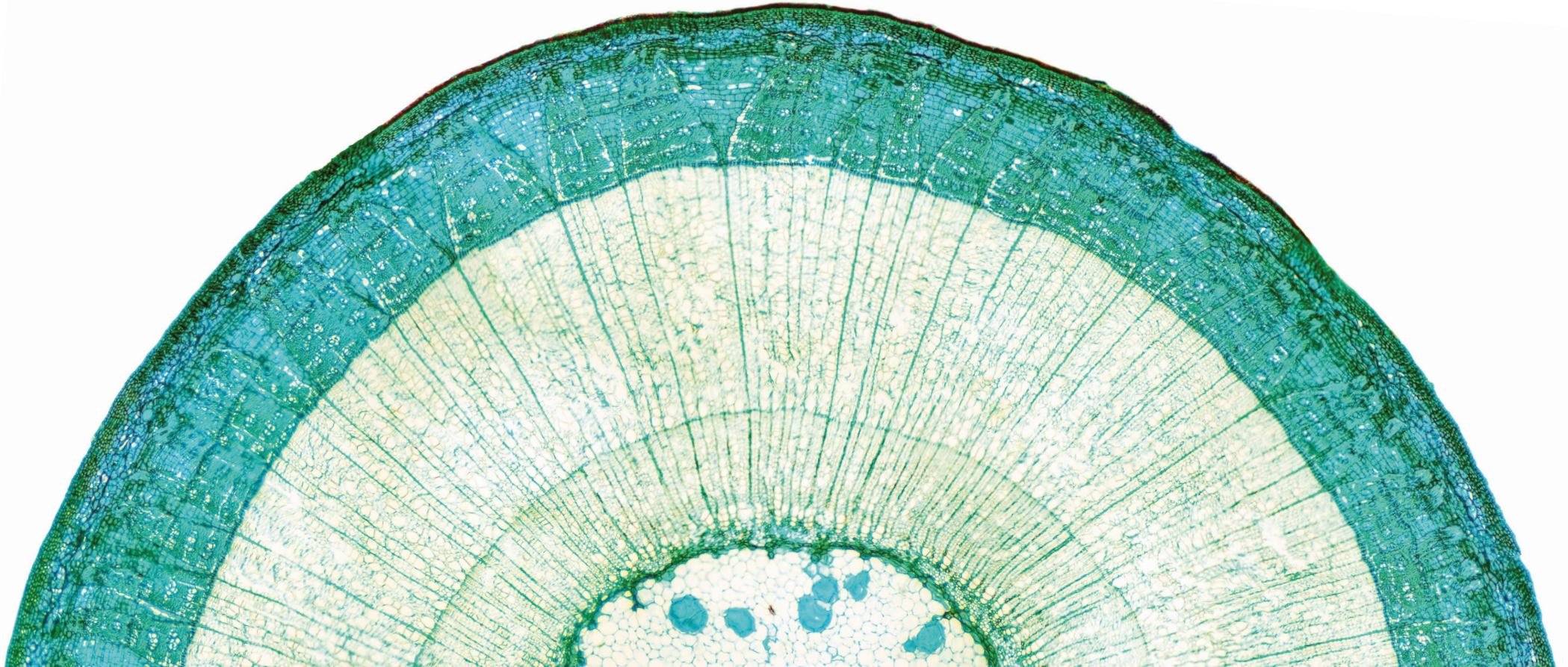




TRANSFORMING FOR GROWTH

Annual Report and Accounts 2025



Contents

Strategic report

Highlights	1
At a glance	2
Investment case	3
Our Purpose	4
Our business model	5
Chair's statement	7
Our culture and values	9
Megatrends and market environment	10
Chief Executive's statement	11
Driving consistent growth	15
Transformation	17
Delivering sustainability leadership	18
Finance review	20
Key performance indicators	25
Business reviews	27
Risk management	33
Long-term viability statement	40
TCFD	41
Non-financial and sustainability information statement	48

Our reporting suite



Reporting hub

Access Croda's latest Annual Report and comprehensive insights



2025 Sustainability Progress Statement

Summary of our sustainability agenda and progress, introduced by Steve Foots, CEO



2025 Reporting Data Pack

Tabulated multiyear financial and non-financial data, including GRI and SASB disclosures and PAI statements



Scan the code for online versions of our reports

Governance

Chair's introduction to Governance	50
Board biographies	51
Board activity	54
Engaging with stakeholders	57
Board leadership	61
Audit, risk and internal control	64
Nomination Committee report	66
Sustainability Oversight Committee report	70
Audit Committee report	72
Remuneration Committee report	78
Directors' report	110

Financial statements

KPMG LLP's Independent Auditor's Report	114
Group Consolidated Statements	129
Group Accounting Policies	134
Notes to the Group Accounts	143
Company Financial Statements	172
Notes to the Company Financial Statements	174

Sustainability performance

Our reporting parameters	178
Materiality	179
Our businesses' impact on the SDGs	180
Climate Positive	181
Nature Positive	185
People Positive	186
Governance	187
Assurance and restatements	188

Other information

Related undertakings	189
Shareholder information	192
Five-year record	194
Alternative Performance Measures	196
Glossary	198

Our award-winning ingredients

Croda has been named Britain's Most Admired Chemicals Company for the tenth year running, highlighting our leadership in smart science and high performance ingredients.



Mellolstem™: targets both dark and white pigment disorders caused by age and sun damage, promoting a radiant, even complexion while preserving your skin's natural beauty.



Natrineo CR8: a single-step, PEG-free¹ emulsifier that allows formulators to create stunning water-in-oil-in-water emulsions with just one ingredient, delivering an indulgent, non-greasy, luxurious feel.



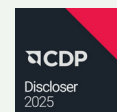
Sustainably sourced Squalene: to replace shark-derived squalene for the vaccine industry – collaboration award for partnership with Amyris.



Ameyezing 4.0™: visibly reduces under-eye dark circles, both hyperpigmented and vascular types, along with puffiness, redness and hyperpigmentation for a refreshed, youthful appearance.

Recognition

As we strive to improve our impacts, we value external recognition from independent sources.



1. PEG-free: a product formulated without polyethylene glycol

Highlights

Organic sales growth

7%

2024: (1%)

Adjusted operating margin

17.4%

2024: 17.2%

IFRS profit before tax

£91.0m

2024: £207.8m

Return on Invested Capital

8.2%

2024: 7.7% (restated)

Ordinary full year dividend

111.0p

2024: 110.0p

Safety – Total Recordable
Injury Rate

0.61

2024: 0.47

Employee Net Promoter Score

+21

Increased from +11 in March
2025 when the metric was
introduced

Total scope 3 emissions
(TCO₂e)

1,330,561

2024: 1,190,132

Customer Net Promoter Score

+43

2024: +32

See p196 for definitions

Financial

Non-financial

At a glance

We provide innovative ingredients and develop solutions for customers that enhance the performance of their products and help them to differentiate their brands.

Our markets

Consumer Care

We develop innovative and sustainable ingredients that provide vital functionality to consumer care formulations, enabling customers to differentiate their products. For example, our ingredients can enable customers to make anti-ageing claims or ensure that their products are formulated correctly and function effectively.

Life Sciences

Pharma

We develop components and systems for the delivery of Active Pharmaceutical Ingredients (APIs), enabling delivery of a wide range of drugs and vaccines.

Agriculture

We are an innovation partner to crop science companies, developing delivery systems to meet sustainability challenges and enable next-generation solutions.

Our customers

We sell to a broad range of customers both large and small. Customers typically value the quality of our ingredients, the innovation that underpins them, and our sustainability leadership. Our direct selling model and collaborative approach to innovation enables us to build strong relationships with customers.

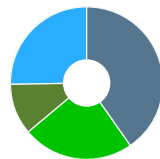
Group sales

By sector



Consumer Care	57.2%
Life Sciences	31.3%
Industrial Specialties	11.5%

By region



EMEA	40.3%
North America	23.6%
LATAM	11.0%
Asia	25.1%

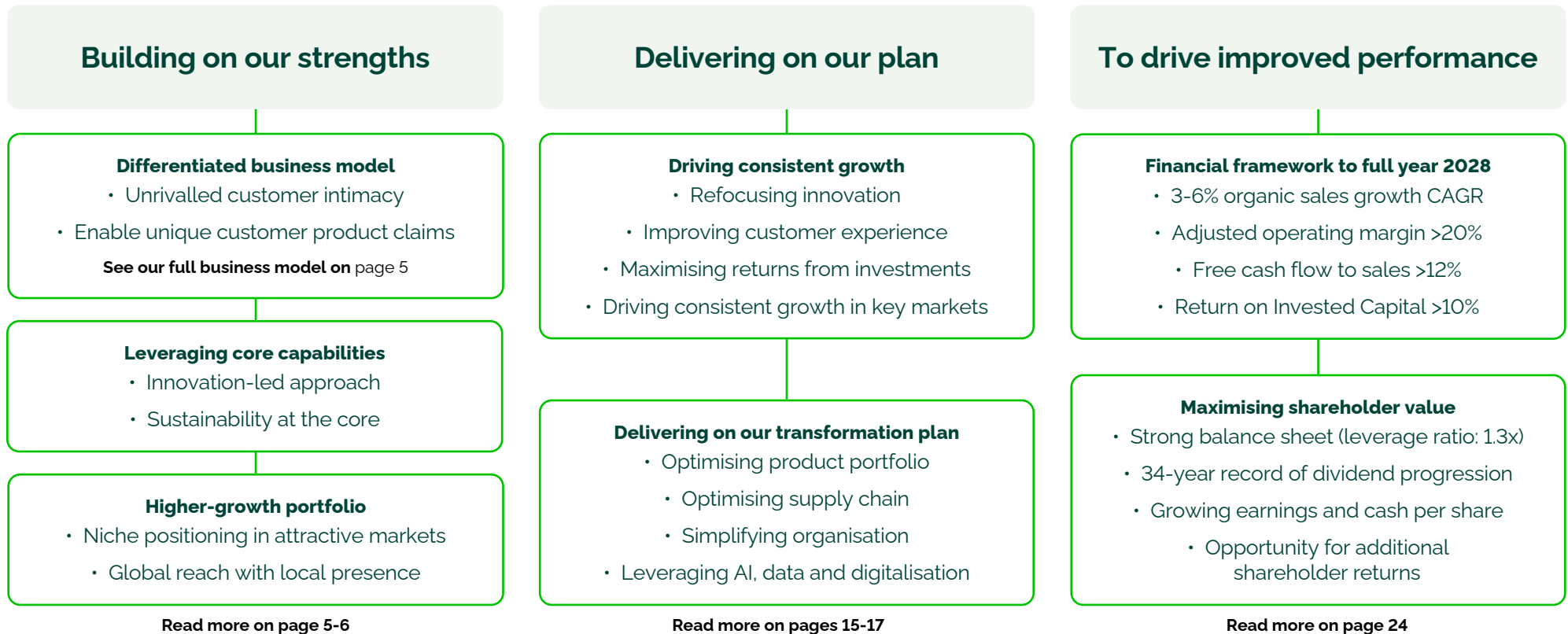
Our footprint

We operate globally with regional manufacturing operations and local sales and innovation centres, balancing the need for efficient manufacturing with our desire to be close to customers. We operate 44 principal manufacturing sites, including 11 larger multi-purpose sites that manufacture for multiple businesses utilising common processes and technologies.



Our investment case

A differentiated business delivering on our plan to grow earnings and returns.



Our Purpose – Smart science to improve lives™

Our Purpose is deeply embedded throughout Croda. In line with our Purpose, we are committed to being the most sustainable supplier of innovative ingredients by becoming Climate, Nature and People Positive by 2030.

Delivering positive impact through our Purpose

Our people are motivated by delivering positive impact in their everyday work, helping to tackle the biggest challenges that the world is facing as part of creating value for our customers. The breadth and depth of our portfolio means we are well positioned to use our Smart science to improve lives™, which is further enhanced by the work of Croda Foundation, improving lives through better access to healthcare and more sustainable livelihoods.

Key:

Climate Positive



Nature Positive



People Positive




Protecting ecosystems, contributing to nature restoration and ensuring the reliable supply of drug delivery ingredients to help prevent, treat and potentially cure disease (see p32)

[Read more online at www.croda.com](http://www.croda.com)



Protecting nature in our supply chains, enabling sustainable use of our ingredients in consumer care products to promote the hygiene, health and wellbeing of consumers (see p29)

[Read more online at www.croda.com](http://www.croda.com)



Croda Foundation's partnership with Nitidae is seeking to transform cocoa farming in Côte d'Ivoire. Over 305 farmers have restored 184 hectares of aging cocoa plantations, adopting sustainable agricultural practices that improve yields and protect forests. More than 16,000 people have also benefited through training and knowledge sharing. As Kouassi, a cocoa farmer from Bassadzin, shared: "Before Nitidae, my field was dying. Now, after pruning and replanting, the air and sun reach the trees, and my cocoa is healthy again." The project is building a foundation for environmentally friendly cocoa production and stronger rural livelihoods.

[Read more online at www.croda.com](http://www.croda.com)

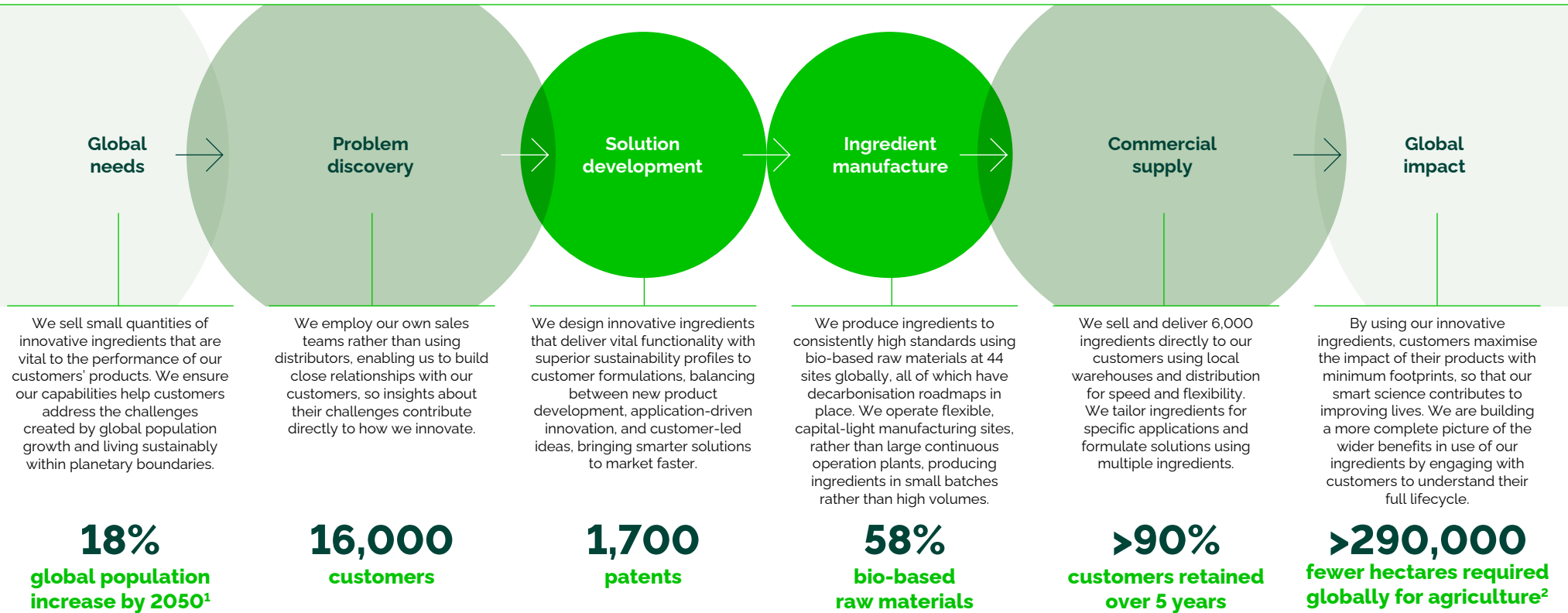


Reducing greenhouse gas (GHG) emissions and lowering costs for farmers, while minimising the impacts of crop protection products on human health and biodiversity through innovation in our agriculture technologies (see p32)

[Read more online at www.croda.com](http://www.croda.com)

Creating value through customer-focused innovation

A key competitive advantage is our direct sales team who work closely with R&D colleagues to co-create solutions with our customers, supported by flexible manufacturing using mainly natural raw materials.



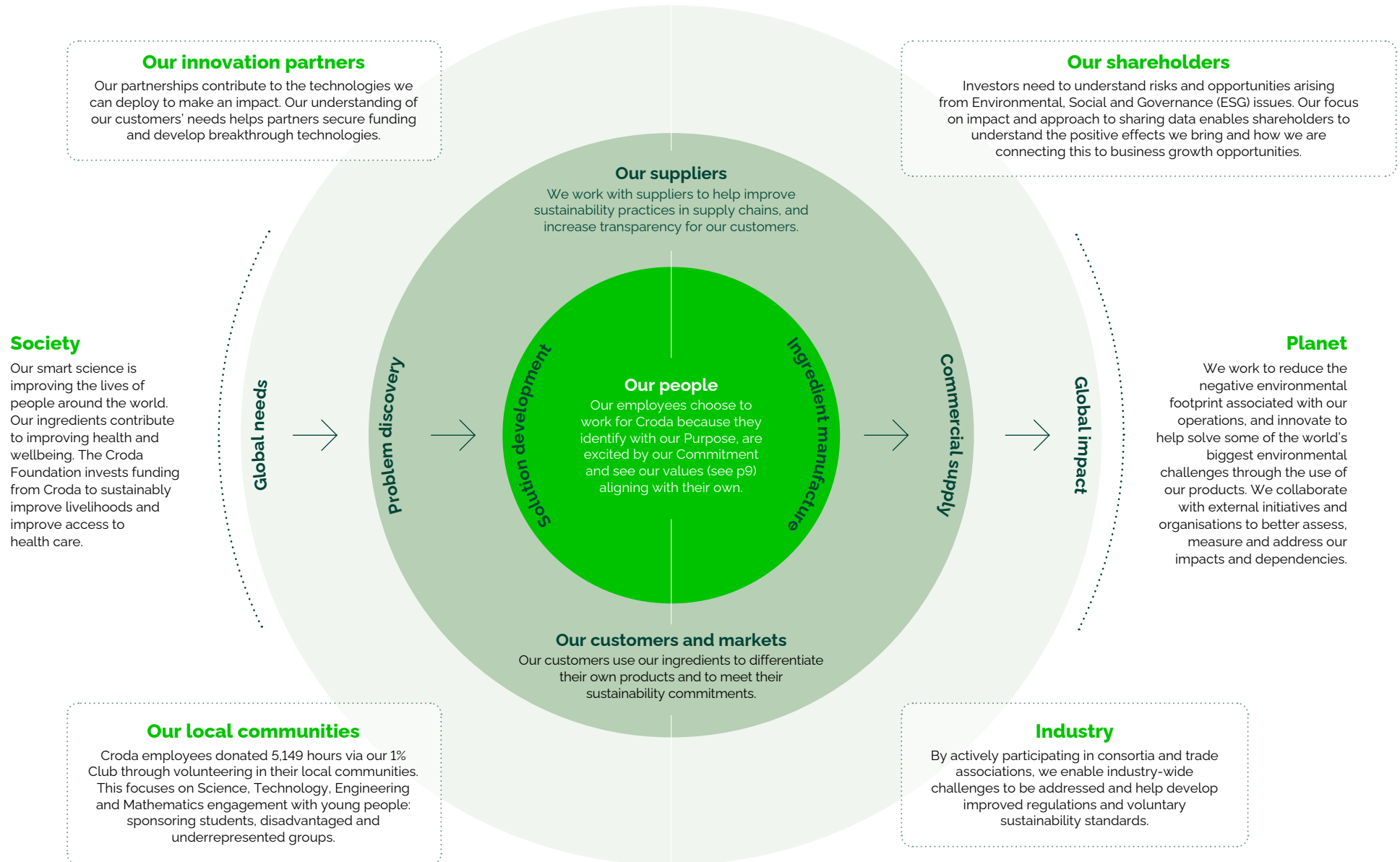
Leveraging our core capabilities



1. United Nations World Population Prospects 2024.

2. Cumulative land area saved 2020-24 above a 2019 baseline as a result of the use of our crop and seed technologies.

How we create value and impact through our stakeholders



Letter to shareholders



“As Croda enters its second century, we do so with confidence, underpinned by innovation and a shared sense of purpose.”

