anita Frew (Company Chair), Steve Foots (Group Chief Executive), Jez Maiden (Group Finance Director), Keith Layden (Non-Executive Director), Tracy Sheedy (Group HR Director), Tom Brophy (Group General Counsel and Company Secretary) and Caroline Farbridge (Deputy Company Secretary).

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

Summary of Remuneration Committee meetings

January 2021	<p>Approved Chair fee increase for 2021</p> <p>Reviewed the draft Directors' Remuneration Report</p> <p>Considered shareholder feedback on executive remuneration arrangements ahead of implementation in 2021</p> <p>Considered the sustainability targets for 2021 PSP awards</p>
February 2021	<p>Reviewed the draft Directors' Remuneration Report</p> <p>Approved the calculation of the 2020 senior annual Bonus Plan award</p> <p>Approved the senior annual Bonus Plan targets for 2021</p> <p>Approved the vesting outcome for the 2018 PSP awards</p> <p>Approved the PSP targets for 2021 and the grant of PSP awards for 2021</p> <p>Approved the vesting of the 2018 Restricted Share Plan awards and the grant of Restricted Share Plan awards for 2021</p> <p>Reviewed feedback from employee listening groups attended by the Remuneration Committee Chair</p> <p>Approved the introduction of the Free Share Plan</p> <p>Reviewed Executive Committee salary increases</p> <p>Reviewed the update on ABI headroom limits as they apply to the business</p> <p>Reviewed share ownership guidelines</p> <p>Reviewed the Committee's Terms of Reference</p> <p>Considered the mechanism for enforcement of the post-employment shareholding guideline</p>
April 2021	<p>Reviewed shareholder feedback on Directors' Remuneration Report</p> <p>Reviewed an update on PSP sustainability targets</p> <p>Reviewed the rules of the Free Share Plan and timeline for grant</p> <p>Gave authority for UK employees to join the UK Sharesave Scheme and non-UK employees to join the International Sharesave Scheme</p> <p>Agreed dividend enhancement to the Deferred Bonus Share Plan</p>
November 2021	<p>Considered mechanism for enforcement of the post-employment shareholding guideline</p> <p>Considered Free Share Plan accounting treatment</p> <p>Reviewed forecast outcomes for 2021</p> <p>Considered and reviewed remuneration trends</p> <p>Reviewed quality assessment process for 2020 sustainability targets</p> <p>Reviewed workforce remuneration</p> <p>Agreed dividend enhancement to the Deferred Bonus Share Plan</p> <p>Gave authority for the execution of actions in relation to the 2018 Sharesave maturity</p> <p>Approved amendments to International Sharesave Plan rules</p>
December 2021	<p>Reviewed initial draft of the Chair's letter for inclusion in the Directors' Remuneration Report</p> <p>Reviewed proposed targets for the 2022 senior annual Bonus Plan and PSP award</p> <p>Approved salary increases for Chief Executive and Executive Committee</p> <p>Considered and reviewed proposed treatment of incentives for employees transferring out of the business following the sale of the majority of the PTIC businesses</p> <p>Considered the Committee's effectiveness review</p>

Remuneration Committee advisers (unaudited information)

Deloitte LLP were retained as the appointed adviser to the Committee for the whole of 2021 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 £36,650 (excluding VAT). The Committee regularly reviews the external adviser's relationship and is comfortable that the advice it is receiving remains objective and independent.

Remuneration Report (continued)

