

Climate Impact continued

# Climate Positive

Key	
Target achieved	
Target on track	
Target requires additional focus	
Target challenging to achieve	
Fundamentals	

Objective and targets	Status	Milestones and metrics	Status	2023 progress
<p><b>Reducing emissions</b></p> <ul style="list-style-type: none"> <li>By 2030, we will have achieved our SBTs, reducing scope 1 and 2 emissions by 46.2% from a 2018 baseline, in line with limiting global warming to 1.5°C, and reducing upstream scope 3 emissions by 13.5%</li> <li>Thereafter, by 2050 we will be a Net Zero organisation</li> </ul>		<ul style="list-style-type: none"> <li>A reduction of 25% in 2018 absolute scope 1 and 2 emissions by the end of 2024</li> <li>All Croda locations to have a decarbonisation roadmap by the end of 2022</li> </ul>	 	<ul style="list-style-type: none"> <li>Absolute scope 1 and 2 emissions have reduced by 33% since 2018, and we are on track to achieve our 1.5 °C scope 1 and 2 SBT</li> <li>Our upstream scope 3 emissions were 674,234 tonnes<sup>Δ</sup> in 2023, 22% lower than 2018</li> <li>Our business teams developed decarbonisation roadmaps to 2030, covering scopes 1,2 and 3.</li> </ul>
<p><b>Carbon Cover</b></p> <ul style="list-style-type: none"> <li>By 2030, use of our products will avoid four times the carbon emissions (scope 1, 2 and 3) associated with our business – our 4:1 Carbon Cover</li> </ul>		<ul style="list-style-type: none"> <li>Two million tonnes of CO<sub>2</sub>e emissions savings delivered through use of our products by the end of 2024, which will be externally verified</li> <li>100% of our product portfolio evaluated for downstream scope 3 impact by the end of 2024</li> </ul>	 	<ul style="list-style-type: none"> <li>812,620 tonnes CO<sub>2</sub>e<sup>Δ</sup> were avoided through the use of ingredients attached to verified case studies giving a Carbon Cover ratio of 1.05:1<sup>Δ</sup> (2022: 0.66:1).</li> <li>We have developed an industry-leading downstream scope 3 inventory to understand our hotspots and impacts, enabling us to support our customers as they work towards becoming Net Zero</li> </ul>
<p><b>Sustainable innovation</b></p> <ul style="list-style-type: none"> <li>By 2030, over 75% of our organic raw materials by weight will be bio-based, absorbing carbon from the atmosphere as they grow</li> </ul>		<ul style="list-style-type: none"> <li>71% (rolling three-year average) of our organic raw materials to be bio-based by the end of 2024</li> </ul>		<ul style="list-style-type: none"> <li>Our use of bio-based raw materials remained steady at 59%<sup>Δ</sup> (2022: 59%)</li> <li>We are reviewing our 2024 milestone in recognition of our raw material portfolio following the divestment of PTIC in 2022, while maintaining our ambitious 75% target for 2030</li> </ul>
<p><b>Sustainable sourcing and partnerships</b></p> <ul style="list-style-type: none"> <li>Ensure all key suppliers are responding to EcoVadis and engaging with us to improve practices</li> </ul>		<ul style="list-style-type: none"> <li>By the end of 2024, all key suppliers will be required to achieve a minimum of the average score from EcoVadis (or equivalent) or will have an action plan with timelines to close gaps</li> <li>By the end of 2024, key suppliers representing at least 50% of our raw material volumes will be required to sign up publicly to SBTi or equivalent carbon reduction targets</li> <li>By the end of 2024, suppliers of crop-based raw materials will be required to provide supply chain transparency in a fully traceable and certified sustainable manner</li> </ul>	  	<ul style="list-style-type: none"> <li>Key suppliers representing 83% of targeted spend have been evaluated using EcoVadis and corrective actions have been assigned and prioritised</li> <li>Key suppliers representing 19% of our raw materials volumes have made public commitments to carbon reduction with more than half of these suppliers, 14.6% of raw materials volume, signed up publicly to the SBTi</li> <li>Supplier requirements are clearly outlined within the 2022 Croda Supplier Code of Conduct and approximately 36% of crop-based raw materials volume is certified sustainable with mapped supply chains</li> </ul>

<sup>Δ</sup> indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by KPMG, our independent assurance provider and reflects the position for the year ending 31<sup>st</sup> December 2023. See [www.croda.com/sustainability](http://www.croda.com/sustainability) for details.