Dear Shareholders,

Croda is a global business with a strong heritage and a clear focus on innovation. In an increasingly uncertain world, innovation differentiates businesses and drives long-term success. I am encouraged by the breadth of innovation across the Group, spanning process improvements, new product development and enhancements to existing products, underpinned by close collaboration with customers. This partnership model enables us to deliver high-value, speciality ingredients that help customers build stronger brands and address their most pressing challenges.

Performance – a year of transition and transformation

Croda today has a higher-quality, more differentiated portfolio than five years ago, serving attractive markets supported by long-term growth drivers. However, the Board is disappointed with recent performance and believes the business can deliver more. In response, during 2025 we reviewed our business and launched a growth and efficiency transformation programme, to strengthen performance, returns and sustainable growth.

While delivery sits with the executive team, the Board is closely involved, providing oversight, challenge and guidance. The programme places customers firmly at the centre of the business, building on Croda's core strengths of innovation, customer intimacy and a distinctive culture. We aim to deepen customer relationships and accelerate innovation through best-in-class service and more localised innovation capabilities. Alongside our strategy we are executing a transformation programme, to reduce costs by ~£100m for full year 2028, and improve the efficiency and effectiveness of our processes and operations, spreading best practice across our global business.

Innovation

Innovation remains central to Croda's differentiation. We continue to focus on innovating at the top of our portfolio, while actively managing and, where appropriate, rationalising less differentiated products. The Board has reviewed the innovation pipeline and remains confident in its strength, supported by unrivalled claims data and solutions often tailored to individual customers. New product launches in 2025, such as Zenakine, a naturally derived neuroactive ingredient developed in partnership with a start-up, to address the effects of stress on skin, demonstrate our continued ability to deliver solutions that matter. New process innovation includes our investment at our pharma facility in Leek, which supported the launch of Super Refined™ Poloxamer 188.

The Board has established an Innovation Advisory Council to be chaired by Non-Executive Director, Keith Layden to increase the time and focus by the Board on innovation and our science and technology. The Council will comprise both internal and external experts to provide strategic insight into emerging technologies, disruptive science, and process platforms, aligning with our approach to 'Open Innovation' and ensuring

Croda maintains its position as a world-class, innovative and differentiated business.

The Council will support the Board by undertaking deep dives into areas requiring detailed technical and strategic discussion, challenging existing assumptions and refining Croda's innovation model to ensure alignment with evolving customer needs and market dynamics.

Sustainability

During 2025, the Board Sustainability Oversight Committee reviewed progress against our sustainability strategy and worked with management to define priorities for the remainder of the decade. Our refreshed sustainability strategy is more focused, prioritising areas that customers value most and where Croda can have the greatest impact.

An early outcome of the strategy refresh was our re-commitment to science-based targets for greenhouse gas emissions, validated by the Science Based Targets initiative. The inclusion of a Scope 3 target covering land-based emissions within our supply chain reflects the Board's focus on addressing Croda's most material environmental impacts. We also remain committed to the Croda Foundation, our independent charity, which has delivered measurable change to over 23 million people through 59 projects across 23 countries since its founding in 2021. The Foundation concentrates on two key areas: improving livelihoods and improving access to health, with poverty alleviation the guiding aim of its work. Employee-nominated projects are a hallmark of the model and continue to embed purpose across Croda, connecting staff pride to tangible social impact outcomes.

Talent and succession

We were pleased to welcome Stephen Oxley as Chief Financial Officer on 1 April 2025. Stephen's experience in strategy execution and performance improvement has helped shape our transformation programme. We also welcomed Thomas Riermeier as President Life Sciences, whose background in Healthcare and Pharma brings valuable external perspective, and Thiru Selvan, promoted to President of Operations, who is leading enhancements to our global supply chain.

Together, these appointments strengthen the Executive Committee which now combines fresh thinking with deep organisational knowledge. More broadly, the Board has increased its focus on talent development and succession planning, regularly reviewing leadership capability and engaging with high-potential employees globally to ensure robust succession for the future.

Stakeholder engagement

Engaging with our stakeholders remains a priority for the Board. The principal role of the Board is to ensure obligations to shareholders and all other stakeholders are understood and met. As well as spending time with the Executive Committee and senior leaders, I continue to invest time out of the Boardroom to meet employees, industry experts and our shareholders. In October, fund managers and corporate governance specialists representing 25% of our issued share capital joined us for lunch to discuss shareholder priorities.

Shareholders appreciated the opportunity to meet and were positive about the honesty and transparency of Croda's engagement. They were aligned with the Board's view that the Company's priorities should be execution and operational delivery to grow earnings and improve returns. They were also supportive of the Board's focus on talent management, particularly given recent Executive Committee changes. I would like to thank everyone I have met for their open engagement and continued support.

I value spending time with employees across the Group and during visits this year, was struck by the strong collaboration across teams and markets, particularly within our research and development (R&D) community. This sharing of knowledge and expertise underpins our ability to deliver consistent, high quality solutions to customers.

Despite market volatility and the structural changes driven by our transformation programme, our 2025 employee NPS was +21, with belief in and advocacy for Croda at +28. The Board remains committed to protecting and strengthening Croda's culture and values.

During the year, I spent time with teams across our global business and at our R&D laboratories in Cowick and Daresbury in the UK. I also visited our facilities in Princeton in the US, Spain, Singapore, Korea and our seed enhancement business based in the Netherlands, and saw first-hand how our teams collaborate across sectors and markets. Strong cross-business collaboration has been a key driver in progressing the commercial success of our ceramide range. This work, led by the teams in France and South Korea, has been strengthened by outstanding collaboration across our global network, including the R&D team in China, the neuro-evaluation team in Singapore, the Princeton Haircare team, and the encapsulation teams in Cowick and Brazil. This collective, multi-market effort across multiple products and applications demonstrates our ability to leverage global expertise to accelerate innovation and deliver added value.

We also continued to bring the customer voice into the Boardroom through surveys and direct engagement. Working collaboratively with the Executive Committee, members of our Board met with key customers. This provides us with a unique opportunity to hear from customers directly. In the Beauty area specifically, meetings with customers have helped inform on trends and dynamics in this fast-moving sector which have helped to drive innovation and ensure that our customers remain at the forefront. Such insights help us to understand business trends and dynamics and to work with the Executive Committee to identify opportunities and priorities by sector and by region. Feedback from customers, alongside improved Net Promoter Scores has reinforced Croda's position as a trusted partner and gives the Board confidence in the Group's long-term prospects.

Board composition and dividend

In July 2025, Julie Kim retired from the Board following her appointment as Group CEO of Takeda Pharmaceutical. We thank Julie for her valuable contribution and wish her every success. In January 2026, Jill Anderson joined the Board, bringing more than 30 years of international leadership experience in the health care sector, most recently at GSK, across finance, commercial, research and supply chain roles.

Our Directors' Remuneration Policy was last approved by shareholders at the 2023 Annual General Meeting (AGM) and will therefore require re-approval at the 2026 AGM. In advance of this, the Committee has reviewed the Directors' Remuneration Policy to ensure that it continues to appropriately support the achievement of the Group's strategic objectives.

The Board recognises the importance of shareholder returns and a final dividend of 63.0p has been proposed, resulting in a full-year dividend of 111.0p. This represents a payout ratio of 76%, above our target range of 40-50%, however with a strong balance sheet and confidence in the longer-term outlook, the Board remains committed to at least maintaining the dividend. This is in line with our capital allocation policy, detailed on page 23, which aims to provide regular returns to investors.

Looking ahead

As Croda enters its second century, we do so with confidence, underpinned by innovation and a shared sense of purpose. Our success over the past 100 years has been driven by our ability to anticipate change and respond through science-led innovation, guided by the expertise and commitment of our teams. As a knowledge-based business, our people are critical to the future success of the Company, and I'd like to thank our teams around the world for their ongoing commitment to Croda and our customers.

While external conditions remain uncertain, Croda's transformation is underway. The Board believes the actions being taken will strengthen the Group's ability to deliver sustainable growth and improved returns over the medium and long term. We remain committed to disciplined stewardship, transparency and long-term value creation.



Danuta Gray
Chair

Our culture and values

Nurturing a unique culture to stay agile and deliver consistent performance.

Our culture and values

Our people are central to how we perform and how we continue to evolve as a global, science-led business. We bring together expertise from across the organisation to serve customers and create long-term value, guided by our Purpose, Smart science to improve lives™.

Our Values set clear expectations for how we work and lead. 'Responsible', 'Innovative' and 'Together' shape our culture and guide every decision we make, inspiring us to take ownership of our actions and care deeply for each other, our communities and the environment.

Our 'One Croda' culture, reinforced through our remuneration practices, brings us together as a global, connected and values driven team. It aligns us behind a shared purpose and behaviours that promote innovation, responsibility and inclusion. Built on accountability, collaboration and trust, this culture helps us stay agile and entrepreneurial while delivering consistent, high-quality execution across all regions and functions.

As we continue to modernise through our transformation programme, we are simplifying ways of working, aligning global practices and strengthening the tools and capabilities that support our people. The programme is designed to reinforce accountability, enable more effective decision-making, support knowledge sharing, and deliver more reliably for customers, while maintaining a strong focus on engagement and wellbeing.

During the year, leaders were required to make difficult decisions relating to headcount as part of organisational change. These decisions were made with care and sensitivity, supported by clear communication and appropriate support.



Listening and acting

Insight from our people helps to shape how these changes are experienced and embedded across the company.

In March 2025, we enhanced our employee listening approach by capturing authentic feedback on a continuous basis to strengthen engagement. Our new 'YourVoice' tool enables our people to share their experiences safely and consistently, while providing leaders with clear, actionable insight into what matters most to their people.

Moving beyond periodic surveys to continuous listening is helping us identify emerging trends, address issues early, and make informed decisions that support a positive and inclusive workplace culture.

Employee feedback highlighted the importance of clear communication in helping our people understand our strategy and priorities. In response, we have strengthened communications and increased leadership visibility, using a broader range of channels and formats to help translate strategy into everyday context. These steps are helping to build greater understanding, alignment and engagement across the organisation, as the business continues to evolve.

Employee Net Promoter Score (eNPS) is calculated as promoters (scores 9–10) minus detractors (scores 0–6); the score ranges from –100 to +100. No prior year comparator scores are available as the score is new.

YourVoice insights (December 2025)

Overall eNPS: +21

Belief: Employee willingness to advocate for Croda **+28**

Satisfaction: Overall satisfaction with day-to-day work experience **+15**

Developing and retaining our people

In 2025, our voluntary employee turnover reduced by over 1% to 7.7% (2024: 9.1%). This was despite significant organisational and cost reduction activities being implemented throughout the year, reflecting our focus on engagement and retention of talent. The development and retention of high-quality people with the curiosity and ability to challenge conventional thinking and to further innovation ultimately determines the success of our business. We continued to support employee training, with a focus on self-led development. Our leadership development programmes have also continued to offer a more structured approach to development with a renewed focus on talent and succession planning among our senior leadership team helping to create the leaders of tomorrow.

Our strategic workforce plan, developed through 2025, provides a structured framework for talent acquisition, assessment, development and succession planning. It strengthens leadership capability and business continuity, with increased focus on identifying high-potential individuals and supporting their development. In addition to formal succession, we continue to review critical roles across regions and functions that are essential to delivery.

As we move into 2026, we plan to enhance the maturity and structure of our mentoring culture with the launch of two new initiatives to broaden perspectives and strengthen leadership capability.

7.7%
voluntary employee turnover

Megatrends and market environment

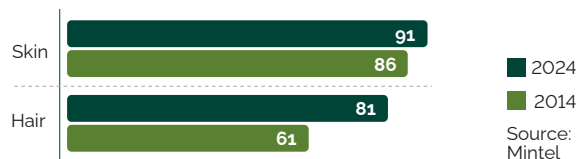
Our portfolio is aligned with long-term growth drivers in our markets, including a growing, ageing and urbanising global population.

Consumer Care

Longer-term trends

With urbanisation driving continued middle-class expansion and one in six people now over 65 years old, there is increasing demand for beauty products from diverse populations all over the world. Consumers want culturally relevant products resulting in the continued success of local beauty companies which Croda is well placed to serve. There is a bifurcation in consumer spending power, with less affluent consumers demanding cost-effective yet high performance ingredients, and wealthier consumers driving continued demand for prestige brands. Our response is to regionalise our offer to enable greater tailoring to specific country needs, and deliver benefits to our customers' masstige as well as prestige products, which both offer attractive returns.

L&R share of product launches (%)



Current market environment

The current environment in consumer markets is marked by three things which are driving our priorities and actions in Consumer Care. They are a return of demand for innovation, greater demand from outside Europe and the continued rise in importance of local and regional (L&R) customers.

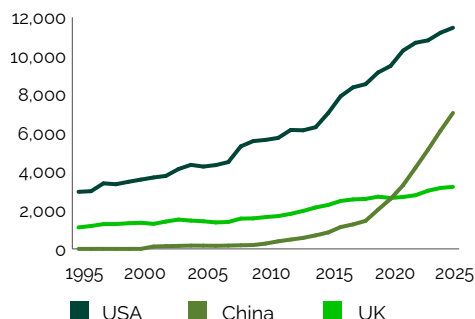
Through the pandemic and immediately afterwards, customers focused on supply and demand challenges ahead of innovation. Demand for innovation has since returned as our customers respond to consumer and regulatory trends changing more quickly than ever before. Secondly, we are seeing improved demand outside Europe. This includes North America, where consumer sentiment saw some improvements in the second half of 2025, and in Asia which is both the highest-growth beauty region according to market data and the fastest-growing region for Croda Beauty over the last three years. Thirdly, L&R customers continue to innovate and grow quickly. With our business model optimised to serve customers of all sizes we are well positioned to meet their needs. For example, our F&F business focuses almost entirely on smaller customers, mainly in emerging markets, who are growing twice as fast as the market as a whole. This should enable our F&F business to continue to grow ahead of peers.

Pharma

Longer-term trends

Population growth is putting pressure on health care systems, with the prevalence of significant diseases increasing and health care now representing 9% of global GDP (2020: 7%). This requires both more advanced drugs as well as more cost-effective provision. This is driving the continued success of generics and contract manufacturers, and the expansion in China's role as a global originator, all of which are opening up more diverse opportunities for Croda. Our response is to optimise our existing range of delivery systems to meet the needs of the generics market and further build our relationships with drug developers in China where our ingredients are already registered with the Chinese pharmacopeia.

New drugs under development



Current market environment

The regulatory environment in the USA created uncertainty for our customers in 2025. This impacted sales for some of our solutions (for example, vaccine adjuvants). Customer confidence improved in the second half year, with more robust demand for our longer-standing ingredients, as well as lipids for drug research. However, with drug development timescales having reverted to their pre-pandemic norms and clinical programmes taking longer to commercialise, breakout growth opportunities associated with novel therapies are likely to take longer to materialise.

Agriculture

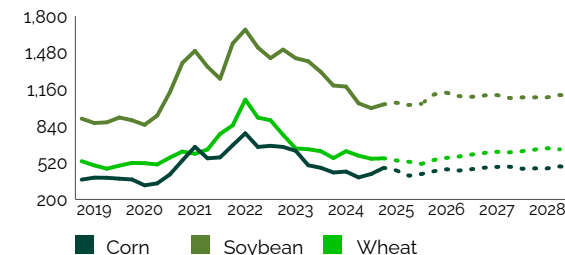
Longer-term trends

The challenge in agriculture is to produce 30% more food by 2050 when land is limited, crop yields are falling, and regulations are becoming tighter. For farmers, these changes need to occur when unstable geopolitics are driving deglobalisation, and economic volatility is impacting grower profitability. Faced with such challenges, crop science companies are working with partners such as Croda who can help them meet these development needs and balance productivity with sustainability. Our response is to develop new effects to meet unmet market needs, enhancing the differentiation of our portfolio.

Current market environment

Demand for our ingredients from our agriculture customers has been more volatile than in any other sector over the last five years. 2025 saw a recovery in demand from larger crop science customers, aided by our proactive actions. Demand in 2026 is not expected to benefit from the customer inventory rebuild that positively impacted our performance in 2025, but with crop commodity prices stable, volatility should be less pronounced than in recent years. The customer environment in agriculture has been changing, with MNCs focusing on their core activities, the rise of generic manufacturers particularly in China, and ongoing consolidation of smaller biopesticide specialists. We are responding with comprehensive customer segmentation and the continued regionalisation of our R&D expertise.

Crop commodity prices



Chief Executive's statement



“We are driving growth and transforming the Business to deliver consistent sales growth, enhanced profitability and increased cashflows.”

FY25 results – continued progress in an uncertain market

We are encouraged by early progress in 2025 as we implement our plan to grow earnings and returns. In an uncertain trading environment, Group sales were up 7% at constant currency. Although margins are still significantly below their medium-term potential, they improved in both key businesses, contributing to an 8% increase in Group adjusted operating profit. Adjusted profit before tax was £276.2m (2024: £260.0m), or £282.0m at constant currency, in line with guidance. Whilst free cash flow (post exceptionals) of £161.6m was £8m lower than the (restated) prior year, it improved in the second half year due to lower working capital and capex, with the debt leverage ratio falling to 1.3x EBITDA (31 Dec 2024: 1.4x; 30 Jun 2025: 1.5x). The Board is proposing a one pence per share increase to the full year dividend to 111p (2024: 110p).

Consumer Care and Life Sciences grew sales, adjusted operating margins and profits, with sales up 8% in both businesses at constant currency. In Consumer Care, Fragrances and Flavours (F&F) continues to outperform peers, and growth in Beauty was supported by more robust consumer sentiment in North America in the second half year. In Life Sciences, Crop Protection benefited from a recovery in demand from larger customers following an extended period of destocking, and Pharma delivered its strongest performance of the year in the final quarter despite the US regulatory environment continuing to create uncertainty for our customers.

Growing earnings and improving returns

We are driving growth and transforming the Business to deliver consistent sales growth, enhanced profitability and increased cashflows. Our financial framework to full year 2028 targets 3-6% organic sales CAGR over three years and at least 20% adjusted operating margin, 12% free cash flow-to-sales ratio (post exceptionals) and 10% Return on Invested Capital for full year 2028.

Building on our strengths

Our plan builds on the strengths of Croda, both our differentiated business model with its core capabilities, and a higher-growth portfolio.

Our business model is highly differentiated and enables us to create value through direct selling and customer-focused innovation. We use mainly natural raw materials and proprietary downstream processes across derivatisation, refinement and purification, to provide ~6,000 specialty ingredients to more than 17,000 customers. A key source of competitive advantage is our direct sales team who work closely with our customers and R&D colleagues globally to tailor ingredients for specific applications and formulate multiple ingredients into solutions.

Our eight business units leverage core capabilities to meet customer needs. Ingredients sold to Beauty Care, Home Care, Crop Protection and Industrial Specialties customers, as well as some Pharma ingredients, are produced at shared manufacturing facilities, accounting for ~60% of our sales and ~70% of our sales volumes. We go to market in a similar way across all businesses, creating value for customers by leveraging shared R&D expertise (for example in biotechnology), formulation advice, and testing to verify the performance claims customers make based on the solutions we provide.

