

Our Commitment

We are committed to being the most sustainable supplier of innovative ingredients. We will create, make and sell solutions to tackle some of the biggest challenges the world is facing. By 2030 we will be Climate, Land and People Positive.

In 2020 we launched our Commitment, externally benchmarking our targets with the support of the Cambridge Institute for Sustainability Leadership to ensure our ambitions align with expectations of a sustainability leader in our industry. Ours is a restorative strategy, designed to ensure that planet and society are better as a result of our activities, and we are not just mitigating against negative impacts.

We have important KPIs outside of Climate, Land and People; we believe these Fundamentals are crucial to the success of our business. These targets represent the required social licence for a multinational manufacturing company like Croda to operate in 2030.

Aligning with the UN SDGs

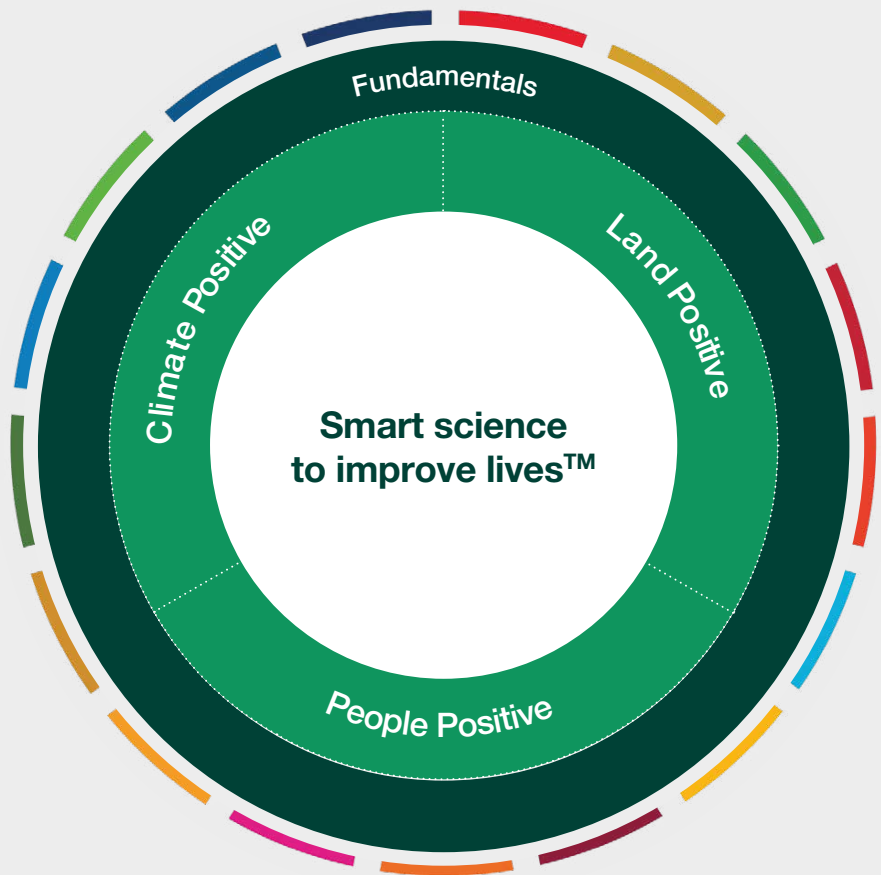
The United Nations Sustainable Development Goals (SDGs) underpin our Commitment. We have identified 23 SDG targets from 169, across nine goals, that are drivers of our strategy: those where we must reduce our negative impacts and where we can make the biggest positive contribution. These are grouped around the themes of climate, nature and society, hence our Commitment to be Climate, Land and People Positive.

Alignment with SDG 17 applies across our Commitment. Just as partnerships are critical to the success of the UN Sustainable Development Agenda, achieving our 2030 Commitment is dependent on productive partnerships with all our stakeholders. Other SDGs and their targets are no less important; whilst they are not driving our strategy, we contribute to achieving them through our Fundamental objectives and Croda Foundation.

Refreshing the strategy and resourcing for execution

A review of our sustainability strategy by the Executive Committee in 2021 resulted in re-committing to the highest level of ambition across all our 2030 targets, despite a changing business portfolio. We also developed plans to build on our strategy, account for new issues of importance to our stakeholders (see materiality page 14) and prioritise resources to ensure we excel in execution and engagement.

Our approach to providing resources to meet our 2030 targets follows the Croda model of decentralising as far as possible to be close to the point of need/action. Our central Group Sustainability and Sustainable Sourcing functions provide expertise and manage third-party relationships. In 2021 we deployed our first dedicated sustainability resources in the sectors and regions, and plan to double this level of resource in 2022, as well as ensuring all relevant employees have sustainability objectives and develop the skills to support this.



Measuring our growth vs the SDGs

Having previously identified the SDG targets that directly connect with our Commitment (see Sustainability Report 2020 page 11), this year we have mapped out how those SDG targets can be impacted through the use of our products in the markets in which we operate, considering our product offering into those markets and the primary supply chains and operations that provide them.

We plan to continue this assessment in the coming years to develop a means of assessing our revenues and profitability by SDG target. The table below presents a summary of the SDG targets our activities impact, broken down by sector and business unit:

SDGs	Consumer Care				Life Sciences			PTIC		
	Beauty Care	Beauty Actives	Home Care	Fragrances & Flavours	Seed Enhancement	Crop Protection	Health Care	Energy Technologies	Smart Materials	Industrial Chemicals
8	8.5	8.5	8.5	8.5						
12	12.2	12.2	12.2	12.6	12.2	12.2	12.7	12.7	12.2	12.2
	12.7	12.7	12.7	12.7	12.7	12.7			12.7	12.7
13	13.2					13.2		13.2	13.2	13.2
15	15.2		15.2	15.2		15.2			15.2	15.2
	15.5	15.5	15.5	15.5		15.5	15.2		15.5	15.5
3	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
4				4.3						
5		5.5		5.5						
6	6.4		6.3	6.4	6.3	6.3		6.3	6.3	6.3
			6.4			6.4				
7	7.2		7.2		7.2	7.2	7.2	7.2	7.2	7.2
8				8.8						
9	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
12	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
2					2.3	2.3				
					2.4	2.4				
3	3.4						3.3			
							3.4			
7	7.3		7.3		7.3	7.3	7.3	7.3	7.3	7.3
13			13.2		13.2	13.2	13.2	13.2	13.2	13.2
14	14.1	14.1	14.1		14.1	14.1		14.1		
15					15.3	15.3				

Value Chain

Operations

Products & Services