Nature Impact continued



# Land Positive

**Key**

Target achieved	
Target on track	
Target requires additional focus	
Target challenging to achieve	
Fundamentals	

Objective and targets	Status	Milestones and metrics	Status	2023 progress
<b>Land use</b> <ul style="list-style-type: none"> <li>Throughout this decade, the land saved through the application of our crop protection and seed technologies will exceed any increase in land used to grow our raw materials by at least a factor of two, and by 2030, we will save at least 200,000 hectares per year more than in 2019</li> </ul>		<ul style="list-style-type: none"> <li>By the end of 2024, the land area saved through use of our technologies will be at least 80,000 hectares per year more than in 2019</li> </ul>		<ul style="list-style-type: none"> <li>We saved 58,815 hectares per year more than our 2019 baseline year, in total saving 151,038 hectares of land</li> <li>Land used to grow our raw materials in 2023 was 44,397 hectares</li> </ul>
<b>Crop science innovation</b> <ul style="list-style-type: none"> <li>Through to 2030 we will bring an average of two crop technological breakthroughs to market each year that are in alignment with our SBTs and which help our customers mitigate the impact of climate change and land degradation</li> <li>By 2030, we will have established three new partnerships to contribute to the recovery of compromised farmland and protect biodiversity. We will work with customers, universities and business councils to achieve this</li> </ul>		<ul style="list-style-type: none"> <li>By the end of 2024, we will have brought 10 qualifying technological breakthroughs to market</li> </ul>		<ul style="list-style-type: none"> <li>We brought four technological breakthroughs to market in 2023, which protect biodiversity and mitigate the impact of changing climate and land degradation, bringing our total breakthrough technologies launched since 2020 to nine</li> </ul>
<b>F</b>				
<b>Environmental stewardship</b> <ul style="list-style-type: none"> <li>Reduce our water use impact by 50% from our 2018 baseline</li> </ul>		<ul style="list-style-type: none"> <li>Reduce our water use impact by 25% from 2018 baseline by the end of 2024</li> <li>Eliminate process waste to landfill across our operations by the end of 2024</li> </ul>		<ul style="list-style-type: none"> <li>Water use decreased by 35% versus 2018 reference. 4 out of our 6<sup>1</sup> sites in water stressed zones are on track to deliver against our water impact target for 2024; the remaining two sites will be further supported in 2024 to maximise our ability to meet the milestone.</li> <li>Process waste to landfill has reduced by more than 58% since our 2018 baseline, with only 3 sites contributing &gt;90% of remaining waste to landfill in 2023</li> </ul>
<b>Product Stewardship</b> <ul style="list-style-type: none"> <li>Full life cycle assessments (LCAs) for our top 100 ingredients</li> </ul>		<ul style="list-style-type: none"> <li>Complete 40 LCAs by the end of 2024</li> </ul>		<ul style="list-style-type: none"> <li>2 further full LCAs were completed in 2023 bringing the total to 7</li> <li>Focus in 2023 has been on completing 'cradle to gate' LCAs as required by our customers, where we completed 33</li> </ul>

1. The number of Croda sites in water stressed areas has reduced from 7 to 6 during 2023, following the announcement that our site in Cikarang, Indonesia will close.

People Impact continued

# People Positive

## Key

Target achieved	
Target on track	
Target requires additional focus	
Target challenging to achieve	
Target failed to achieve	
Fundamentals	