We have come to the end of a period of heightened investment over the last five years, **repositioning our portfolio for higher growth**. This has reinforced our leadership in innovation (with sales of patented ingredients increasing 9% in-year, leveraging over 1,700 patents) and sustainability (as validated by external rankings including our longstanding 'triple A' rating from MSCI). In 2025:

- 89% of our sales were to consumer, pharma and agriculture markets compared with 73% in 2019

- Local and regional customers (L&Rs), who are growing more strongly than multinational companies (MNCs) and bringing more products to market, now represent 82% of Consumer Care sales (2019: 73%) and 56% of Crop Protection sales (2019: 44%)
- Our footprint outside Europe and North America has also increased to 48% of sales (2019: 37%), enabling us to access higher-growth countries in Asia, the Middle East and Latin America.

Through this transition, we have moved closer to higher-growth markets, niches, customers and regions.

So why has our performance been inconsistent over the last three years and **what have we learnt?** Sales have been impacted by the market environment, due to volatile demand post the COVID-19 pandemic, and a gap in sales volumes compounded by the divestment of the majority of our Industrials business in 2022. The drivers of our recent profit performance are more specific to Croda, with operating profit margins adversely impacted by a higher cost base (particularly operating costs), but product and gross margins remaining relatively stable, demonstrating the quality of our business. 2020-25 was also a period of heightened investment which has positioned us for growth but increased our invested capital base and contributed to lower returns on invested capital. 2023 was the post COVID-19 low point for sales and profit, with progress in 2024 gathering further momentum in 2025.

Building on the five-point plan we communicated in 2025, we are **stepping up execution** to improve performance, by driving growth and transforming the Business, which enables us to take out costs to enhance profitability, alongside delivering structural change.

Driving consistent growth

To deliver more consistent growth, we are refocusing on innovation, leveraging our proximity to customers, and maximising returns following a period of peak investment. As outlined in the Business Reviews, we are also **driving consistent growth in key markets**, reinvigorating Beauty – to take advantage of the full range of opportunities globally, and rebalancing Pharma – to put a greater emphasis on our core pharma ingredients (ingredients for consumer health and excipients which represent 70% of sales and grow well at high margins). Our Business is already well invested so we are not having to ramp up investment to deliver consistent growth.

Through the pandemic and immediately afterwards, customers prioritised supply and demand challenges ahead of innovation. With demand having returned, we are **refocusing innovation**, introducing a new rigorous Group-wide framework for prioritising innovation and rebalancing R&D resources to ensure innovation is more customer-focused. This puts greater emphasis on co-creation with customers and finding new markets for existing ingredients, as well as the development of new ingredients. It also recognises that sustainable innovation should be focused on objectives that customers value most and where we can have the biggest impact, for example augmenting the low carbon footprint of our ingredients by further reducing the associated scope 3 emissions. Key metrics demonstrate the good early progress we have made in 2025.

- Our approach to customer co-creation leverages our ability to tailor individual ingredients and formulate multiple ingredients to meet specific customer requirements. The average pipeline value of each customer co-creation project increased by 12% in 2025, with projects including co-creating PEG-free variants of existing ingredients
- We optimise our existing ingredient range to meet the needs of particular regions, markets or customers. Projects included developing our existing lipids range for the pharma generics market

“Building on the five-point plan we communicated in 2025, we are stepping up execution to improve performance, by driving growth and transforming the Business which enables us to take out costs to enhance profitability, alongside delivering structural change.”

- We develop new ingredients to fulfil unmet needs, with sales of new ingredients increasing by 10% this year at constant currency. New launches included Kerabio K31 from our Beauty Care business, a biomimetic bond-builder for hair that enables brands to compete with market leaders in the hair repair market, which has a high selling price, more in line with an active ingredient, providing the potential to enhance profitability.

Our direct-to-customer sales model, together with the close alignment of sales and R&D, represents a significant source of competitive advantage, with customer retention data showing that we retained ~90% of larger customers from 2019-24 despite significant market volatility. We are **improving customer experience**, by gaining a clearer understanding of customer segmentation and introducing tailored solutions and bespoke service packages for L&Rs, 'regional giants' and MNCs.

- For local customers, we are regionalising claims testing and formulation support, for example replicating the world-leading claims testing that we undertake at our Beauty Actives site in Paris, in other locations in Asia. Sales to L&R customers grew by 9% in Consumer Care at constant currency in 2025

- We are deepening relationships with 'Asian giants' across Beauty, Pharma and Crop Protection with sales to the top 5 'Asian Beauty giants' growing 19% over the last two years and Crop sales to tier '2' customers up 36% in 2025 both at constant currency
- We have strong relationships with MNCs across our key markets and are a strategic partner to every major Beauty brand. In 2025, we grew sales with 4 of the top 5 Beauty customers and by 14% with our major Crop Protection customers at constant currency.

The strength of our customer relationships is demonstrated by customer Net Promoter Scores (NPS) which have continued to improve as we play to our strengths. Customers rate us highly for product quality – the most important customer need where we rank top of the industry benchmark, as well as innovative products, sustainability and trust – where we rank in the top quartile. Through transformation we are driving best practice in order delivery, customer service and access to information. NPS results for 2025, based on ~3,500 responses, were:

- Consumer Care +42 (2024: +31)
- Life Sciences +49 (2024: +41)
- Industrial Specialities +32 (2024: +26)
- Croda Group +43 (2024: +32)

“Customer retention data shows that we retained ~90% of larger customers from 2019-24 despite significant market volatility.”

We are **maximising returns from investments** made over the last five years as we have transitioned our portfolio, to ensure that they deliver incremental sales and profit growth. This period of heightened investment included both acquisitions – to enhance our capabilities and accelerate growth in Consumer Care and Pharma, and growth-focused capex, notably in Asia and post-acquisition investment to scale up pharma lipids.

- Acquisitions made during this period delivered good growth in 2025, with F&F sales up 15% in constant currency and Avanti lipid sales for drug research growing double-digit percentage CAGR at constant currency in the last three years despite customer uncertainty caused by the US regulatory environment. Sales of ceramides, acquired in 2023 with Solus Biotech, were up 36% at constant currency as we globalise sales, provide data for existing ceramides and launch new ceramides for scalp and hair health in addition to skin care
- We are investing selectively in manufacturing as we rebalance our footprint away from more mature regions to higher-growth countries. We recently commissioned a new low emissions production centre in Dahej in India which has a lower cost per unit than our existing manufacturing facility in India, and have begun commissioning a new F&F and Actives facility in Guangzhou, China, both of which we can leverage to deliver fast growth across Asia
- Capital expenditure in large-scale pharma lipid manufacturing across multiple sites globally has positioned us for potential break-out growth and was supported by significant funding from the US and UK Governments under their pandemic preparedness programmes. Whilst we expect sales of lipids for drug research to continue to grow, projects requiring the production at significant scale are expected to take longer to materialise. As a result, we have taken the decision to put the Lamar lipids facility in the USA on standby, resulting non-cash exceptional charges totalling £60.5m but minimising future costs while enabling us to fulfil our pandemic-preparedness commitments to the US Government. Other impairments, as outlined in the Finance review, principally related to stopping certain inflight capital programmes and the exit of a UK distribution centre as we streamline the Business and tighten discipline.

Delivering transformation

We are driving structural transformation to enhance both growth and efficiency, making Croda a better business for the long term. The programme is fully established with an experienced transformation team and the whole business has responded well as we push hard to deliver change quickly. Underpinned by actions to enhance our high-performance culture, and to leverage AI, data and digitalisation to support decision-making, we are implementing clearly defined action plans for each of the pillars of the programme. We continue to expect to deliver total annualised efficiency benefits of ~£100m and a reduction in working capital of ~£50m both for full year 2028.

- We are simplifying and **optimising our customer and product portfolios** to sharpen our commercial focus. To optimise customers 'at the tail', we have introduced minimum order values and accelerated the adoption of 'CrodaOn', a low cost-to-serve online portal for lower value orders which is now used by over 10% of our customer base. To rationalise our product portfolio, we are targeting a significant reduction in SKUs in 2026, building on recent successful pilots
- We are **optimising our supply chain** to enhance customer service, creating an end-to-end supply chain that will drive efficiencies and improve working capital. Optimisation of production capacity is underway, focused on our 11 shared manufacturing sites where we are rationalising processes and headcount. We are globalising procurement and scaling up improvements across raw materials, logistics and packaging. We are also exiting a UK distribution centre following a review of our distribution networks
- We are **simplifying our organisation** to realign our cost base by streamlining enabling functions, headcount and management layers. We are professionalising and streamlining structures in enabling functions and expect to deliver further efficiencies in 2026 as we implement our rationalisation plans and through structural savings in indirect costs.

With comprehensive action plans in place and the benefits delivered in 2025 slightly ahead of expectations, delivery of our transformation programme will make an important contribution to enhancing profitability, meaning a significant proportion of future margin improvement is 'self help', in our control, and not dependent on market recovery.

Outlook

Financial framework to full year 2028

With encouraging early progress in 2025 and actions underway to drive consistent growth and transform the Business, we are confident of delivering an improving performance over the next three years. Our financial framework to full year 2028, on a constant currency basis, comprises:

- **Consistent sales growth** from our strengthened portfolio, targeting an organic increase in sales of 3-6% CAGR 2026 to 2028 assuming current economic conditions continue
- **Enhanced profitability** driven by growth and transformation, targeting a Group adjusted operating margin over 20% for full year 2028
- **Sustainable and growing cashflows**, targeting a free cash flow-to-sales ratio (post exceptionals) of over 12% for full year 2028, driven by improved profitability, low capital expenditure and structural improvements to working capital
- **Improving returns on capital**, targeting a Return on Invested Capital of at least 10% for full year 2028.

Guidance for 2026

For full year 2026 we expect:

- Group organic sales growth within our 3-6% range
 - Versus a strong Q125 comparator, when sales were up 9% at constant currency, we expect sales in Q126 to be similar to the prior year at constant currency
- A further increase in Group adjusted operating margin driven by improving profitability in Consumer Care and Life Sciences and the benefits of our transformation programme
- Group full year 2026 adjusted operating profit in line with current market expectations¹ at constant currency.

Technical foreign exchange guidance

The financial framework to 2028 and guidance for Group performance in 2026 are provided on a constant currency basis. Constant currency expectations are based on the Group's average exchange rates through 2025 which were US\$1.32 and €1.17. The US Dollar and the Euro together represent approximately 65% of the Group's currency translation exposure. We estimate that the average annual currency translation impact on adjusted operating profit is £1m per Dollar cent movement per annum and £1m per Euro cent movement per annum.

The impact from movements in remaining smaller currencies is broadly aligned with the impact from movements in the US Dollar. If foreign exchange rates in the period from February 2026 to December 2026 were to reflect the same levels as January 2026 closing rates, it is anticipated that there would be a negative impact of approximately £8m on reported operating profit.



Steve Foots

Group Chief Executive

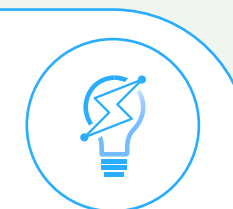
The Strategic Report was approved by the Board on 23 February 2026 and signed on its behalf by Steve Foots.

Focused on the opportunity: Growing earnings and improving returns



Growth

- Refocus innovation
- Improve customer experience
- Maximise returns on investments
- Drive growth in key markets



Transformation

- Optimise product portfolio
- Optimise supply chain
- Simplify organisation
- Leverage AI, data and digitalisation



Sustainability

We are focused on innovation, leveraging customer proximity and maximising returns from investments to accelerate growth.

Read more on page 15

Our transformation programme is designed to deliver the full value of the Business by driving better execution, greater cost efficiency and improved customer experience.

Read more on page 17

These activities are supported by our sustainability leadership; our commitment is to be the most sustainable supplier of innovative ingredients by 2030.

Read more on page 19

1. Current market expectations based on company-compiled consensus available at www.croda.com/investors.

Driving consistent growth



To drive consistent growth we are refocusing innovation, improving customer experience, maximising returns from recent investments and driving consistent growth in key markets.

Refocus innovation



New ingredient development

We develop new ingredients to fulfil unmet needs, with sales of new ingredients increasing by 10% this year at constant currency. New launches included Kerabio K31, a patented biomimetic bond-builder for hair that enables brands to compete with market leaders in the hair repair market and has been sampled by 500 customers.



New markets for existing ingredients

We are optimising our existing ingredient range to meet the needs of particular regions, markets or customers. Projects included developing our existing range of more than 2,000 lipids for the Pharma generics market.



Customer co-creation

Our approach to customer co-creation leverages our ability to tailor individual ingredients and formulate multiple ingredients to meet specific customer requirements. The average pipeline value of customer co-creation projects increased by 12% in 2025, with projects including co-creating PEG-free variants of existing ingredients.

Improve customer experience

Customers value us for our innovative ingredients, unrivaled product quality and sustainable solutions. By becoming even more customer focused and easier to work with, we can drive growth by leveraging these strengths.

Local customers

With a direct sales force and innovation centres close to customers in key countries globally, our business model is optimised to support customers of all sizes, particularly L&R customers who are continuing to grow strongly.

+9%
Consumer Care sales to local and regional customers

+8%
Crop sales to local customers

Regional giants

We are deepening relationships with 'Asian Giants' across Beauty, Pharma and Crop Protection in key markets such as China, Japan, South Korea, Indonesia and India.

+19%
CAGR sales to top 5 'Asian Beauty Giants' over 2 years

+36%
Crop sales to 'tier 2s'

Multinational customers (MNCs)

We have strong relationships with MNCs across our key markets and are a strategic partner to every major beauty brand.

Grew with **4 out of top 5** Beauty MNCs

+14%
Crop sales to MNCs

>90%
Customers retained over five years

+43
Group customer Net Promoter Score (2024: +32)



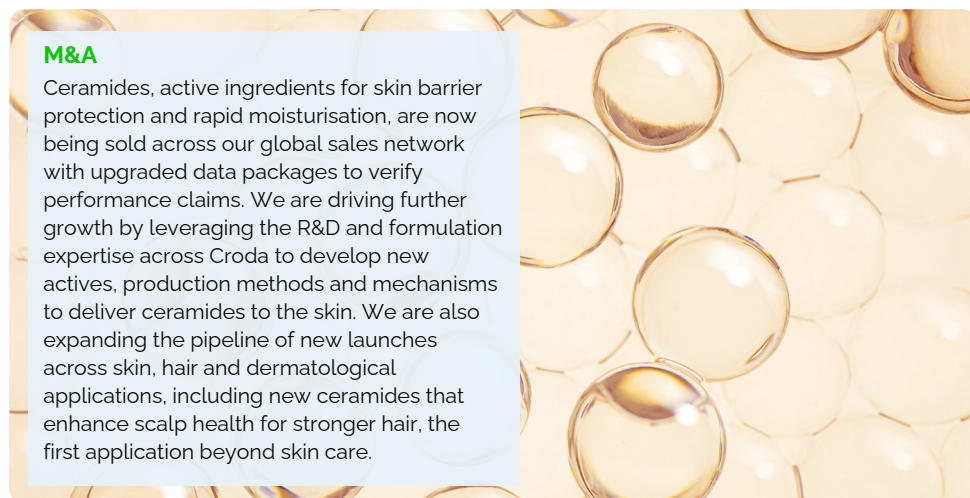
Maximise returns from investments

We are maximising returns from investments made over the past five years as we have transitioned our portfolio to deliver incremental sales and profit growth.



Growth capex

Asia represents the highest-growth Beauty market and has been the fastest-growing region for Croda Beauty over the last three years. We have supported that growth with selective expenditure in new manufacturing capacity including a new low-emissions production facility in Dahej, India which is now fully operational and will enable further growth across Asia. We are also commissioning a new facility in Guangzhou, China, for fragrances and actives.



M&A

Ceramides, active ingredients for skin barrier protection and rapid moisturisation, are now being sold across our global sales network with upgraded data packages to verify performance claims. We are driving further growth by leveraging the R&D and formulation expertise across Croda to develop new actives, production methods and mechanisms to deliver ceramides to the skin. We are also expanding the pipeline of new launches across skin, hair and dermatological applications, including new ceramides that enhance scalp health for stronger hair, the first application beyond skin care.

Drive consistent growth in key markets

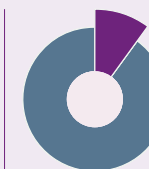
We are accelerating growth by reinvigorating Beauty and rebalancing Pharma to take full advantage of opportunities in key markets.

Beauty

What we do: Ingredients and solutions for premium skin, hair and solar protection.

Niche CAGR: >3% Beauty Care 4-7% Beauty Actives

Priority: Reinvigorate



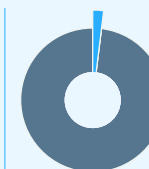
\$8bn
addressable market
~10% share
Top 3 position

F&F

What we do: 'Tier 1.5' supplier to local and regional (L&R) customers.

Niche CAGR: >6% L&Rs (>95% sales)

Priority: Enable continued fast growth



\$25bn
addressable market
~2% share
Small, growing position

Agriculture

What we do: Ingredients and systems to improve performance of crop protection products and seeds.

Niche CAGR: 1.5x market

Priority: Drive differentiation



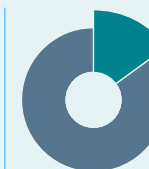
\$4bn
addressable market
~9% share
Top 3 position

Pharma

What we do: Ingredients and solutions for consumer health and pharma applications.

Niche CAGR: >5%

Priority: Rebalance

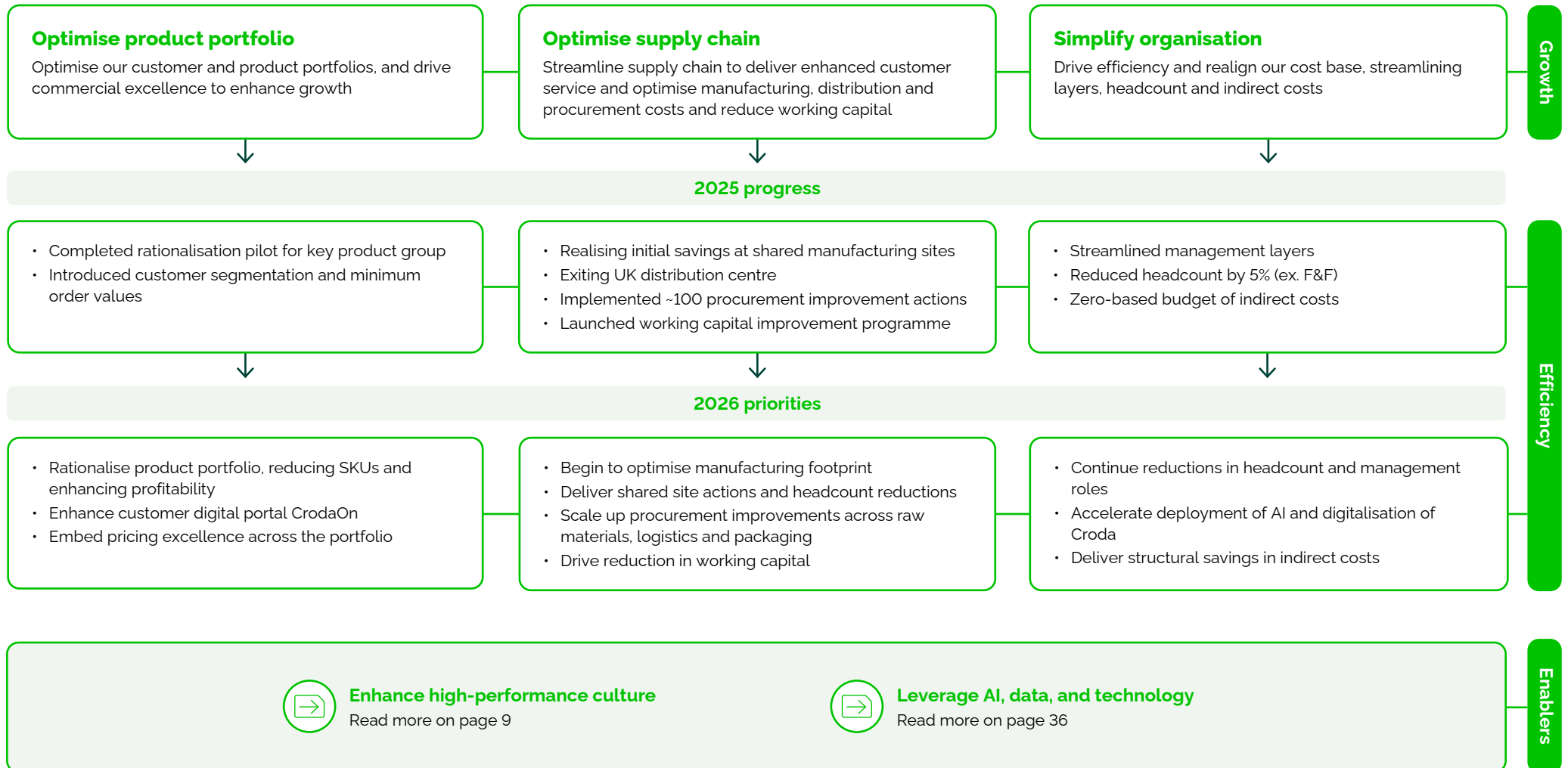


\$2bn
addressable market
~15% share
Top 3 position

Transformation for growth and efficiency



We are enhancing growth and efficiency through our transformation programme, with early progress and clear priorities.