12. Other disclosures (unaudited information)

Percentage change in remuneration levels

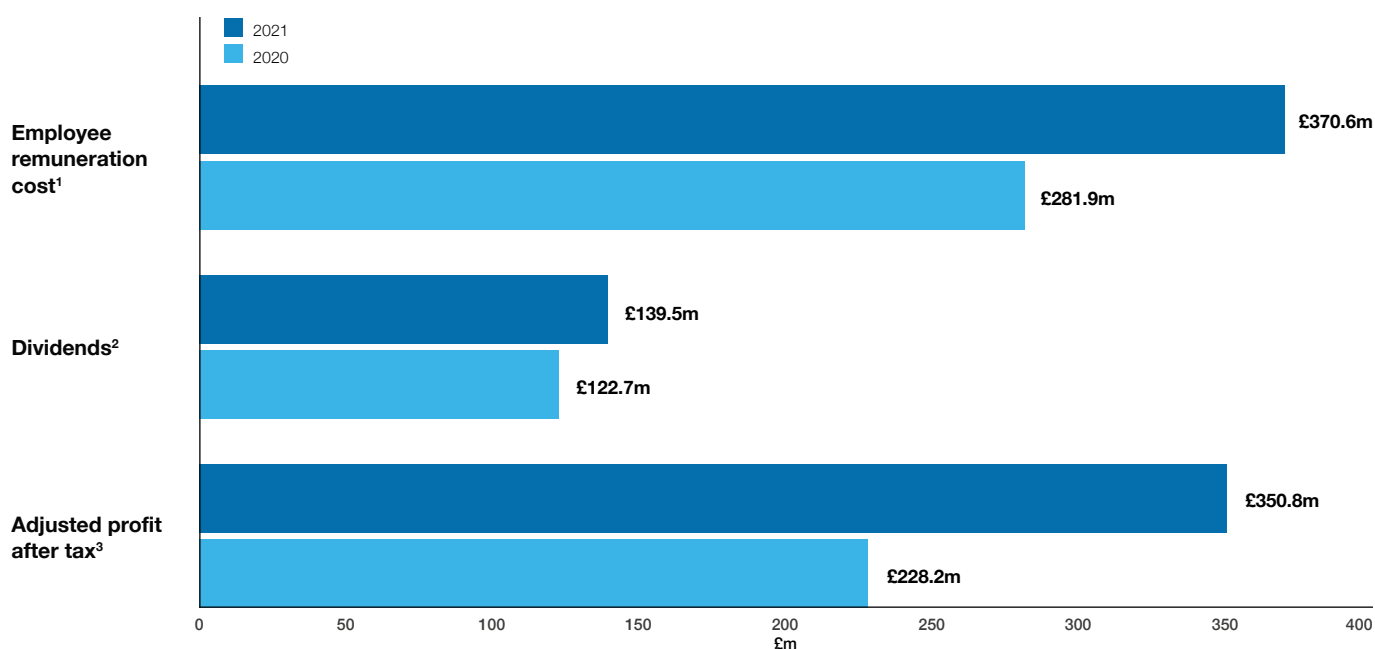
The following chart shows the movement in salary/fees, benefits and annual bonus for each of the Group's Directors between the current and previous financial year compared with that of the average employee of the Group's parent Company. The movement for the average UK employee is also provided for additional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

		% change in salary / fees ¹	% change in benefits ²	% change in bonus ^{3,4}
Average employee of the Group's parent Company⁵	2021	-5.12%	-25.04%	–
	2020	3.66%	-0.06%	0.00%
Average UK employee⁵	2021	0.68%	-8.63%	–
	2020	3.43%	-3.27%	27.96%
Executive Directors				
Steve Foots	2021	1.00%	-25.87%	–
	2020	2.00%	0.50%	0.00%
Jez Maiden	2021	1.00%	0.04%	–
	2020	2.00%	2.29%	0.00%
Non-Executive Directors				
Anita Frew	2021	1.00%	–	–
	2020	2.00%	-100.00%	–
Roberto Cirillo	2021	1.00%	–	–
	2020	2.00%	-100.00%	–
Alan Ferguson ⁶	2021	-100.00%	–	–
	2020	-67.83%	-100.00%	–
Jacqui Ferguson	2021	1.00%	–	–
	2020	2.00%	-100.00%	–
Helena Ganczakowski ⁷	2021	4.84%	–	–
	2020	11.41%	-100.00%	–
Keith Layden	2021	1.00%	–	–
	2020	2.00%	-100.00%	–
John Ramsay ^{7,8}	2021	7.50%	–	–
	2020	–	–	–
Julie Kim ⁹	2021	–	–	–
	2020	–	–	–