Objective and targets	Status	Milestones and metrics	Status	2023 progress
<b>Health and wellbeing through our technologies</b> <ul style="list-style-type: none"> <li>By 2030, we will contribute to the successful development and commercialisation of 25% of WHO-listed pipeline vaccines</li> <li>By 2030, we will protect at least 60 million people annually from potentially developing skin cancer from harmful UV rays, through the use of our sun care ingredients</li> </ul>	 	<ul style="list-style-type: none"> <li>By the end of 2024 our technology will be part of at least 10 clinical phase III trials across at least 25% of the WHO-listed pipeline vaccines</li> <li>By the end of 2024 we will protect one million lives from skin cancer through the use of novel sun protection technologies</li> </ul>	 	<ul style="list-style-type: none"> <li>We met our 2024 milestone in 2022 and we continued to make progress towards WHO listed pipeline vaccines as well as launch new projects in non-WHO listed areas</li> <li>61 million people protected through the use of our sun care ingredients in 2022, achieving our 2030 target</li> <li>By end 2022, three million people protected from skin cancer through the use of novel technologies launched in the last four years, achieving our 2024 milestone</li> </ul>
<b>Gender balance</b> <ul style="list-style-type: none"> <li>By 2030, we will achieve gender balance across the leadership roles in our organisation</li> </ul>		<ul style="list-style-type: none"> <li>We are rolling out gender-balanced shortlisting recruitment across Croda, with a target of having 80% of shortlists gender balanced by the end of 2023</li> </ul>		<ul style="list-style-type: none"> <li>39%<sup>a</sup> of leadership roles now filled by women (2022: 38%)</li> <li>We did not achieve our balanced shortlist milestone (see page 20)</li> </ul>
<b>Improving more lives</b> <ul style="list-style-type: none"> <li>We will establish and fund a Croda Foundation to help improve one million lives in relevant communities</li> </ul>				<ul style="list-style-type: none"> <li>22.8 million lives sustainably improved by end 2023 through projects funded by the Croda Foundation</li> </ul>
<b>F</b>				
<b>Health, safety and wellbeing</b> <ul style="list-style-type: none"> <li>OSHA Total Recordable Injury Rate in the top 10% for the chemical industry</li> <li>30% increase in positive responses to the wellbeing areas in our Global Employee Culture Survey</li> </ul>	 	<ul style="list-style-type: none"> <li>Achieve OSHA Total Recordable Injury Rate of 0.3 by the end of 2024</li> </ul>		<ul style="list-style-type: none"> <li>Full year Total Recordable Injury Rate 0.72 (2022: 0.74)</li> <li>5ppt increase in wellbeing responses to 59% (2022: 54%)</li> </ul>
<b>Process safety</b> <ul style="list-style-type: none"> <li>Zero significant process safety incidents per year</li> <li>We will continue to investigate and apply learnings from minor incidents and near misses</li> </ul>		<ul style="list-style-type: none"> <li>Conduct an independent peer review of our Process Risk Reviews (PRR) for high-hazard processes by the end of 2023</li> </ul>		<ul style="list-style-type: none"> <li>31 out of 31 PRRs have been peer reviewed, 2023 milestone achieved</li> <li>Process Safety Total Incident Rate (PSTIR) 0.101 in 2023 (0.035 in 2022)</li> </ul>
<b>Fair income</b> <ul style="list-style-type: none"> <li>Everyone working at Croda locations, including temporary and permanent employees, and all contractors will receive a living wage that is monitored and reviewed annually</li> </ul>		<ul style="list-style-type: none"> <li>All regularly employed contractors will be paid a Living Wage by end of 2024</li> </ul>		<ul style="list-style-type: none"> <li>We reviewed our Living Wage levels in 2023 and made any adjustments necessary in order to continue paying a Living Wage to all employees as per Living Wage comparators provided by the Fair Wage Network</li> <li>We are working with the Fair Wage Network to gain accreditation for our work and to ensure our progress stands up to external scrutiny by the end of 2024</li> </ul>
<b>Knowledge management</b> <ul style="list-style-type: none"> <li>Longer-term target under development</li> </ul>		<ul style="list-style-type: none"> <li>100% of employees will receive a minimum of one week's training per year by the end of 2025</li> </ul>		<ul style="list-style-type: none"> <li>44% of our global workforce benefited from a minimum of one week's training in 2023 (2022: 23%)</li> </ul>

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## Fundamentals performance

# Our Fundamentals



Starting this year we are shifting towards reporting our impacts, as we progress delivery of our Commitment to become Climate, Land and People Positive by 2030. As a result several of the targets and KPIs that we have grouped and reported as Fundamentals in the past become more aligned with climate, nature and society impacts. They have therefore been reported on the relevant progress page at the end of each section. What remains are a few key Fundamental targets that sit across or alongside these impacts – these are reported here.

### Key

Target achieved	
Target on track	
Target requires additional focus	
Target challenging to achieve	

Objective and targets	Status	Milestones and metrics	Status	2023 progress
<b>Responsible business</b> <ul style="list-style-type: none"> <li>Achieve outstanding CSR performance ratings across all themes within the EcoVadis assessment</li> </ul>		<ul style="list-style-type: none"> <li>Achieve an EcoVadis score of at least 85 by end 2023</li> </ul>		<ul style="list-style-type: none"> <li>Awaiting feedback on EcoVadis submission for 2023: score of 75 in 2022</li> </ul>
<b>Quality assurance</b> <ul style="list-style-type: none"> <li>Achieve a 99.5% Right First Time (RFT) rate</li> </ul>		<ul style="list-style-type: none"> <li>Achieve a 99.0% RFT rate by the end of 2024</li> </ul>		<ul style="list-style-type: none"> <li>Ended 2023 with a RFT rate of 98.2%. (2022: 98.3%)</li> </ul>