Addressing our impacts to deliver for our customers



Our Commitment is to be the most sustainable supplier of innovative ingredients and be Climate, Nature and People Positive by 2030.

Our impacts on planet and people

We monitor our impacts through regular materiality assessments that engage representatives of all key stakeholder groups (see p 179). We create most value for our customers by focusing on reducing negative climate, nature and social impacts in our raw material supply chains and innovating solutions to address some of the world's biggest challenges in our focus markets, for example the need for a more sustainable agricultural system to feed a growing population while restoring nature.

Differentiating through sustainability

We look different to peers through the eyes of our customers. Most of our raw material volume is from bio-based, not petrochemical sources, and we sell small quantities of novel ingredients to customers of all sizes that can provide mission-critical sustainability benefits to their formulations.

Focusing our strategy, connected to value

Despite geopolitical headwinds, many important customers in all our markets remain committed to improving their impacts on people and the environment. As a leader on sustainability in our chosen markets, we are exploring new customer partnerships, tailoring sustainability to their specific requirements.

Listening to stakeholders, particularly our customers, the Executive Committee approved a more focused approach for the remainder of the decade, driving deeper impact across fewer corporate targets (see p19).

We passionately believe Croda provides Smart science to improve lives™. In delivering this Purpose, we only create better impacts when customers use our products, simultaneously generating value growth. This can be through innovating sustainably alongside other claims, helping our customers reduce the footprints of their products with our formulating expertise, and increasing our market share by differentiating our offering with sustainability.

Executing strategy to drive customer value

With most of our environmental and social impacts embedded in our supply chains, we continue to increase transparency for our customers. Through our membership of Together for Sustainability, greater than 24% of our raw material volumes are associated with primary, supplier-specific carbon footprint data.

We have completed Net Zero roadmaps for our major technology platforms, identifying key levers for change and innovation opportunities. We are engaging with our customers and markets to prioritise this work, supporting them in the transition to a Net Zero economy.

This future economy will require the chemical industry to transition to renewable carbon feedstocks. Croda is already a leader, with greater than 58% of our feedstock volumes derived from renewable carbon.

Using bio-based raw materials brings the responsibility to address any impacts on nature. Palm derivative supply chains remain our focus: through the Action for Sustainable Derivatives consortia, we have confirmed that more than 60% of our palm-based raw materials are fully deforestation and conversion free (DCF), and more than 90% are at minimum RSPO (Round table on Sustainable Palm Oil) physically certified Mass Balance.

We have prioritised the sharing of product-level sustainability data with our customers. We utilise a bespoke Life Cycle Assessment (LCA) tool to evaluate the environmental impacts of our products relative to industry benchmarks, from raw material source to end of life. This data enables us to create opportunities and manage risks with our customers and suppliers.

Discover how our businesses have engaged with our customers on pages 29 and 32.

Delivering against our commitments

Revalidated climate targets with SBTi

>58% of feedstock volumes derived from renewable carbon

>90% of palm-based raw material volumes are RSPO physically certified mass balance

Rolled out a new supplier data platform

Additional £1m Centenary Fund donated to Croda Foundation

Certification from Fair Wage Network for paying a Living Wage to all employees



Sustainability Performance: p178



2025 Sustainability Progress Statement
Summary of our sustainability agenda and progress, introduced by Steve Foots, CEO

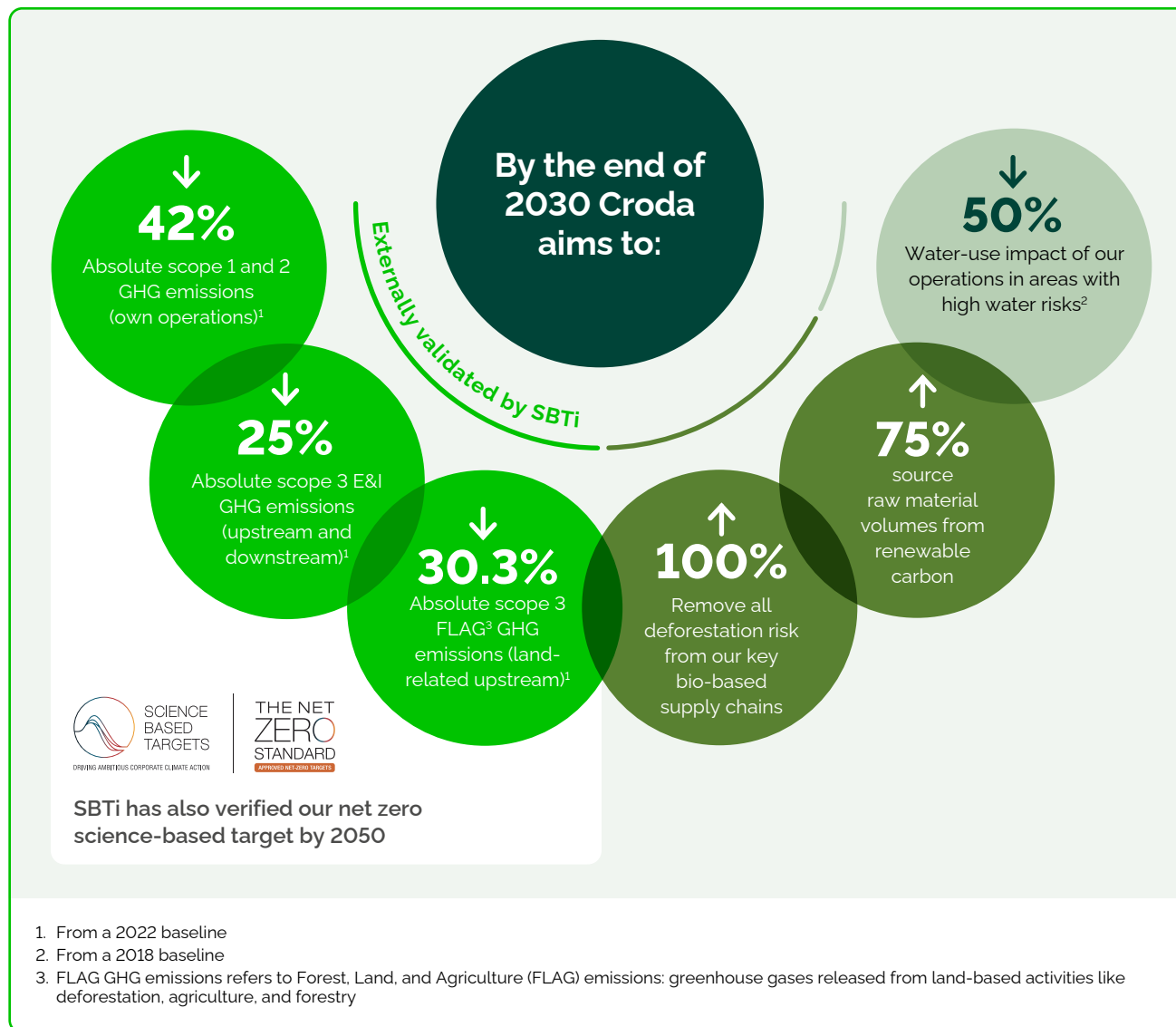


2025 Reporting Datapack
Tabulated multiyear financial and non-financial data: GRI and SASB referencing, PAI statements

Our sustainability leadership



Driving deeper impact to create greater value across fewer targets



Updating our Commitment

In 2020, we recognised our responsibility for impacts on nature, targeting the land area used to grow our bio-based raw materials and aiming to become Land Positive. Since then, understanding of the role business plays in contributing to a Nature Positive world has advanced. To reflect this, we have updated our Commitment to become Climate, Nature and People Positive by 2030.

Climate and nature impacts connect

In 2025, we updated our climate goals, externally validated by the Science Based Targets initiative (SBTi). With many of our customers across all markets and geographies increasingly requesting lower-carbon solutions, these updated targets demonstrate our readiness to translate decarbonisation into business opportunities.

We have now expanded these opportunities by including our impacts on land-related GHG emissions (scope 3 FLAG). This means we can now show the connection between climate and nature impacts in the product-level carbon footprint data we provide to our customers.

Embedding People Positive in our culture

Since 2020, we have taken action to ensure that we pay a Living Wage globally; we protect and improve the health and safety of our people; we support local volunteering through use of our 1% Club; and we invest in sustainably improving the lives of disadvantaged communities around the world through the Croda Foundation.

Much of this is considered 'business as usual' in Croda, governed by policy and overseen by standing Board Committees. Our businesses are exploring further opportunities to improve social impacts through the use of our ingredients and increasing supply chain transparency and security.

Finance review: focused on execution



“With a comprehensive transformation programme that is driving both growth and efficiencies, we are firmly focused on execution. Progress so far has been encouraging, and we are setting out a financial framework to full year 2028 that outlines further improvements in financial performance. Our ambitions go beyond these targets, but they provide a roadmap for the next three years and a framework for tracking future progress.”

Sales

Q4 2025 sales by business

Sales	Q425 £m	Q424 £m	Constant currency change	Change
Consumer Care	239.3	223.5	8.9%	7.1%
Life Sciences	137.4	129.3	7.9%	6.3%
Industrial Specialties	42.2	52.8	(18.6)%	(19.9)%
Group	418.9	405.6	5.0%	3.3%

Sales in the fourth quarter were slightly stronger than anticipated. Q4 sales growth was strongest in Consumer Care, up 8.9% at constant currency, against a modest comparator. Sales were up 7.9% in Life Sciences at constant currency, also improving sequentially. By contrast, Industrial Specialties sales were down 18.6% compared with a particularly strong quarter in the prior year.

FY25 sales by business

Sales	FY25 £m	Price/mix	Volume	Constant currency change	Currency	FY24 £m	Change
Consumer Care	972.7	(1.1)%	9.0%	7.9%	(2.2)%	920.0	5.7%
Life Sciences	532.2	(5.3)%	13.0%	7.7%	(2.2)%	504.3	5.5%
Industrial Specialties	194.5	(10.1)%	7.7%	(2.4)%	(2.1)%	203.8	(4.6)%
Group	1,699.4	(3.0)%	9.6%	6.6%	(2.2)%	1,628.1	4.4%

Group sales increased to £1,699.4m (2024: £1,628.1m), up 4.4% or 6.6% at constant currency, in an uncertain trading environment impacted by geopolitical tensions, the imposition of US trade tariffs and foreign exchange volatility. Sales growth at constant currency comprised a 7.9% increase in Consumer Care, a 7.7% increase in Life Sciences and a 2.4% decrease in Industrial Specialties.

As part of the actions that we have taken throughout the year to increase utilisation at our shared production sites, we have been driving targeted sales of ingredients in Beauty Care, Crop Protection and Industrial Specialties. Alongside strong sales in Fragrances and Flavours (F&F) this resulted in a 9.6% increase in sales volumes. As a result of these actions, price/mix was 3.0% lower with adverse mix the larger component, comprising both adverse product and business mix. As anticipated, volume growth moderated in the second half of the year, and price/mix was less adverse than in the first half year, with like-for-like prices remaining largely consistent with the prior period.

FY25 sales and Q425 sales by region

% change in sales versus the prior year	FY25 Constant currency change	FY25 Change	Q425 Constant currency change	Q425 Change
EMEA	9%	9%	7%	10%
North America	5%	2%	5%	1%
Latin America	7%	4%	2%	(2)%
Asia	4%	0%	3%	(2)%
Group	7%	4%	5%	3%

Regional sales growth was led by EMEA, with full year sales up 9%, driven by good demand for Beauty and F&F ingredients in both Europe and the Middle East, and a recovery in demand from MNCs in Crop Protection, particularly in the first half year. Sales growth in the Americas improved in the second half year, supported by a recovery in Beauty demand, particularly in North America. Asia lagged other regions as exporters in pharma and industrial markets were adversely affected by the imposition of US trade tariffs.

Quarterly sales (reported) £m	Consumer Care	Life Sciences	Industrial Specialties	Group
Q1 2024	236.8	121.8	49.9	408.5
Q2 2024	231.6	124.4	51.4	407.4
Q3 2024	228.1	128.8	49.7	406.6
Q4 2024	223.5	129.3	52.8	405.6
Q1 2025	255.1	134.5	52.7	442.3
Q2 2025	236.7	126.5	50.3	413.5
Q3 2025	241.6	133.8	49.3	424.7
Q4 2025	239.3	137.4	42.2	418.9

Profit and margin

	2025			2024		
	IFRS £m	Adjustments £m	Adjusted £m	IFRS £m	Adjustments £m	Adjusted £m
Sales	1,699.4	–	1,699.4	1,628.1	–	1,628.1
Cost of sales	(953.7)	–	(953.7)	(894.2)	–	(894.2)
Gross profit	745.7	–	745.7	733.9	–	733.9
Operating costs	(635.6)	(185.2)	(450.4)	(506.4)	(52.2)	(454.2)
Operating profit	110.1	(185.2)	295.3	227.5	(52.2)	279.7
Net interest charge	(19.1)	–	(19.1)	(19.7)	–	(19.7)
Profit before tax	91.0	(185.2)	276.2	207.8	(52.2)	260.0
Tax	(26.3)	43.2	(69.5)	(48.2)	11.6	(59.8)
Profit after tax	64.7	(142.0)	206.7	159.6	(40.6)	200.2

	2025			2024		
	IFRS £m	Adjustments £m	Adjusted £m	IFRS £m	Adjustments £m	Adjusted £m
Operating profit/(loss)						
Consumer Care	95.5	(74.3)	169.8	128.4	(31.8)	160.2
Life Sciences	16.3	(100.2)	116.5	85.5	(18.5)	104.0
Industrial Specialties	(1.7)	(10.7)	9.0	13.6	(1.9)	15.5
Group	110.1	(185.2)	295.3	227.5	(52.2)	279.7

Adjustments

	2025 £m	2024 £m
Restructuring and transformation costs	(26.3)	(6.5)
Environmental provision	–	(8.5)
Impairment charges	(107.3)	–
Onerous contract provision	(15.9)	–
Exceptional items	(149.5)	(15.0)
Amortisation of intangible assets arising on acquisition	(35.7)	(37.2)
Total adjustments	(185.2)	(52.2)

	2025 £m	Constant currency change	Currency impact £m	2024 £m	Change
Adjusted profit					
Consumer Care	169.8	7.4%	(1.4)%	160.2	6.0%
Life Sciences	116.5	15.6%	(3.6)%	104.0	12.0%
Industrial Specialties	9.0	(38.7)%	(3.2)%	15.5	(41.9)%
Operating profit	295.3	7.9%	(2.3)%	279.7	5.6%
Net interest	(19.1)			(19.7)	
Profit before tax	276.2	8.4%	(2.2)%	260.0	6.2%

Following two years of raw material cost deflation in 2023 and 2024, average raw materials costs were stable in 2025. We expect a small reduction in the average cost of raw materials in the first quarter of 2026, but then for them to be broadly stable for the remainder of the year. People costs were up ~3%, principally reflecting inflationary salary rises. Both energy and freight costs, which represent around 2.5% of sales respectively, increased in the period, predominantly due to higher sales.

IFRS operating profit was £110.1m (2024: £227.5m). IFRS operating profit included a charge for adjusting items of £185.2m (2024: £52.2m), including a charge for amortisation of acquired intangibles of £35.7m (2024: £37.2m), and ongoing restructuring costs associated with business transformation of £26.3m (2024: £6.5m).

Impairment charges in 2025 totalled £107.3m (2024: £nil), including £44.6m associated with the decision to place the Lamar lipids facility in the USA on standby (meaning it is capable of start-up and production within three months) with an associated onerous contract provision of £15.9m. The decision minimises future costs and enables us to fulfil our commitments to the US Government, which provided the majority of the funding for the facility under its pandemic-preparedness programme. Lamar is one of four GMP facilities globally where we are able to produce pharma-grade lipids (two in the USA, and one each in the UK and South Korea), meaning we have ample capacity for future production. Whilst we expect sales of lipids for drug research to continue to grow, customer projects requiring production at significant scale are expected to take longer to materialise. Other impairment charges were a £28.7m charge related to the decision to cease investments into certain assets under construction following a detailed review of future capital expenditure projects, a £22.2m charge associated with the rationalisation of supply chain infrastructure, including ceasing operations at a leased distribution facility in the UK, and a £10.9m charge following the reallocation of R&D resources away from the development of two acquired technology assets. A number of other capacity optimisation projects are being considered as part of the transformation programme, where decisions that could be made in the future may result in a reassessment of the carrying value of certain assets.

Group adjusted EBITDA increased 5% to £396.6m (2024: £378.3m) at an adjusted EBITDA margin of 23.2% (2024: 23.3%). Group adjusted operating profit was up 6% to £295.3m (2024: £279.7m) or 8% at constant currency, with encouraging sales growth augmented by improved profitability in Consumer Care and Life Sciences. Whilst Group adjusted operating margin remains significantly below its medium-term potential, it improved to 17.4% (2024: 17.2%) benefiting from improved asset utilisation at our 11 shared manufacturing sites, partly offset by adverse price/mix and foreign exchange.

Our transformation programme contributed gross benefits of £28m to operating profit in 2025 (at a cash cost of £26m taken as an exceptional item). Our target remains ~£100m of total annualised pre-tax benefits by the end of 2027 which annualises in full year 2028. Benefits delivered comprised ~£10m from optimising supply chain (versus a total opportunity of ~£65m) and ~£15m from simplifying our organisation (total opportunity: ~£35m), leaving ~£75m gross benefits to be realised 2026-28 at an additional cash cost of ~£55m over that period.

Net finance costs were £19.1m (2024: £19.7m). Profit before tax (on an IFRS basis) was £91.0m (2024: £207.8m) and adjusted profit before tax increased 6% to £276.2m (2024: £260.0m) or by 8% at constant currency to £282.0m. The effective tax rate on adjusted profit was 25.2% (2024: 23.0%) and the effective tax rate on IFRS profit was 28.9% (2024: 23.2%). We continue to expect an effective tax rate on adjusted profit of 26% in future years. IFRS basic earnings per share (EPS) were 44.4p (2024: 113.5p) and adjusted basic EPS were 146.2p (2024: 142.6p).