- Employees of the Group's parent Company and UK employees received a 1% pay increase in 2021; an additional 1% increase was awarded to the majority of the UK workforce in July 2021, excluding all Board Directors and those in our most senior grades. Executive Directors and Non-Executive Directors received a 1% pay increase. The % decrease in the salary of the Average employee of the Group's parent Company relates to an increase in headcount of the Group's parent Company. This increase in headcount of more junior employees has driven the average salary down.
- 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. To see the actual value of benefits for Non-Executive Directors in 2021 please see page 101.
- For 2021, the senior annual Bonus Plan and Croda Europe Discretionary Board Scheme both paid out in full. These schemes however 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. In respect of the Average UK employee, the % change in 2020 relates to 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 actual amount received by the average UK employee is significantly higher and as such the % change would be misleading.
- Bonus including annual bonus, DBSP and sales bonus.
- Excluding Executive Directors and Non-Executive Directors.
- Alan Ferguson retired on 23 April 2020.
- In 2020 following Alan Ferguson's retirement, 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.
- John Ramsay was appointed to the Board on 1 January 2020 and therefore has no comparable remuneration figures for 2019.
- Julie Kim appointed to the Board 1 September 2021 and therefore has no comparable remuneration figures for 2020.

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 138. 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.

13. Statement of voting (unaudited information)

	Remuneration Policy 2020 AGM		Annual Report on Remuneration 2021 AGM	
	number of votes	% of votes	number of votes	% of votes
Votes cast in favour	97,230,580	97.55%	109,189,937	98.82%
Votes cast against	2,445,834	2.45%	1,306,221	1.18%
Total votes cast	99,676,414	100%	110,496,158	100%
Withheld	152,926		16,449	

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

Helena Ganczakowski
Chair of the Remuneration Committee

28 February 2022

Remuneration Report (continued)

E. Summary of the Remuneration Policy

An updated Remuneration Policy was presented and approved by shareholders at the 2020 AGM. It is intended that this will operate until the AGM in 2023. The full Remuneration Policy can be found on pages 77 to 83 of our Annual Report & Accounts 2019.

Main components of the Remuneration Policy

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
<i>Basic salary – to assist in the recruitment and retention of high-calibre Executives</i>		
<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 international manufacturing 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.
<i>Benefits – to provide competitive benefits to act as a retention mechanism and reward service</i>		
<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 and other insured benefits • Other ancillary benefits, including 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.

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
<i>Performance-related annual bonus – to incentivise and reward delivery of the Group's key annual objectives and to contribute to longer-term alignment with shareholders</i>		
<p>Normally one third of any bonus paid 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.</p> <p>The balance of the bonus is paid in cash.</p>	<p>Group Chief Executive: 150% of salary.</p> <p>Other Executive Director: 125% of salary.</p>	<ul style="list-style-type: none"> • Bonus will typically be based on challenging financial targets set in line with the Group's KPIs (for example profit growth targets). • The Committee has the flexibility to include, for a minority of the bonus, targets related to other Group measures where this is considered appropriate. • For a profit measure, bonus normally starts to accrue once the threshold target is met (0% payable) rising on a graduated scale to 100% for outperformance. Were an additional KPI metric to be introduced, the threshold would not exceed 25%. • 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 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, 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.
<i>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</i>		
<p>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.</p> <p>The Committee has the discretion to permit awards to benefit from the dividends paid on shares that vest.</p>	<p>Normal maximum opportunity of:</p> <ul style="list-style-type: none"> • Group Chief Executive: 225% of salary • Other Executive Director: 175% of salary. <p>In exceptional circumstances (eg recruitment), awards may be granted up to 300% of salary to compensate for value forfeited from a previous employer.</p>	<ul style="list-style-type: none"> • Granted subject to a blend of challenging financial (eg EPS), shareholder return (eg relative TSR) and strategic targets (eg sustainability). The performance targets may also include an additional underpin (eg an EVA underpin). • Targets will normally be tested over three years. • In relation to financial targets (eg 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 (eg 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 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, 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.

Remuneration Report (continued)

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
<i>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</i>		
<ul style="list-style-type: none"> Periodic invitations are made to participate in the Group's Sharesave scheme and Share Incentive Plan. Shares acquired through these arrangements have significant tax benefits in the UK subject to satisfying certain HMRC requirements. The plans can only operate on an all-employee basis. The plans operate on similar terms but on a non tax-favoured basis outside the UK as appropriate. In the event that Croda were to introduce an all-employee plan similar in nature to the current Sharesave and Share Incentive Plan, the Committee retains the discretion to allow Executive Directors to participate on the same basis as other employees. 	<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 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.
<i>Pension – to provide competitive long-term retirement benefits and to act as a retention mechanism and reward service</i>		
<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>Only basic salary is pensionable.</p>	<ul style="list-style-type: none"> 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. 	None.
Legacy arrangements		
<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>		