



## **Independent Limited Assurance Report of KPMG LLP to Croda International plc**

KPMG LLP (“KPMG” or “we”) were engaged by Croda International plc (“Croda”) to provide limited assurance over the Selected Information described below for the year ended 31<sup>st</sup> December 2023.

### **Our conclusion**

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report’s intended use.

### **Selected Information**

The scope of our work includes only the information included within the Sustainability section of Croda’s Annual Report and Accounts (“the Report”) and Sustainability Impact Report (“the Report”) for the year ended 31<sup>st</sup> December 2023 marked with the symbol  $\Delta$  (“the Selected Information”) (and also listed in Attachment 1).

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed elsewhere on Croda’s website for the current year or for previous periods unless otherwise indicated.

### **Reporting Criteria**

The Reporting Criteria we used to form our judgements is Croda’s Reporting Criteria 2023 as set out at [www.croda.com/sustainability](http://www.croda.com/sustainability) (“the Reporting Criteria”). The Selected Information needs to be read together with the Reporting Criteria.

### **Inherent limitations**

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria has been developed to assist Croda in preparing the Selected Information only. As a result, the Selected Information may not be suitable for another purpose.

### **Directors’ responsibilities**

The Directors of Croda are responsible for:

- designing, operating and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

### **Our responsibilities**

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been properly prepared, in all material respects, in accordance



with the Reporting Criteria and to report to Croda in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

### **Assurance standards applied**

We conducted our work in accordance with International Standard on Assurance Engagements (UK) 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("ISAE (UK) 3000") issued by the Financial Reporting Council and, in respect of the greenhouse gas emissions information included within the Selected Information, in accordance with International Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. Those standards require that we obtain sufficient, appropriate evidence on which to base our conclusion.

### **Independence, professional standards and quality management**

We comply with the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics. The firm applies International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Summary of work performed**

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to obtain a meaningful level of assurance over the Selected Information as a basis for our limited assurance conclusion. Planning the engagement involves assessing whether the Reporting Criteria are suitable for the purposes of our limited assurance engagement. The procedures selected depend on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- Performing analytical procedures over the aggregated Selected Information, including a comparison to the prior period's amounts having due regard to changes in business volume and the business portfolio;
- Selected limited substantive testing, including agreeing a selection of the Selected Information to the corresponding supporting information;
- Considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- Re-performing a selection of the carbon conversion factor calculations and other unit conversion factor calculations;
- Comparing the number of employees' data used to prepare the Selected Information to the Human Resources IT system;



- Re-performing the mathematical calculation of the Selected Information in accordance with the Reporting Criteria;
- Reading the narrative within Croda Annual Report and Accounts and Sustainability Impact Report with regard to the Reporting Criteria, and for consistency with our findings.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### **This report's intended use**

Our report has been prepared for Croda solely in accordance with the terms of our engagement. We have consented to the publication of our report on Croda's website for the purpose of Croda showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of Croda determined by Croda's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Croda for any purpose or in any context. Any party other than Croda who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

**Nasrin Moola**

**For and on behalf of KPMG LLP**

Chartered Accountants

15 Canada Square

London

E14 5GL

26 February 2024

The maintenance and integrity of Croda's website is the responsibility of the Directors of Croda; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on Croda's website since the date of our report.

### **Attachment 1:**

| <b>KPI</b>                                | <b>Unit</b>              | <b>Assured Value</b> |
|---|--------------------------|----------------------|
| Scope 1 emissions                         | Tonnes CO <sub>2</sub> e | 86,740               |
| Scope 2 GHG emissions<br>(location-based) | Tonnes CO <sub>2</sub> e | 60,834               |



|  |                            |         |
|--|----------------------------|---------|
| Scope 2 GHG emissions (market-based)             | Tonnes CO2e                | 14,506  |
| Scope 3 GHG emissions (upstream)                 | Tonnes CO2e                | 674,234 |
| Emissions intensity                              | Tonnes CO2e / £m value add | 138     |
| Carbon emissions avoided through use of products | Tonnes CO2e                | 812,620 |
| Carbon cover ratio                               |                            | 1.05:1  |
| % organic raw materials bio-based                | %                          | 59%     |
| % leadership roles held by women                 | %                          | 39%     |
| % women in the workforce                         | %                          | 40%     |
| % women on the Board                             | %                          | 50%     |