Currency impact

Sterling strengthened against the US Dollar, at US\$1.32 (2024: US\$1.28) and was broadly flat against the Euro, at €1.17 (2024: €1.18) but weakened against both the US Dollar and the Euro in the second half year meaning the impact of currency translation was less than we anticipated. Currency translation reduced full year sales by £35.4m, adjusted operating profit by £6.4m and adjusted profit before tax by £5.8m. This was driven by the strength of Sterling against the US Dollar and by the impact of changes in exchange rates for other smaller currencies including the effect of the application of IAS 29 ('Financial Reporting in Hyperinflationary Economies') to reporting in Argentina and Turkey. We estimate that the average annual currency translation impact on adjusted operating profit is £1m per Dollar cent movement per annum and £1m per Euro cent movement per annum. The US Dollar and the Euro together represent approximately 65% of the Group's currency translation exposure with the impact from movements in smaller currencies broadly aligned with the impact from movements in the US Dollar.

Cash flow and balance sheet

	Full year ended 31 December	
	2025 £m	2024 (restated) £m
Cash flow		
Adjusted operating profit	295.3	279.7
Depreciation and amortisation	101.3	98.6
Adjusted EBITDA	396.6	378.3
Working capital	(7.7)	20.9
Interest & tax paid	(81.1)	(84.4)
Non-cash pension expense	(1.0)	2.9
Share-based payments	5.0	5.0
Business transformation costs	(24.9)	(9.9)
Other cash movements	(0.4)	6.6
Net cash generated from operating activities	286.5	319.4
Net capital expenditure	(108.2)	(137.9)
Interest received	3.0	6.9
Payment of lease liabilities	(18.1)	(17.5)
Other non-operating cash movements	(1.6)	(1.3)
Free cash flow	161.6	169.6 ¹
Dividends	(154.9)	(152.2)
Business disposal	–	(6.8)
Other cash movements	(8.9)	(3.9)
Net cash flow	(2.2)	6.7
Net movement in borrowings	29.3	(9.0)
Net movement in cash and cash equivalents	27.1	(2.3)

1. Restated to include cash costs of exceptional items in free cash flow, see page 196

Free cash flow (post exceptionals) reduced 5% to £161.6m (2024: £169.6m restated) with a working capital outflow of £7.7m compared with an inflow of £20.9m in 2024 driven by the settlement of a £48m COVID-19 receivable from 2023. £133.6m of free cash flow was generated in the second half of 2025 with lower capex and working capital. As part of transformation, we are targeting structural improvements to reduce working capital by ~£50m for full year 2028. This will be delivered by improving supplier terms and payments, standardising receivables terms and optimising collection, and realising inventory benefits under the modernising supply chain pillar of the programme.

Following a detailed review of in-flight and future investments, capital expenditure fell to £108.2m (2024: £137.9m), 6% of Group sales. We expect future capital expenditure to be ~6% of sales, in line with historic norms prior to the recent period of heightened investment, and that depreciation will increase by ~£10m in 2026 as the final recent investments come on stream.

Building on our record of consistent distribution to shareholders, the Board is proposing a one pence per share increase to the full year dividend to 111p (2024: 110p), despite the payout ratio of 76% being above our stated policy of 40-50% of adjusted earnings.

Closing net debt was £523.8m (2024: £532.3m), with the debt leverage ratio falling to 1.3x EBITDA (31 Dec 2024: 1.4x; 30 June 2025: 1.5x). As at 31 December 2025, the Group had committed funding in place of £1,066.6m, with undrawn long-term committed facilities of £400.9m and £172.8m in cash.

Our capital allocation framework is unchanged, but we are applying it with greater rigour to improve discipline over:

1. Organic investment to support growth
2. Ordinary dividends to shareholders representing 40-50% of adjusted earnings through the cycle, with the ordinary dividend at least maintained as we restore earnings and reduce the payout ratio from the current level
3. Small, selective technology acquisitions from the medium term as we focus on maximising returns from recent investments in the short term
4. Maintaining leverage in the 1-2x EBITDA range, providing opportunities for the return of excess capital to shareholders as we generate free cash flow.

Retirement benefits

The post-tax asset on retirement benefit plans at 31 December 2025, measured on an accounting valuation basis under IAS-19, was £85.5m (31 Dec 2024: £77.7m). Cash funding of the various plans is driven by the schemes' ongoing actuarial valuations. The triennial actuarial valuation of the largest pension plan, the UK Croda Pension Scheme, was performed as at 30 September 2023 and indicated that the funding position of the scheme had significantly improved. The scheme was 120.6% funded on a technical provisions basis. Consequently, the cash cost of providing benefits has fallen and no deficit recovery plan is required.

Future financial framework

Our financial framework to full year 2028 reflects our confidence in delivering consistent sales growth, improving profitability, growing cash flows and improving returns on capital (all on a constant currency basis.)

Financial KPIs

Sales: Assuming current economic conditions continue, we expect to deliver consistent sales growth from our strengthened portfolio and are targeting an organic increase in sales of 3-6% CAGR over three years. We expect both higher sales volumes and positive price/mix to contribute to sales growth over the period. Expected organic growth rates (2026-28) by business are:

- Consumer Care: 3-6% CAGR
- Life Sciences: 4-7% CAGR
- Industrial Specialties: (3)-3% CAGR

Adjusted operating margin: We are enhancing profitability through the benefits driven by our transformation programme and growing sales. We are targeting a Group adjusted operating margin over 20% by full year 2028, compared with 17.4% in 2025. This is equivalent to an EBITDA margin over 25%, compared with 23.3% in 2025. We expect both growth and transformation savings to contribute to margin recovery.

Free cash flow: We expect to deliver growing, sustainable cashflows, driven by higher profits, lower working capital and low capital expenditure. In line with peers, our measure is the ratio of free cash flow to sales inclusive of exceptional cash costs. We expect to structurally reduce working capital by ~£50m for full year 2028 and capital expenditure to be around 6% of sales in the period. This, combined with higher profits, means we are targeting a free cash flow-to-sales ratio (post exceptionals) of over 12% for full year 2028, compared with 9.5% in 2025.

Building on our record of consistent distribution to shareholders, the Board is proposing a one pence per share increase to the full year dividend to 111p (2024: 110p), despite the payout ratio of 76% being above our stated policy of 40-50% of adjusted earnings.

Returns on Invested Capital: We are targeting a Return on Invested Capital (ROIC) of at least 10% by full year 2028, compared to 8.2% in 2025. To enhance comparability with peers, we now define ROIC as adjusted operating profit net of tax divided by average adjusted invested capital, where adjusted invested capital is net assets plus net debt minus the net pension asset. For further information see page 197.

Non-financial KPIs

Safe workplace: Our target is a Total Recordable Injury Rate of 0.3 by 2026. In 2025, TRIR increased to 0.61 (2024: 0.47) due to six of our manufacturing sites seeing an increased number of recordable incidents. Fortunately, the associated injuries were of low severity with limited lost time, but we are disappointed with the step back in performance and are committed to living safety as a value.

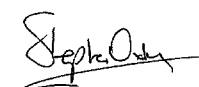
Innovation-led: Sales of New and Protected Products increased 5% at constant currency, with new ingredient sales up 10%, patented sales up 9%, but protected sales only up slightly as product mix was impacted by our targeted action to increase utilisation at shared manufacturing assets, particularly in Crop Protection and Industrial Specialties. NPP sales were 35% of total sales (2024: 35%). Our innovation metrics are currently being reviewed to ensure alignment with our new innovation framework. For 2026, and in line with the associated remuneration measure, we are targeting organic growth in NPP sales at least in line with total organic sales growth, to incentivise continued portfolio differentiation.

Focusing our sustainability strategy: Listening to our customers, we are adopting a more focused sustainability strategy to 2030, driving deeper impact across fewer corporate targets. These are reductions in GHG emissions (scopes 1, 2, 3, E&I, and FLAG (covering land-related upstream impacts)) and in water use impact at our operations in areas with high water risk. With most of our environmental (and social) risks embedded in our supply chain, we are also targeting >75% of raw materials from renewable carbon, and zero deforestation risks in our key bio-based supply chains. Our KPI is total scope 3 GHG emissions, where we are targeting a 26.3% reduction by 2030 from a 2022 baseline in line with our revaluated science-based targets. In 2025, scope 3 GHG emissions were 1,330,561 MTCO₂e

(2024: 1,190,132 MTCO₂e), rising in the short term due to continued sales volume recovery but 6.4% lower than the 2022 baseline. We continue to be recognised as a sustainability leader in external rankings with a 'triple A' rating from MSCI and 'A-' from CDP in climate and water.

Satisfied customers: Our customer satisfaction KPI is a Net Promoter Score based on a comprehensive customer survey. In 2025, it improved to +43 (2024: +32), based on ~3,500 responses, with increases in all three businesses. Our longer-term KPI for customer NPS is currently being developed. For 2026, and in line with the associated remuneration measure, we are targeting a further NPS increase for a subset of our larger customers, where the data is most robust, and will ensure that the sample size continues to be representative.

Engaged employees: Employee engagement is measured by a new tool. Our overall employee Net Promoter Score increased from +11 in March 2025, when the metric was introduced to +21 in December. We are targeting a score of +24 by 2028, ensuring that managers continue to prioritise engagement during a period of change for our employees as we deliver our transformation programme.



Stephen Oxley
Chief Financial Officer

Key performance indicators

Financial KPIs

Focused on growth and transformation to improve returns

Organic sales growth

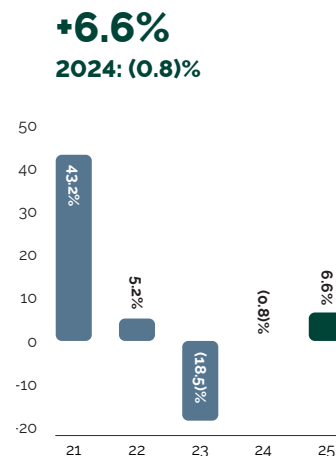
Definition: Sales growth measured at constant currency before the impact of M&A.

Target:

3-6%

CAGR 2026-28

Performance: Group sales increased by 6.6%, with Consumer Care up by 7.9% and Life Sciences up 7.7%. This growth was driven by volume growth of 9.6%, with excellent growth in F&F, a recovery in demand in Crop Protection and our ongoing efforts to drive targeted sales of ingredients across Beauty Care, Crop Protection and Industrial Specialties to improve utilisation at shared production sites.



Adjusted operating margin

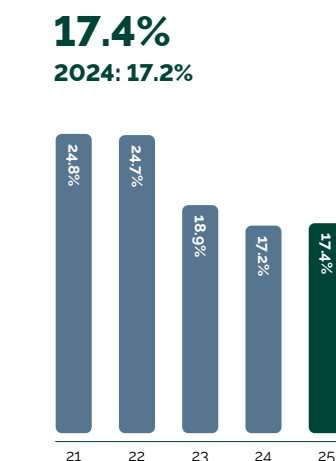
Definition: Adjusted operating profit as a percentage of sales.

Target:

>20%

for 2028

Performance: Adjusted operating margins improved by 20 basis points to 17.4% in the year. This improvement reflects increased volumes and improved asset utilisation at our 11 shared manufacturing sites, partly offset by adverse foreign exchange and price/mix. Operating margins should continue to improve as the benefits of our transformation programme and organic sales growth are delivered.



Free cash flow to sales

Definition: Free cash flow as a percentage of sales.

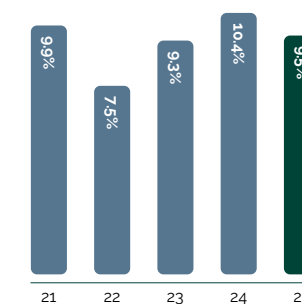
Target:

>12%

for 2028

Performance: Free cash flow was down 5% to £161.6m in the year, with growth in adjusted earnings and reduced capital expenditure offset by a working capital outflow, with the prior year benefiting from the settlement of a one-off Covid receivable. FCF as a percentage of sales was 9.5%, slightly below the 10.4% achieved in 2024.

9.5%
2024: 10.4%



Return on Invested Capital

Definition: Adjusted operating profit after tax divided by the average invested capital*.

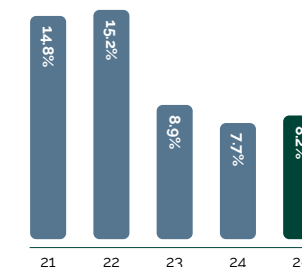
Target:

>10%

for 2028

Performance: Return on Invested Capital increased to 8.2% in the year, reflecting increased profits and slightly lower invested capital. Having completed several large investment projects and undertaken extensive corporate development in recent years, we expect Return on Invested Capital to continue to improve as we deliver earnings growth and generate returns from these recent investments.

8.2%
2024: 7.7%



* Where invested capital represents net assets plus net debt, minus the net pension asset (net of deferred tax).

Non-financial KPIs

Delivering more than financial performance

Safety – Total Recordable Injury Rate

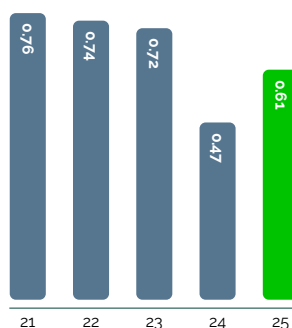
Definition: The number of incidents per 200,000 hours worked where a person has sustained an injury, including all lost time, restricted work and medical treatment cases.

Target:

Achieve a total recordable injury rate (TRIR) of 0.3 by 2026

Performance: Our headline TRIR increased to 0.61 in 2025 and represented a step back on our journey to improve safety across our facilities. Six of our manufacturing sites saw an increased number of recordable incidents, which represented 66% of the total injuries noted. Our EMEA region improved its performance over the year and finished with a 10-year low TRIR. Plans are in place to address performance across key sites, and overall to further engage the organisation and focus on continuous improvement.

0.61
2024: 0.47



Environment – Total scope 3 GHG emissions

Definition: Sum of corporate scope 3 FLAG and scope 3 E&I GHG emissions, as defined by SBTi and GHG Protocol.

Target:

26.3%

reduction by 2030 from our 2022 baseline, aligned with our verified Science-based target

Performance: In 2025, total scope 3 GHG emissions rose due to sales volume recovery not yet fully decoupled from supply chain decarbonisation activities planned as part of the sustainability strategy refresh. Total scope 3 GHG emissions in 2025 are 6.4% lower than our 2022 baseline, driven in part by increases in sustainably sourced bio-based raw materials reducing our FLAG-related GHG emissions.

1,330,561 TCO₂e
2024: 1,190,132 TCO₂e



*See page 188 for details of restatements

NPP sales

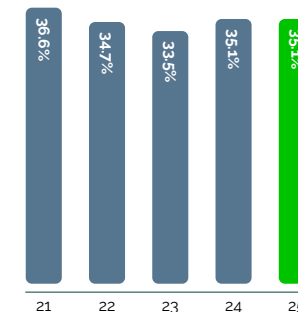
Definition: New and Protected Products as a percentage of total sales

35%
2024: 35%

Target:

Growth of New and Protected Products at least in line with total organic sales growth

Performance: Sales of New and Protected Products increased by 5% at constant currency with new ingredient sales up 10%, patented sales up 9%, but protected sales only up slightly as product mix was impacted by our targeted action to increase utilisation at shared manufacturing assets, particularly in Crop Protection and Industrial Specialties. NPP sales were 35% of total sales (2024: 35%). Our innovation metrics are currently being reviewed to ensure alignment with our new innovation framework. For 2026, and in line with the associated remuneration measure, we are targeting organic growth in NPP sales, at least in line with total organic sales growth, to incentivise continued portfolio differentiation.



Customer NPS

Definition: Customer Net Promoter Score. Our customer satisfaction KPI is a Net Promoter Score based on a comprehensive customer survey.

Performance: In 2025, NPS improved to +43 (2024: +32), based on ~3,500 responses, with increases in all three businesses. Our longer-term KPI for customer NPS is currently being developed. For 2026, and in line with the associated remuneration measure, we are targeting a further NPS increase for a subset of our larger customers where the data is most robust, and will ensure that the sample size continues to be representative.

Employee NPS

Definition: Employee Net Promoter Score (eNPS). We use continuous employee surveys to assess employee satisfaction.

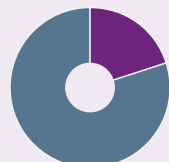
Target:

eNPS score of +24 for full year 2028

Performance: Employee engagement is measured by a new tool. Our overall employee Net Promoter Score increased from +11 in March 2025 when the metric was introduced to +21 in December. We are targeting an eNPS score of +24 for full year 2028, ensuring that managers continue to prioritise engagement during a period of change for our employees as we deliver our transformation programme.

Consumer Care – reinvigorating Beauty and enabling continued growth in F&F

Consumer Care comprises four business units:



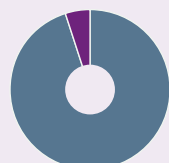
Beauty Actives provides peptides – the most effective ingredient for preventing skin ageing, biotech-derived ingredients, botanicals, and ceramides for rapid skin moisturisation



Beauty Care comprises 'effect' ingredients – such as hair care proteins and mineral sunscreens, and 'formulation' ingredients such as emulsifiers and emollients which make up the structural chassis of customer formulations, many of which are differentiated by their performance claims and sustainability profile



Fragrances and Flavours (F&F) goes to market as Iberchem with its wide range of fragrances and niche positioning with L&R customers, Parfex for fine, premium skin care and natural fragrances, and Scentium for Flavours



Home Care is focused on two technology platforms which provide improved efficacy and sustainability – fabric care, with proteins that increase the lifetime of clothes; and household care, with sustainable surfactants

■ Percentage of Consumer Care sales

Performance in 2025

% change in sales versus the prior year	FY25 Constant currency change	FY25 Change	Q425 Constant currency change	Q425 Change
Beauty Actives	6%	5%	12%	11%
Beauty Care	4%	2%	5%	3%
F&F	15%	13%	15%	13%
Home Care	2%	0%	(3)%	(5)%
Total Consumer Care	7.9%	5.7%	8.9%	7.1%

Full year sales in Consumer Care increased by 5.7% to £972.7m (2024: £920.0m) or 7.9% at constant currency. F&F was the standout performer, delivering 15% sales growth at constant currency. This was driven by strong demand for Parfex's fine fragrances and for Flavours particularly in EMEA, with momentum continuing in the fourth quarter. Beauty Actives sales were up 6% at constant currency with sales growth improving in the second half year against a lower comparator and supported by more robust consumer sentiment in North America. Beauty Care sales were up 4% at constant currency driven by higher sales volumes and aided by our deliberate actions to optimise plant utilisation in certain parts of the portfolio. Pricing in both of our Beauty businesses was positive in Q4. Sales grew 2% at constant currency in Home Care, the smallest business unit in Consumer Care, with a weaker performance in the second half following completion of a major product relaunch by a customer, compounded by order phasing.

Adjusted operating profit increased by 6.0% to £169.8m (2024: £160.2m) or by 7.4% at constant currency. Although the adjusted operating margin of 17.5% (2024: 17.4%) remains significantly below its medium-term potential, it improved slightly compared with both the prior year and H125 due to a stronger performance in Beauty. IFRS operating profit was £95.5m (2024: £128.4m).

Strategic priorities and progress

In line with Group priorities, we are driving more consistent growth in Consumer Care by refocusing innovation, improving customer experience and maximising returns from recent investments. We are also reinvigorating Beauty and enabling continued fast growth in F&F to take full advantage of opportunities in these key Consumer Care markets.

Refocusing innovation

We are refocusing innovation, introducing a new rigorous Group-wide framework, re-balancing R&D resources to place greater emphasis on co-creation with customers and finding new markets for existing ingredients, as well as ramping up the development of new ingredients.

- Customer co-creation involves application-focused innovation, where we work in close collaboration with customers to meet their performance requirements or help them realise a specific opportunity. An example of bespoke ingredients created in this way is a PEG-free rheology modifier that we developed in collaboration with a global beauty brand
- To accelerate the sales of an existing ingredient, we enhanced the performance of Silverfree, a peptide that reduces grey hair, opening up a new opportunity with an FMCG multinational
- We have ramped up the development of new ingredients with sales increasing by 10% at constant currency. Launches included:
 - Zenakine, an active which enhances skin's resistance to physical and emotional stress, thereby reducing skin fatigue and premature ageing, with customer launches in Europe and Asia
 - Kerabio K31, a patented biomimetic bond builder for hair repair, a market which is growing 9% a year. We are first-to-market with a multi-customer ingredient that enables brands to compete with market leaders, which has been sampled by 500 customers since its launch in March 2025

- We seek to leverage sustainability to drive commercial value through the creation of new sustainable ingredients and verification data to prove our claims. We now provide carbon footprint data for over 1,500 product codes in Beauty Care and over 750 in Home Care, enabling customer decision making.

Improving customer experience

We are improving customer experience through our transformation programme, which is sharing best practice, and clearer customer segmentation, enabling us to tailor solutions to differing customer needs.

- With a direct sales force and innovation centres close to customers in key countries globally, our business model is optimised to support customers of all sizes, particularly L&R customers who are continuing to grow strongly. Our prices are normally higher to smaller customers because we provide them with additional support, so less concentration in our customer base is providing more opportunities for us at good margins:
 - Sales to L&R customers increased 9% in constant currency
 - They now represent 82% of Consumer Care sales (2024: 80%)
- We are particularly focused on fast-growing 'regional giants' in key Asian markets such as China, Japan, South Korea, Indonesia and India, where we have grown sales to our top 5 regional customers by 19% CAGR at constant currency over the last two years
- As a strategic partner to all major Beauty brands, we grew with four of the top five beauty customers, reflecting their renewed appetite for innovation

The Consumer Care customer Net Promoter Score (NPS), our KPI for customer service, increased to +42 (2024: +31).

Maximising returns from investments

We are maximising returns from recent investments which have included both acquisitions, to expand Beauty Actives and establish an F&F business, and a period of heightened capital expenditure, particularly in fast-growth countries in Asia.

Our capability in ceramides, active ingredients for skin barrier protection and rapid moisturisation, was acquired with Solus Biotech in 2023, with commercialisation initially taking longer than anticipated. With ceramides now being sold across our global sales network and upgraded data packages to verify performance claims, sales were up 36% at constant currency albeit from a low base. We are driving further growth by:

- Leveraging the R&D and formulation expertise across Croda to develop new actives, production methods and mechanisms to deliver ceramides to the skin.
- Expanding the pipeline of new launches across skin, hair and dermatological applications, including new ceramides that enhance scalp health for stronger hair, the first application beyond skin care.

Asia represents the highest-growth Beauty market and has been the fastest-growing region for Croda Beauty over the last three years. We have supported that growth with selective expenditure in new manufacturing capacity including a new low emissions production facility in Dahej, India which is now fully operational and will enable further growth across Asia. We are also commissioning a new facility in Guangzhou, China for fragrances and actives.

Accelerating growth in key markets

Reinvigorating Beauty

Our Beauty businesses have a ~10% share in the \$8bn beauty ingredients market, with top three positions in niches growing faster (3-7%) than the beauty retail market (2.7%) at profit margins that are accretive to the Group. Following a period of inconsistent performance in volatile markets, they delivered an improved performance in 2025 with sales up 6% in Beauty Actives and by 4% in Beauty Care both at constant currency. To deliver consistent sales growth we are reinvigorating Beauty, building on its reputation for innovation and strong customer relationships to capitalise on the full range of opportunities

globally. With greater demand outside Europe, we are internationalising our Actives capabilities beyond the traditional centre in Paris, including regionalising testing and claims substantiation capabilities particularly in Asia to enable greater tailoring to specific country needs. We are also delivering benefits to masstige products, which helped support increased sales growth in the second half year particularly in North America, and where the margins that we make are similar to when we supply ingredients to prestige brands. In Beauty Care, we have the broadest portfolio of innovative ingredients. Enabled by the new innovation framework, we are commercialising and scaling up our biotech pipeline. We are also showcasing Beauty Care as delivery systems for Actives, leveraging our ability to deliver tailor-made solutions to customers comprising multiple ingredients.

Enabling continued fast growth in F&F

F&F is a small but fast-growing player in a \$25bn addressable market and is focused on L&R customers mainly in emerging markets who are growing twice as fast as the market as a whole (3.3% CAGR). The Business continued to grow ahead of peers in 2025, delivering 15% sales growth at constant currency, comprising a 13% increase in sales of fragrances and 25% increase in sales of flavours. Demand was particularly strong in Western Europe, the Middle East and Africa. To enable continued fast growth in F&F, we are leveraging its core strengths which include its agile model for higher-growth L&R customers and strong focus on fast-growth emerging markets. This is being supported by light-touch capital expenditure to expand manufacturing capacity and geographic footprint, following major investments over the last three years. Recent investments have included the expansion of fine fragrances at our dedicated innovation and production facilities in Grasse in France, as well as the new manufacturing facility in Guangzhou, China due to commence operations in 2026. F&F is also a focus area for R&D investment particularly for innovation in micro-encapsulation and odour-neutralising fragrances.

Future sales growth

Assuming current economic conditions continue, we are targeting an organic increase in sales in Consumer Care of 3-6% CAGR 2026-28.

Consumer Care sustainability – connecting value with impact

Connecting sustainability to people, making it personal, is core to the sustainability focus within the Consumer Care business. Consumers desire personal care products that deliver performance, without negatively impacting the planet. Keeping this at the core creates value for our customers' brands and the consumers they serve.

Value through leadership

- Our commitment to leadership in decarbonisation, on both an operational and supply-chain level, as well as our provision of product-level data, is industry-renowned.
- Our customers often share with us the value they place on our Product Carbon Footprint data and their recognition of our advanced position versus our peers.
- This leadership places us in a premier position as a strategic supplier, offering us privileged access to strategic innovation development opportunities.
- Future plans to be deforestation-risk free and to lessen our impacts on water and biodiversity will further empower us to deliver to our customers' needs.

Our customer engagement continues to be strong on sustainability topics, demonstrating our established position in decarbonisation and fast-emerging leadership in reducing water use impact.

Natrineo™ CR8*, KeraBio™K31 and Zenakine™* are all examples of our latest award winning innovation, with strong sustainability credentials such as 100% natural content, lower GHG emissions, biodegradability, more sustainable sourcing or produced via biotechnology. They have been well received by our customers and the wider market.

* *finalist*

Power of partnership

- Through partnership, we can offer targeted solutions that can reduce environmental impacts and address our customers' strategic sustainability priorities.
- Our customers are increasingly placing human rights due diligence as a central priority, stressing the importance of social and environmental audits of our manufacturing sites.
- Completion of these voluntary assessments reassures customers of our compliance with legal requirements and ethical principles and helps identify areas for improvement.
- Our willingness to engage and collaborate with them to achieve third-party assessment differentiates us from our peers.

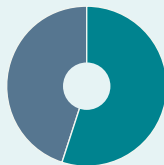
Our enthusiasm for partnerships with our customers on their decarbonisation activities, ethical supply chain assessments and new product certification is strong.

We began to assess our practices for environmental and human rights impacts at a site-level in 2025, addressing sites in priority countries for our customers and demonstrating our commitment to progress and working with our customers on their due diligence. We offered practical solutions for decarbonisation; at the product level, we can offer to reduce GHG emissions, exciting them on the possibilities we can deliver to support their progress.



Life Sciences – rebalancing Pharma and driving differentiation in Agriculture

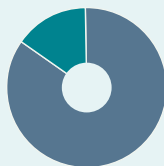
Life Sciences focuses on providing delivery systems for active pharmaceutical and agricultural products. It comprises three business units:



Pharma provides ingredients and solutions for a wide range of different drugs and vaccines leveraging our expertise in synthesis, purification, formulation and application technology know-how. These include speciality excipients, vaccine adjuvants and lipids for drug delivery, as well as ingredients used in health care



Crop Protection offers adjuvants and formulation aids that improve performance and delivery of crop protection products



Seed Enhancement provides seed coating systems and enhancement technologies to improve germination, stimulate development of seeds and increase crop yields

■ Percentage of Life Sciences sales

Performance in 2025

% change in sales versus the prior year	FY25 Constant currency change	FY25 Change	Q425 Constant currency change	Q425 Change
Pharma	4%	2%	7%	5%
Crop Protection	14%	11%	12%	11%
Seed Enhancement	8%	7%	4%	4%
Total Life Sciences	7.7%	5.5%	7.9%	6.3%

Full year sales in Life Sciences were increased 5.5% to £532.2m (2024: £504.3m) or by 7.7% at constant currency. Pharma sales grew by 4% at constant currency, with the regulatory environment in the USA creating uncertainty for our customers and impacting sales, particularly for vaccine adjuvants. The fourth quarter was Pharma's strongest quarter of 2025, driven by higher excipient sales for both small molecule and biologic applications. Lipid sales for drug research also improved in Q4. Full year sales in Crop Protection were up 14% at constant currency driven by the recovery in demand from larger crop science customers following an extended period of destocking, aided by our proactive actions. Although momentum in Crop continued into the fourth quarter, demand in 2026 is not expected to benefit from the customer inventory rebuild that positively impacted our performance in 2025. Seed Enhancement grew sales by 8% at constant currency, with its predominantly services business model continuing to deliver consistent sales growth.

Adjusted operating profit increased by 12.0% to £116.5m (2024: £104.0m) or by 15.6% at constant currency. Although the adjusted operating margin of 21.9% (2024: 20.6%) remains significantly below its medium-term potential, margin improved compared with both the prior year and H125 driven by the recovery in Crop volumes despite the associated negative impact on business mix. IFRS operating profit was £16.3m (2024: £85.5m).

Strategic priorities and progress

To take full advantage of opportunities in key Life Sciences markets we are rebalancing Pharma and driving differentiation in our Agriculture businesses. Across the Life Sciences portfolio we are refocusing innovation, improving customer experience and maximising returns from investments in line with Group priorities. Reflecting the progress we have made in improving customer experience, the customer Net Promoter Score (NPS) for Life Sciences increased to +49 (2024: +41).

Rebalancing Pharma

Pharma has a ~15% share of a \$2bn advanced excipients, adjuvants and delivery systems market and a top three supplier in niches growing at least 5% CAGR. We are rebalancing Pharma, allocating resources to accelerate sales of longer-standing ingredients for consumer health and small molecule APIs, as well as our advanced solutions for the delivery of novel biologic drugs and gene therapies which have been our principal focus in recent years. This rebalancing, augmented by the relaunch of our flagship ingredients in core markets, contributed to sales growth in 2025. It also recognises that each sub-segment has the potential for at least mid-single digit percentage sales growth at margins that are accretive to Group return on sales.

Improving customer experience

In a market that is growing but also becoming more complex, we are improving customer experience by evolving our Pharma business into two portfolio-led focus areas. These are:

1. Pharma Ingredients, representing over two thirds of total Pharma sales, and providing core consumer health ingredients and advanced excipients principally for established drugs. This is now organised on a regional basis, leveraging long-standing customer relationships and Croda's regional model
2. Pharma Solutions, with just under one third of Pharma sales, providing lipid technologies and vaccine adjuvants. This is now organised as a specialised global business working closely with customers and partners principally on new drugs in development.

Refocusing innovation

We are refocusing innovation, optimising our approach for each of the different sub-segments:

- In Core Ingredients, we are leveraging Croda's broader skin care expertise for topical applications
- To strengthen our leadership in Advanced Ingredients, we are creating new high-purity excipients for injectables and new bioprocessing aids. For example, our recently commissioned super refining process at our site in Leek, UK has supported the launch of Super Refined Poloxamer 188, used as both an aid to cell growth during upstream bioprocessing as well as an excipient
- In lipid technologies, we are expanding our range of more than 2,000 lipids for drug research, for example through a recent partnership with Certest, and targeting further markets for lipids, for example in the generics segment

- To accelerate development of sustainable vaccine adjuvants, we are working with external partners with recent portfolio additions including sustainable squalene which has demonstrated extended stability compared with competitors' shark-based alternatives.

Maximising returns from recent investments

Capital has been allocated to Pharma during the recent period of heightened investment through both focused capex and M&A. Acquisitions during this period were:

- Avanti Research, in 2020. Sales of lipids for drug research have grown double-digit percentage CAGR over the last three years.
- Phospholipids, acquired with Solus Biotech in South Korea in 2023, which are used as delivery systems and for intravenous nutrition. The clarification of the go-to-market model for Pharma Ingredients will help maximise the value of the phospholipids as we globalise sales through our regional sales network.

Capital expenditure has been focused on full-scale lipids production at multi-purpose cGMP sites in Lamar, Pennsylvania, and Leek, UK, as well on a smaller scale at the Avanti site in Alabama (our global centre for lipid development) and our site in Korea where we produce phospholipids. The total cost to Croda of the programme is ~£150m over the last five years, below previous estimates as we have revised the scope, of which ~£140m had been spent to end of 2025. The scale-up capacity at Lamar was mainly funded by the US Government under its pandemic preparedness programme to support vaccine production in the event of a future pandemic. The Leek expansion also received similar UK Government support. The investment has provided us with a significant competitive advantage for future break-out growth and assets in all major regions (in the USA, UK, and the site in Korea where we produce phospholipids). With drug development timescales having reverted to their pre-pandemic norms and clinical programmes taking longer to commercialise, our assessment is that whilst demand for lipids for drug research will continue to grow, large-scale production capacity outstrips current needs. We have therefore decided to put the new Lamar plant on standby to address overcapacity and minimise costs.

Driving differentiation in our Agriculture businesses

Our Agriculture businesses have a ~9% share of a \$4bn addressable market with a top three position in niches growing at least 1.5x market growth (2.6% CAGR). As regulations tighten and crop care formulations become more complex, Agriculture customers have significant development needs providing us with opportunities to

innovate. This is reflected in strong demand for the highly differentiated ingredients at the top end of our portfolio, which have grown at ~10% CAGR since 2019. We are therefore driving further differentiation in Crop Protection and Seed Enhancement, our two Agriculture businesses.

Refocusing innovation

In Crop Protection, we are focused on enhancing portfolio differentiation, by developing new adjuvant effects that meet unmet needs (for example for rain-fastness), expanding our portfolio through technology partnerships, and enhancing supporting data to prove performance. The lower carbon footprint is also an important point of differentiation, particularly at the lower end of the portfolio. In Seed Enhancement, innovation is focused on adding to our range of seed coatings that are free from micro-plastics, strengthening our position ahead of the European ban on microplastics in seeds in 2028, as well as countering abiotic stress in seeds due to extreme heat, drought and high soil salinity. We are also applying AI modelling techniques to accelerate the development of new priming, pelleting and X-ray processes, meaning we can derive commercial benefits from innovation during the same planting season.

Improving customer experience

The customer environment in Agriculture has been changing with multinational customers (MNCs) focusing on their core activities, the rise of generic manufacturers, particularly in China, and ongoing consolidation of smaller biopesticide specialists. We are responding to this dynamic customer environment through comprehensive customer segmentation and the continued regionalisation of our R&D and formulation expertise.

Aided by inventory rebuild by our larger customers following an extended period of destocking, sales to MNCs grew by 14% at constant currency in 2025, with a 36% increase in sales 'tier 2' customers. Local and Regional customers now represent 56% of sales, in line with the prior year, and up from 44% in 2019.

Maximising returns from recent investments

Our Agriculture businesses have limited capital requirements but the new production centre in Dahej, India will support Crop Protection growth in Asia.

Future sales growth

Assuming current economic conditions continue, we are targeting an organic increase in sales in Life Sciences of 4-7% CAGR 2026-28.

Business review – Industrial Specialties

Industrial Specialties (IS) contributes to the efficiency of our manufacturing model with sales exclusively from our shared manufacturing sites leveraging available capacity and core chemistries into target markets. Full year sales in Industrial Specialties were down 4.6% to £194.5m (2024: £203.8m) or by 2.4% at constant currency. This comprised growth in core sales offset by a reduction in sales via a supply agreement. Sales volumes were 7.7% higher but price/mix was 10.1% lower, adversely impacted by a higher proportion of by-product and co-stream sales. Q4 sales were 18.6% lower at constant currency against a particularly strong comparator and primarily reflecting the phasing of co-stream sales. Full year adjusted operating profit was £9.0m (2024: £15.5m), with the prior year comparator benefiting from particularly favourable product mix, and IFRS loss was £(1.7)m (2024: £13.6m profit). Assuming current economic conditions continue, we are targeting an organic increase in sales in Industrial Specialties of (3)-3% CAGR 2026-28, which is expected to include an increase in core sales as we target selective growth opportunities.



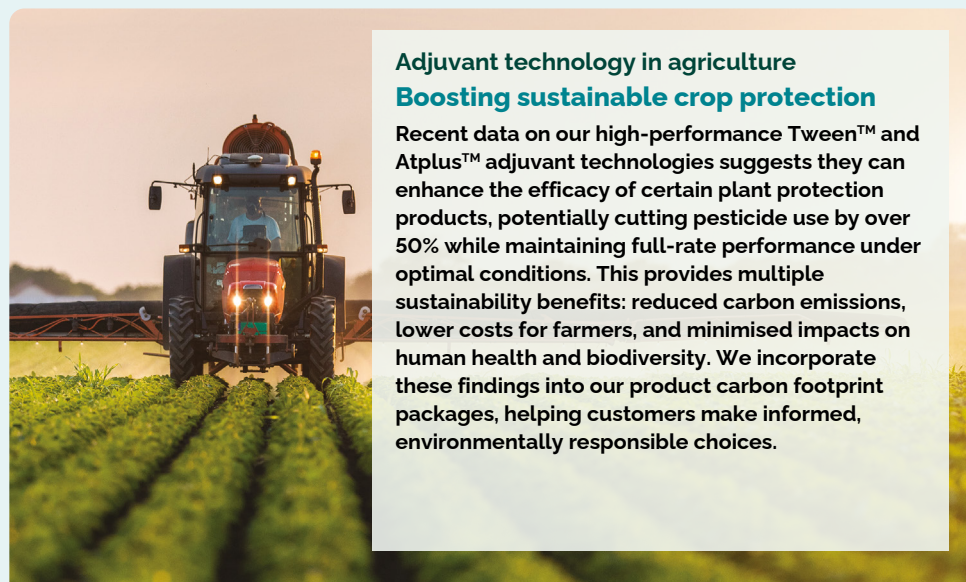
Life Sciences sustainability – connecting value with impact

Sustainability is fully embedded in our business strategy, focusing on our customers sustainability expectations and needs, and steering innovation. For Life Sciences, sustainability is about impact, performance and value.

Agriculture

- Sustainability trends continue to be driven by farm-level impacts, with Regenerative Agriculture becoming increasingly recognised as the future direction of travel for the sector.
- Emerging regulation continues to reduce chemical inputs driving focus on efficiency, and use of biopesticides whilst improving yields.
- Microplastic-free seed coatings are gaining traction as regulations tighten, but the shift also highlights the end-of-life impacts of older agricultural inputs. As legacy microplastics linger in soils, the industry is being pushed to consider the full life cycle of seed treatments and other agricultural inputs.

Our Agriculture business has responded by releasing a white paper on Regenerative Agriculture, highlighting the role of science-led innovation by companies like Croda, including biostimulants and microbial solutions, in improving soil health, biodiversity, and carbon capture. Our seed treatment business, Incotec, leads the market on microplastic-free seed treatment for crops and vegetables. We continued engaging with customers to explore opportunities to decarbonise ingredients and formulations, including identifying where reformulation can reduce active use, lowering costs and improving sustainability while maintaining performance.



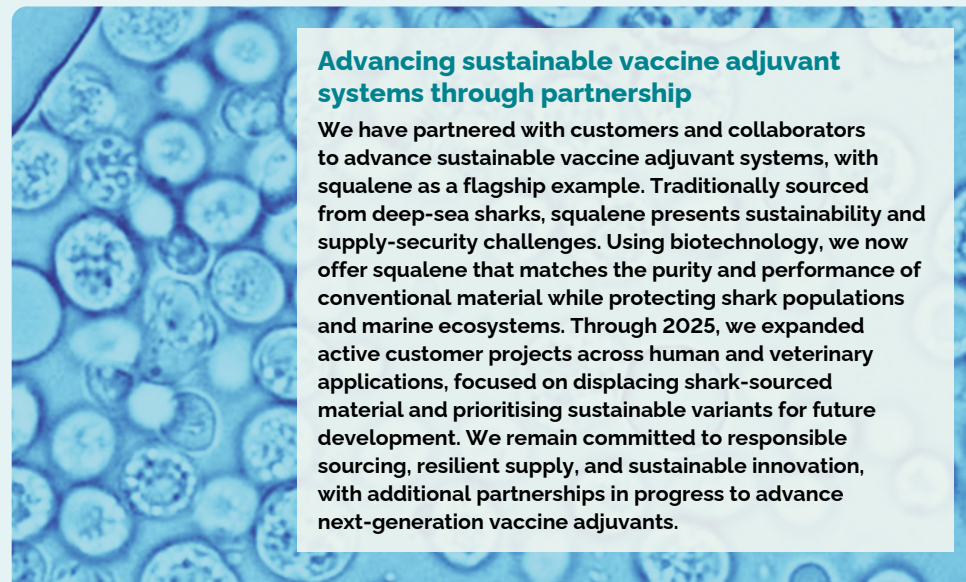
Adjuvant technology in agriculture Boosting sustainable crop protection

Recent data on our high-performance Tween™ and Atplus™ adjuvant technologies suggests they can enhance the efficacy of certain plant protection products, potentially cutting pesticide use by over 50% while maintaining full-rate performance under optimal conditions. This provides multiple sustainability benefits: reduced carbon emissions, lower costs for farmers, and minimised impacts on human health and biodiversity. We incorporate these findings into our product carbon footprint packages, helping customers make informed, environmentally responsible choices.

Pharma

- We have observed the continuation of clear and bold decarbonisation ambitions and strategies for many drug licence holders. These originator pharmaceutical companies are deepening their climate strategies, both in operations and across their value chains, signalling that decarbonisation is becoming increasingly core to their long-term business model.
- Continued strong collaboration across the industry driving standards on environmental data and expectation of data sharing most critically as product carbon footprints. Continued strong collaboration across the industry driving minimum sustainability targets for supply chain. Priorities include lowering energy emissions, improving resource efficiency, understanding nature and water impacts, and increasing data sharing for key product carbon footprints.
- Recognition that change in a highly regulated industry takes time. Focus to 2030 on utilisation of green electricity across supply chain and sharing of data. Acceleration 2030+ on deep decarbonisation and defossilisation of materials and chemicals to meet 2040+ Net Zero commitments.

In pharma, we continue to lead in sustainable vaccine adjuvants, scaling technologies to meet future vaccine demands whilst reducing impacts on biodiversity and improving security of supply. In 2025 our work on sustainable sourced squalene continued, launching cGMP grade material for customer use.



Advancing sustainable vaccine adjuvant systems through partnership

We have partnered with customers and collaborators to advance sustainable vaccine adjuvant systems, with squalene as a flagship example. Traditionally sourced from deep-sea sharks, squalene presents sustainability and supply-security challenges. Using biotechnology, we now offer squalene that matches the purity and performance of conventional material while protecting shark populations and marine ecosystems. Through 2025, we expanded active customer projects across human and veterinary applications, focused on displacing shark-sourced material and prioritising sustainable variants for future development. We remain committed to responsible sourcing, resilient supply, and sustainable innovation, with additional partnerships in progress to advance next-generation vaccine adjuvants.

Managing risks

Risk strategy

Effective risk management enables the Business to protect and create value, helping us to identify opportunities and minimise threats to the delivery of our strategy and to build resilience within our business model.

Risk governance

Our Board owns and oversees our risk management programme, with overall responsibility for ensuring that our risks are aligned with our goals and strategic objectives. The Audit Committee assists the Board in monitoring the effectiveness of our risk management and internal control policies, procedures and systems.

Risk monitoring

Global visibility of risks identified by regions, sites and businesses is obtained through bottom-up risk registers that are continuously updated in our risk and control system. The VP Risk and Assurance meets regularly with each member of the Executive Committee to identify and assess current risks and scan the horizon for internal and external emerging risks. Using our global risk management framework (page 34), bottom-up risks are combined with the top-down risks identified by members of the Executive Committee, in our Executive Risk Register.

Movements to the Executive Risk Register are reported to the Executive Committee quarterly. The Committee also provides the Board with visibility of the principal risks facing the organisation through quarterly reports.

Risk management

While our Board owns and oversees our risk management programme, risk management accountability is embedded throughout our organisation:

- Our first line of defence, our employees, have a responsibility to manage day to day risk in their own areas guided by Group policies, procedures, control frameworks and risk appetite. Local management, and ultimately the Executive, ensure that risks are managed and actioned according to these frameworks
- The second line of defence is provided by management team review of each risk register
- The third line of defence is through assurance over the effectiveness of mitigating controls, which is provided through internal audits, supplemented by reports from external assurance providers
- Our Global Crisis Management Plan, which is in place to manage significant risk events, is owned by the Executive Committee
- Croda's Group Fraud Policy, Group Code of Conduct, Group Code of Ethics and Group Whistleblowing Policy in addition to our controls framework are in place to prevent and detect fraud. Annually the Audit Committee reviews the adequacy and effectiveness of the Company's anti-fraud procedures
- Our process for managing climate-related risks is integrated into our global risk management framework. In collaboration with our Sustainability team, we adhere to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclose the effectiveness of our management of climate-related risks and opportunities

Emerging risks

We consider emerging risks and opportunities as part of our risk landscape and define them as those whose effects have not yet been substantially realised and whose evolution is highly uncertain.

The Executive Committee reviews emerging risks and opportunities from internal and external sources and consider whether they should be included in our risk register.

Risk appetite

Compiled based on our company values, strategy, and capacity to absorb risk, we define risk appetite statements and allocate appetite and tolerance scores for each risk framework.

Risk appetite indicates the level of risk that Croda deems appropriate in pursuit of a specific objective or strategy, guiding our control posture towards each type of risk. By indicating which areas require more stringent controls in comparison to those where excessive controls might be prejudicial, risk appetite supports the definition of material controls for each principal risk.

We assess the appetite status of each risk by comparing residual risk scores with risk appetite and tolerance scores. At Croda, the appetite status is not used as a target or bar but serves as a basis for discussing the effectiveness of current controls, identifying risks that need additional mitigation, and determining their priority.

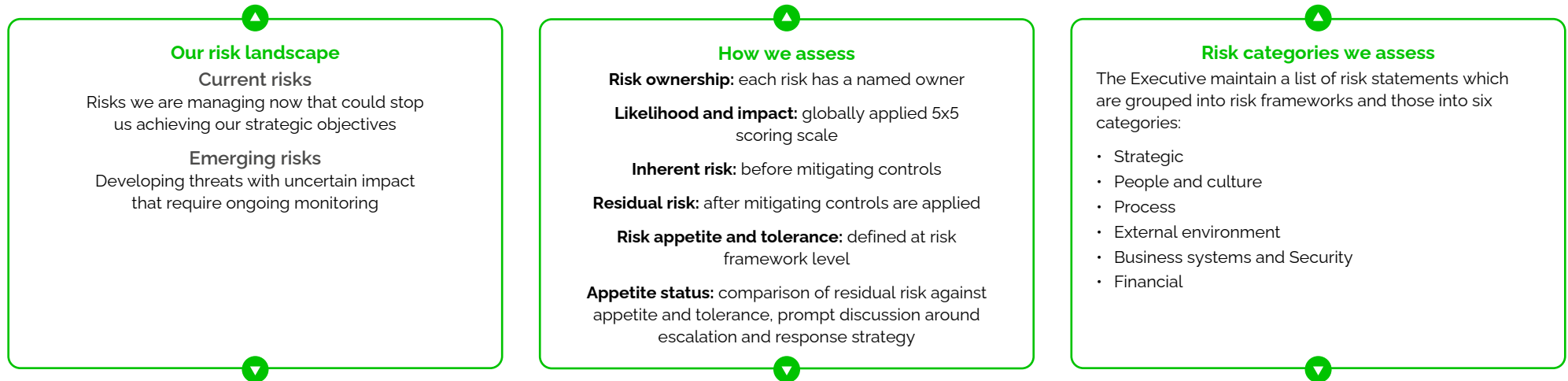
Risk appetite statements serve as an effective tool to communicate the Company's stance towards various types of risk, providing consistent guidance for decision-making throughout the organisation.

Our risk framework

What we monitor

Executive risk register

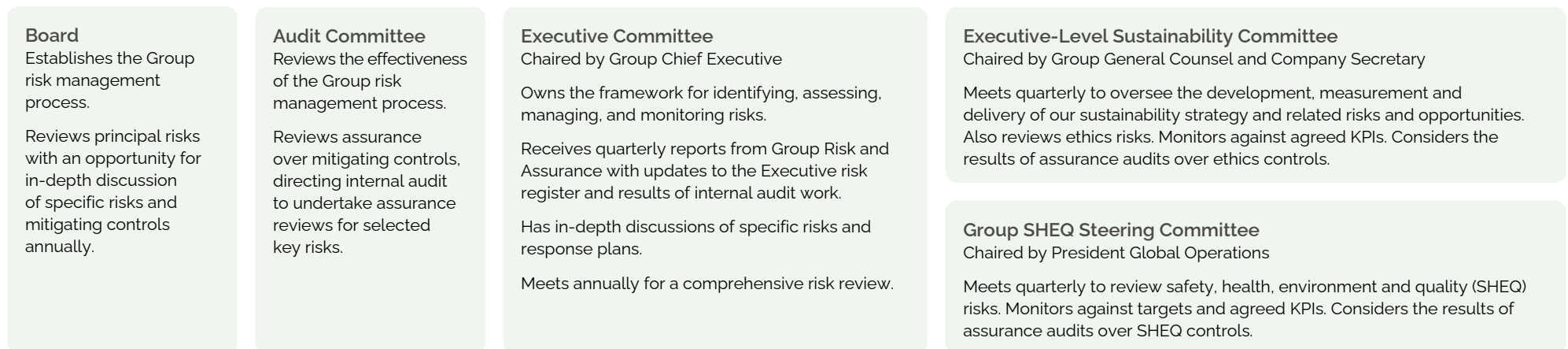
Summary of the principal risks facing us prepared by combining risks identified through the local bottom-up registers with group-level risks identified by the Executive Committee



Bottom-up registers

Owned by businesses, regions, manufacturing sites and functions, they identify local risks and mitigating controls arising from day to day operations in over 40 risk registers globally

How we monitor



Principal risks

We consider principal risks to be those risks, or combination of risks, that, were they to arise and not be effectively mitigated, would cause serious disruption to our business model, threatening future performance, solvency, liquidity or our ability to deliver our strategy. Risks at this level are recorded in our Executive Risk Register with a high inherent score.

The Directors have carried out a robust assessment of the emerging and principal risks facing the Group, which confirmed that all principal risks reported in the financial statements for the year ended 31 December 2024 remain relevant and no new principal risks were identified. Four principal risks have intensified during 2025:

- Escalating geopolitical tensions have contributed to increased market uncertainty and volatility, adversely impacting the global economic outlook and elevating our principal risk of revenue generation and profit conversion
- Security of business information and networks risk also heightened in likelihood because of evolving technologies and increasingly sophisticated malicious activities worldwide
- As we accelerate our transformation programme, our management of business change and people principal risks can increase if not properly managed

The following table lists our principal risks, their respective trends, connections to our strategy and business model, their significance, our responses, and the actions taken in 2025 to mitigate them.

Strategic

Risk	Why this matters to us	How we respond	What we have done in 2025
<p>Revenue generation and Profit conversion</p> <p>↑ ● PD CS</p> <p>Risk owner: Business Presidents</p>	<p>Our ambition is to deliver consistent top and bottom-line growth, with profit growing ahead of sales, ahead of volume. To grow, we need to innovate and also keep pace with our customers as they serve consumers globally in established markets and higher-risk developing markets. Failure to manage these challenges and the consequences of geopolitical tensions will adversely impact delivery of our growth objective.</p>	<p>Through our global sales, marketing and technology teams, we identify consumer trends and respond swiftly to satisfy customer needs through key technologies.</p> <p>Our direct selling model enhances customer intimacy.</p> <p>We measure our Net Promoter Score (NPS) to gauge customer satisfaction and loyalty, helping to improve products and services based on feedback.</p> <p>Our business model and focus on controlling costs, managing cash flow and increasing sales activity helps to mitigate the impact of difficult trading conditions.</p>	<ul style="list-style-type: none"> • As part of the actions that we have taken throughout the year to increase utilisation at our shared production sites, we have been driving targeted sales of ingredients in Beauty Care, Crop Protection and Industrial Specialties. • Restructured the Pharma organisation to enhance customer centricity and launched campaigns supporting our customers in Pharma Ingredients • Commissioned a new super refining process at our site in Leek, UK to strengthen our leadership in high-purity excipients for injectables and ability to launch new bioprocessing aids. • Commissioned our new alkoxylation manufacturing plant in Dahej, India and Fragrance and Actives facility in China as part of our Fast Grow Asia strategy • Continued to build and convert our pipeline of ceramide and phospholipid sales globally • Our 2025 NPS was +43, a significant improvement from 32 in 2024 • Increased our cost savings target from £40m to £100m, delivering in year savings of £28m (see page 13 for details)

Risk trend

- ↑ Risk increase
- ↔ No change
- ↓ Risk decrease

Link to our strategic USPs (page 14)



- Growth
- Innovation
- Sustainability

Link to our business model (page 5)

- GN Global Needs
- PD Problem Discovery
- SD Solution Development

- IM Ingredient Manufacture
- CS Commercial Supply
- GI Global Impact

Strategic *continued*

Risk	Why this matters to us	How we respond	What we have done in 2025
<p>Product and technology innovation and protection</p>  <p>Risk owner: Business Presidents</p>	<p>Innovation is the lifeblood of our Business. It plays a critical role across our operations; it differentiates us from the competition, protects sales and improves our margins. Failure to leverage our global innovation teams could lead to a reduction in New and Protected Products (NPP), impacting growth and margin.</p> <p>Failure to protect our intellectual property (IP) in these products in existing and new markets could undermine our competitive advantage.</p>	<p>Our technical research and development (R&D) teams, based in our customer innovation centres and application laboratories globally, focus innovation on customer and market needs and are embedded across our Business (see problem discovery on page 5 for details).</p> <p>We invest in: R&D to design innovative ingredients (see solution development on page 5 for details).</p> <p>Our specialist IP team protects new products and technologies, defending our IP and challenging third-party IP where appropriate.</p>	<ul style="list-style-type: none"> Continued to advance our balanced portfolio approach, combining long-term strategic innovation centred on our core technology platforms and sustainability drivers, while remaining agile in responding to localised trends through enhanced market and customer alignment Focused on accelerating the conversion of innovation pipelines into commercial value, while tailoring our research and development approach to local and regional markets as these customers continue to gain market share Launched a number of innovative products including Kerabio, Natrineo CR8, Zenakine, Squalene and Poloxamer, resulting in strong interest from our customers Amplified our customer engagement globally with customer academy, workshops and training Further strengthened the integration of our R&D teams in France and Korea, collaborating to create a world leading programme focused on skin actives research Introduced a new trade secrets framework, including a new policy, supporting procedure, FAQs, and a training programme. These resources have been designed to strengthen the protection of confidential information and ensure consistent compliance across the organisation
<p>Digital technology innovation</p>  <p>Risk owner: Chief Financial Officer</p>	<p>Digital technology is transforming Croda, reshaping markets and driving value for customers, employees, and the broader Business ecosystem. Customers demand greater product transparency and more intuitive digital experiences. By embracing digital and data innovation, Croda maintains its competitive edge, meets customer and employee needs, enhances operational efficiency, and fosters sustainable growth.</p> <p>With the rapid evolution of AI, the risks and opportunities surrounding digital technology innovation are increasing.</p>	<p>Croda is intensifying its focus on technology and digital strategy, aligning it with business needs.</p> <p>Our global leadership leverages the rapidly evolving digital landscape, while local teams develop agile solutions tailored to market needs. We are committed to creating an integrated digital experience across our value creation model, ensuring competitiveness and innovation in meeting customer demands and enhancing the employee experience.</p>	<ul style="list-style-type: none"> Accelerated our digital transformation, using data, analytics, and AI to improve decision-making and drive innovation Cloud computing enabled greater scalability and flexibility. Our website and expanded customer portal enhanced digital channels, empowering customers with better self-service and access to information Sustainability and innovation remained central, with new systems for product information, supplier integration, and carbon footprint tracking Robust data governance and ongoing investments in data quality and global analytics capabilities ensured Croda continued to deliver value and maintain a competitive edge

Strategic *continued*

Risk	Why this matters to us	How we respond	What we have done in 2025
<p>Delivering sustainable solutions – Climate, Nature and People Positive</p> <p></p> <p>Risk owner: Group General Counsel, Company Secretary and President Sustainability</p>	<p>We have made a bold Commitment to be Climate, Nature and People Positive by 2030 (see page 18 for details), aligning our smart science with the United Nations Sustainable Development Goals (SDGs). We are committed to delivering improvements in line with the objective to limit global temperature rises to no more than 1.5°C above pre-industrial levels. Climate change, biodiversity loss and rising inequality are changing consumer and other end-user demands, making sustainability leadership a key differentiator for our customers.</p> <p>Failure to remain ahead of our competitors and to deliver on our stretching 2030 targets will damage our reputation as a sustainability leader and compromise growth.</p>	<p>The Executive-level Sustainability Committee, which meets quarterly and is chaired by our Group General Counsel, Company Secretary and President Sustainability, monitors progress and allocates the necessary resources to meet our targets, with accountability embedded across the organisation. The central Group Sustainability team provides subject matter expertise, assists in measuring and reporting internally and leads our external reporting and assurance of non-financial data.</p> <p>We see more opportunity than risk in helping our customers meet the challenging targets they have set to improve their impacts on planet and society.</p> <p>Refer to delivering sustainability leadership on pages 18-19 for more information on our approach.</p>	<ul style="list-style-type: none"> Reviewed our sustainability strategy as part of a wider corporate strategy refresh. Based on the needs of our customers and markets, we have reconfirmed our commitment to become Climate, Nature and People Positive by 2030 and announced a focused set of updated corporate targets to 2030, including re-verified Science Based Targets aligned with a 1.5°C trajectory The Board-level Sustainability Oversight Committee has met four times to oversee our approach to managing the risks and opportunities associated with sustainability, including regulatory compliance (see page 70) We continued to include sustainability targets into our senior-level long-term incentive plans and our annual bonus scheme (see page 79) Commissioned our new manufacturing site in Dahej, India, designing in low scope 1 and 2 GHG emissions from the first day of operation
<p>Management of business change</p> <p></p> <p>Risk owner: Group Chief Executive</p>	<p>Delivery of our strategy requires significant business change globally, including investment in our capital expenditure programme. Such transformational change has the potential to distract the organisation, resulting in failure to deliver expected results, or at worst destroy value.</p> <p>As we progress with our multi-year transformation programme (see details on page 17), effective change management becomes increasingly critical, thus contributing to the upward risk trend.</p>	<p>We have refocused our portfolio, so our capabilities address consumer and our customer needs.</p> <p>Delivery of the transformation programme is an Executive responsibility, but the Board plays an important role providing oversight, challenge and guidance.</p> <p>Skilled programme managers, supported by external consultants, lead our delivery of change programmes.</p>	<ul style="list-style-type: none"> The Board and Executive Committee reviewed Croda's strategy and concluded that our portfolio serves attractive market niches with solutions tailored for our customers Established a Transformation Office to oversee an operational efficiencies programme comprising of multi-year transformative workstreams to simplify business processes, modernise the way we work, and reduce costs We have built strong execution capability within Croda by combining the deep knowledge of long-standing leaders who understand Croda's ways of working with the fresh perspectives and transformation experience brought by new hires from outside the organisation Created an updated internal communications plan for the Group, ensuring that the strategy cascade and objective setting are communicated clearly and consistently throughout the organisation Advanced organisational design improvements, optimised the cost structure to support investments in growth areas, and established a structurally resilient organisation equipped with the appropriate competencies and capacity to deliver our objectives

Risk trend

- Risk increase
- No change
- Risk decrease

Link to our strategic USPs (page 14)

- Growth
- Innovation
- Sustainability

Link to our business model (page 5)

- Global Needs
- Problem Discovery
- Solution Development
- Ingredient Manufacture
- Commercial Supply
- Global Impact

People and culture

Risk	Why this matters to us	How we respond	What we have done in 2025
<p>Our people – culture, wellbeing, talent development and retention</p> <p></p> <p>Risk owner: President Human Resources</p>	<p>Retaining and developing the experience and motivation of all our knowledgeable and diverse employees is critical to maintaining our ability to deliver our strategic priorities. Failing to maintain our distinctive Croda culture within which people thrive and which attracts new and diverse talent to join the Company would significantly damage our ability to innovate.</p>	<p>A clear Purpose, strong development culture, excellent learning opportunities and competitive reward programmes support the retention, engagement and career development of our teams (see page 9 for details).</p> <p>Global graduate and management development programmes provide a pipeline of internal talent.</p> <p>Our bi-annual global talent review and quarterly talent sessions with the Executive and regional leadership teams considers resources and succession plans for critical roles.</p>	<ul style="list-style-type: none"> Developed a global strategic workforce plan for talent acquisition, development, and management Delivered leadership development programmes to high-potential talent Launched a global programme to assess and develop future executive leaders Enhanced regional leadership with succession planning for critical positions Performed in-depth assessments of talent across our 11 multi-purpose manufacturing sites to strengthen current and future leadership Concluded the global launch of YourVoice, our new employee engagement feedback tool Maintained our Living Wage commitment

Process

Risk	Why this matters to us	How we respond	What we have done in 2025
<p>Product quality</p> <p></p> <p>Risk owner: President Operations</p>	<p>We sell into several highly regulated applications and the transition to a focused Consumer Care and Life Sciences business increases our exposure to this environment. Weak product quality control leading to non-compliance with our customers' stringent product quality requirements and global and local regulation, could expose us to liability claims, significant reputational damage and compromise our ability to deliver growth.</p>	<p>Monitored by Croda's Group SHEQ Steering Committee, our sites are certified to demanding external quality standards highly valued by our customers (including ISO 9001, Active Substance GMP, EFCI and EXCiPACT).</p> <p>Our global network of quality professionals enforces compliance with the Group Quality manual, assured through internal audits delivered by our specialist Group Quality audit team and external body certification audits.</p> <p>Croda proactively works with relevant trade associations to shape future regulation.</p>	<ul style="list-style-type: none"> We continued efforts toward our 2030 target of achieving 99.5% right first time in manufacturing, focusing on operational excellence and quality improvement initiatives Combined leadership roles in Quality and Product Safety and Regulatory Affairs (PSRA), bringing the two functions together to strengthen alignment and enhance governance across product safety and manufacturing quality Continued to implement our risk-based Quality audit approach and six-year audit plan introduced last year, combining maturity assessments with compliance audits to drive continuous improvement and maintain regulatory compliance
<p>Loss of significant manufacturing site (major safety or environmental incident)</p> <p></p> <p>Risk owner: President Operations</p>	<p>We rely on the continued sustainable operation of our manufacturing sites around the world, including newly acquired sites.</p> <p>Climate change directly impacting the location of a site or the availability of utilities used, or a major event causing loss of production and violating safety, health or environmental regulations, could limit our operations. This could also expose the Group to liability, cost and reputational damage, especially in light of our commitment to sustainability and customer service.</p>	<p>Monitored by our Group SHEQ Steering Committee, our global network of site-based safety professionals enforces compliance with global policies and procedures defined in the Group SHE manual.</p> <p>Assurance is delivered by the specialist Group SHE internal audit team, following a risk-based audit plan that prioritises our highest hazard sites to reinforce process safety.</p> <p>External auditors certify our compliance with international safety standards. Our sites are certified to ISO 14001/45001 standards.</p>	<ul style="list-style-type: none"> High priority process safety equipment assessed and improved where necessary across all high-risk sites Continued the ongoing programme of third-party, expert-led process risk peer reviews. Findings are communicated across the Croda organisation through our Process Safety Leaders Academy Implemented a rolling programme of scenario-based, process-safety inspections focused on the highest-risk processes at major hazard sites Senior Leaders in operational roles have completed Process Safety training, followed by reinforcement sessions, to ensure they fully understand the hazardous processes within their areas of responsibility, the risk-reduction systems in place, and the key information required to confirm these systems are operating effectively

External environment

Risk	Why this matters to us	How we respond	What we have done in 2025
<p>Ethics and compliance</p> <p></p> <p>Risk owner: Group General Counsel, Company Secretary and President Sustainability</p>	<p>At Croda, compliance is at the heart of everything we do. We strive to conduct our business in accordance with all applicable laws and regulations, including UK ethics legislation which has extra territorial scope, human rights legislation, competition laws, data privacy laws and tax laws.</p> <p>Through our Purpose, Smart science to improve lives™, we are firmly committed to upholding the highest standards of integrity and ethical behaviours in our business dealings in our global activities.</p> <p>Our continued growth into higher-risk markets, the complexity of our supply chain and the introduction of new regulation create an elevated compliance and reputational risk.</p>	<p>The Executive-level Sustainability Committee oversees the Group's ethics and human rights strategies and is responsible for reinforcing a culture of integrity, transparency and fairness in business dealings.</p> <p>The Compliance team has responsibility for the development, reinforcement, oversight and cascade of the Group's compliance programmes.</p> <p>Our Audit Committee reviews the effectiveness of the Group's compliance procedures on an annual basis.</p>	<ul style="list-style-type: none"> Designed a due diligence procedure covering deforestation, human rights and compliance with broader legislation, in order to ensure readiness for, and compliance with, the European Union Deforestation Regulation (EUDR) Working in conjunction with a customer, piloted our human rights due diligence programme in Brazil in relation to our palm oil supply Signed up to a collaboration with a customer which will involve carrying out human rights due diligence on our castor oil supply chain Risk assessed our sanctions controls and updated our policy and procedures to strengthen controls and ensure consistency globally Developed anti bribery and corruption (ABC) refresher training which is being rolled out to appropriate stakeholders to re-energise the ABC compliance programme Developed and rolled out a one-pager refresher to support elements of our competition law compliance programme Improved our Modern Slavery Scorecard rating, moving up one tier
<p>Security of business information and networks</p> <p></p> <p>Risk owner: Chief Financial Officer</p>	<p>As technology advances, the associated security threats and potential business impacts become more complex. Securing our information and networks is crucial for Croda to protect intellectual property and production, maintain customer trust, and comply with an increasingly intricate regulatory landscape.</p> <p>By prioritising security, we enable safe collaboration and innovation, which are essential for growth, maintaining a competitive edge, and being a responsible part of our wider Business ecosystem.</p>	<p>To address the growing complexity of technology and evolving security threats, Cybersecurity remains a top priority at the Board level and is overseen by the Audit Committee. The Company continues to invest in advanced security solutions and technical capabilities, while also strengthening its policies, procedures, and regularly testing their effectiveness to ensure robust protection across the organisation.</p>	<ul style="list-style-type: none"> Rigorously reassessed our security posture, making substantial investments in critical capabilities that are fully aligned with the NIST 2.0 Cybersecurity Framework's Identify, Protect, Detect, Respond, and Recover functions Strengthened employee engagement through a comprehensive awareness and training campaign to ensure that everyone plays an active role in safeguarding our assets. At Croda, we believe that security is a shared responsibility across the entire organisation Reinforced our commitment to robust oversight by enhancing governance through our Audit Committee

Risk trend

- Risk increase
- No change
- Risk decrease

Link to our strategic USPs (page 14)

- Growth
- Innovation
- Sustainability

Link to our business model (page 5)

- Global Needs
- Problem Discovery
- Solution Development
- Ingredient Manufacture
- Commercial Supply
- Global Impact

Long-term viability statement

Confirmation of viability

Based on their assessment of its prospects and viability, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Directors also considered it appropriate to prepare the financial statements on a going concern basis, as explained in the Group accounting policies (page 134).

Assessment of viability

We assess viability through two lenses: a 'top-down' test which quantifies the magnitude of profit or loss required to endanger liquidity and our bank covenants and a 'bottom-up' assessment that makes use of downside scenario models, which reflect the key risks facing the Group, to test against the Group's financial headroom and leverage over the viability period.

We evaluate the Group's future outlook through five-year strategic and capital investment plans, with three-year detailed financial modelling being prepared. Most of the detailed sector delivery plans also look forward three years, including product innovation, manufacturing expansion timescales and market development. We chose to use a three-year period for the viability assessment because, given the inherent uncertainty of long-term planning, we believe this is the horizon that provides the most appropriate balance between accuracy and long-term visibility.

Our strategic plan is built from a bottom-up sector view considering different macroeconomic scenarios and near-term risk factors, including weaker demand, inflation and raw material price changes. The base case model is used to assess the impact for both the viability statement and the going concern assessments.

Top-down liquidity headroom

We assess our overall capacity to withstand catastrophic events by stress testing the adjusted EBITDA reduction required to trigger a default under our funding covenants, and the liquidity headroom available from committed debt facilities, including any which mature within the viability period:

- Bank leverage covenant: the leverage ratio at the end of 2025 of 1.3x remains substantially below the maximum covenant level under the Group's debt facilities of 3.5x. Based on 2025 results, stress testing assesses that adjusted operating profit would need to fall by almost 80% to breach the covenant. In the event that breaching the maximum covenant level was possible, we would also take additional unmodelled action to conserve cash and improve the covenant position (we also test the impact on our interest covenant; however, with a high level of fixed rate debt, there is no plausible scenario which endangers compliance with this covenant);
- Unused committed liquidity headroom: as at 31 December 2025, over 77% of current committed debt facilities of £1,066.6m mature after the end of the viability period, with current committed unused headroom of £400.9m (see page 23 for more details). In normal lending market circumstances, we would expect to have ample access to renew facilities as these mature. The Company therefore expects to have the necessary liquidity headroom available to cope with unexpected risk events during the viability period.

Bottom-up risk scenario headroom

Using the 'base case' model, individual downside scenario events were identified and modelled. In addition, five severe but plausible combinations of these individual scenario events (labelled A to E on the table in the opposite column) were tested to assess the potential combined downside impact on the liquidity and covenant headroom of the Group over the three-year viability period. None of the individual scenarios or scenario combinations were found to endanger the liquidity or covenant requirements over the viability period.

The key scenarios tested were as follows:

Scenario	Key assumptions	Principal risks	Scenario combinations				
			A	B	C	D	E
New entrants or enhanced competition in our market space make significant inroads into our Business	Loss of business in Consumer Care and Life Sciences	1					X
Regulatory or reputational issues affecting individual products or product groups	Loss of contribution from significant products or product groups	1				X	
Gradual degradation of global economy, our services, competitiveness, or ability to innovate	Steady decline of sales throughout the viability period	1 to 6				X	X
Escalation of commercial barriers or geopolitical conflicts	Loss of contribution from sales into relevant geographies	1					X
Catastrophic incident leading to complete loss of a manufacturing site	Uninsured loss of major manufacturing site resulting in lost margin for an extended period	8			X		
Major ethics and compliance breach leading to government investigation and fine	Loss of business due to reputational damage, in addition to cost of fines and legal expenses	9	X	X			X
Cyber attack	A significant cyber attack damages reputation and results in disruption of processes, in addition to costs of data recovery	10	X	X			
Failure to deliver expected benefits from transformation	Benefits from transformation initiatives are not fully realised	5				X	
Product quality failure leading to a product recall	Financial impact from damages and legal costs	7					X

The principal risks to which these scenarios relate are as follows:

1. Revenue generation and profit conversion; 2. Product and technology innovation and protection; 3. Digital technology innovation; 4. Delivering sustainable solutions – Climate, Nature and People Positive; 5. Management of business change; 6. Our people – culture, wellbeing, talent development and retention; 7. Product quality; 8. Loss of significant manufacturing site (major safety or environmental incident); 9. Ethics and compliance; 10. Security of business information and networks.

Task Force on Climate-related Financial Disclosures (TCFD)

On pages 41 to 47 of this report we summarise material climate-related disclosures consistent with the four pillars and 11 disclosures proposed by the TCFD, including the 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures' released in October 2021. We have considered the guidance in Section C 'Guidance for all Sectors' and Section E 'Supplemental Guidance for Non-Financial Groups – Materials and Buildings' of the TCFD Annex and reference links to further information in this report and in our Croda Reporting Hub. We continue to work to remain aligned with evolving climate and non-financial disclosure requirements as required by the Listing Rules.

Governance	How we comply	Key activities: 2025 and beyond
<p>a) Describe the Board's oversight of climate-related risks and opportunities</p> <p>b) Describe management's role in assessing and managing climate related-risks</p>	<p>Climate-related risks and opportunities form an integral part of Croda's Group strategy. The Board considers climate matters as part of its annual strategy review, approves major capital and acquisition proposals with regard to decarbonisation objectives, and oversees senior leadership remuneration metrics linked to sustainability performance. Oversight is supported by the Board Sustainability Oversight Committee, established in 2023, which receives quarterly updates from the Chief Sustainability Officer and insights from the Executive Sustainability Committee, monitoring progress against climate targets and material risks. The Audit Committee approves the programme for assuring our non-financial metrics.</p> <p>The Group Chief Executive Officer and Executive Committee are responsible for managing climate-related issues, supported by the Sustainability Committee, which meets quarterly and is chaired by the Group General Counsel, Company Secretary and President of Sustainability. Senior leaders across the business act as risk owners, identifying opportunities, assessing risks and overseeing delivery of climate-related targets. Climate risks are integrated into the Group risk management framework, with ownership embedded at the appropriate organisational level.</p>	<p>Key governance activities in 2025 included the Board Sustainability Oversight Committee's review of the Life Sciences and Consumer Care strategies, oversight of the corporate sustainability strategy refresh, and approval of associated strategic non-financial metrics. The Executive Sustainability Committee approved the refreshed sustainability strategy and oversaw the revalidation of our SBTi-aligned GHG emission targets, the Climate Scenario Analysis and the launch of the Sustainability Academy framework to build capability from 2026. Near-term priorities include Corporate Sustainability Reporting Directive readiness, strengthening data governance controls, and enhanced customer and market engagement to support delivery of Net Zero Roadmaps.</p>
Further Information	Sustainability Oversight Committee Terms of Reference: www.croda.com/about-us/governance Sustainability Performance: Governance: page 187	Report of the Sustainability Oversight Committee pages 70 to 71 Report of the Audit Committee pages 72 to 77
Strategy	How we comply	Key activities: 2025 and beyond
<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term</p> <p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</p> <p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios</p>	<p>Climate considerations are integral to Croda's business strategy, investment plans and long-term value creation objectives. Short-, medium- and long-term time horizons are aligned with operational planning cycles, 2030 climate commitments, and Croda's long-term Net Zero target. Scenario analysis undertaken with external experts assesses resilience to a range of plausible climate futures, including a 1.5°C Net Zero scenario, a delayed transition scenario, and a high-warming (+3°C) world. The analysis identifies several material risks, including carbon pricing exposure, natural gas price volatility, raw material cost escalation, physical risks such as drought and flooding, and customer preference shifts linked to decarbonisation expectations. Strategic opportunities arise from increased demand for lower-carbon ingredients, renewable feedstocks, and technologies that support customer decarbonisation.</p> <p>Delivery of Croda's Climate Positive ambitions is embedded across the organisation. The strategy includes decarbonising operations through validated science-based targets, transforming product portfolios through Net Zero Roadmaps, and investing in operational efficiency, renewable energy substitution and low-carbon innovation. Carbon offsets form no part of our decarbonisation strategy to 2030.</p> <p>Scenario analysis confirms that Croda's strategy is resilient, with mitigation actions materially reducing long-term exposure under all modelled climates.</p>	<p>Key 2025 activities included refreshing our strategy with an increased focus on climate-related risks and opportunities, expanding our scope to cover the organisation's total carbon footprint – including FLAG and downstream emissions – and setting business-specific objectives underpinned by our SBTi-validated GHG targets. We completed Net Zero Roadmaps for our major technology platforms, identifying key levers for change and innovation opportunities, and are engaging customers and markets to prioritise delivery and support their transition to a Net Zero economy.</p>
Further Information	Delivering sustainability leadership pages 18 to 19 Risk management pages 33 to 39 Climate Scenario Analysis pages 43 to 47	Long-term viability statement page 40 Climate Positive: Shadow Carbon Price 183 Glossary: Net Zero definition page 199

Risk management

How we comply

Key activities: 2025 and beyond

a) Describe the organisation's processes for identifying and assessing climate-related risks long-term

Climate-related risks are identified, assessed and managed through Croda's global risk management framework. Risks can emerge at site level, through the Sustainability Committee, or via evolving regulatory and market developments. Periodic Double Materiality Assessments inform this process, with financially material outcomes incorporated into the Group Enterprise Risk Management (ERM) system.

Key 2025 activities included a comprehensive update to our Climate Scenario Analysis, building on the 2024 Double Materiality Assessment, assessing alignment with our refreshed sustainability strategy, and incorporating site-specific physical risk insights from our insurance provider. Climate Scenario Analysis findings will inform an interim review of the Double Materiality Assessment, with any resulting changes to material Impacts, Risk and Opportunities integrated into the Group Enterprise Risk Management system to drive targeted action.

b) Describe the organisation's processes for managing climate-related risks

Climate scenario analysis, completed at least every three years, acts as a complementary tool, helping the Group evaluate how future environmental, societal and economic conditions could affect operations and financial performance.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

All climate-related risks are assessed using a consistent five-point impact and likelihood methodology and assigned to accountable risk owners responsible for monitoring, mitigation and reporting. Physical risks – such as drought, water stress and flooding – are embedded within local site risk registers with defined mitigation actions. Transition risks – such as carbon pricing, energy cost volatility, raw material pressures and shifts in customer demand – are assessed centrally and cascaded into local registers as impacts become geographically specific.

Climate-related risks are integrated into capital allocation, operational planning, product strategy and supply chain decisions. Scenario analysis informs strategic planning and prioritisation of mitigation activities, while shadow carbon pricing supports consistent, climate-aligned investment decision-making.

Further Information

Risk management pages 33 to 39
Climate Scenario Analysis pages 43 to 47

Metrics and targets

How we comply

Key activities: 2025 and beyond

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Croda discloses a comprehensive suite of climate-related metrics aligned with TCFD, including absolute scope 1, scope 2 and scope 3 emissions, emissions intensity, energy consumption, bio-based raw material use, and Water Use Impact. In addition we report measures related to natural gas exposure, carbon price sensitivity and physical risk indicators such as revenue from drought- or flood-exposed sites. Progress against Croda's 2030 Climate Positive strategic objectives is reviewed quarterly by the Executive Committee and Board, with selected climate metrics independently assured. Croda applies a shadow carbon price of £124/tCO₂e to capital projects, ensuring investment decisions incorporate climate-related impacts and support delivery of science-based targets.

Key 2025 activities included simplifying our non-financial sustainability metrics to strengthen alignment with material climate-related risks and opportunities, supported by publication of our SBTi-validated GHG targets. We expanded financial metrics to improve visibility of current climate-related impacts and advanced the integrity of our internal scope 3 tools, enhancing accuracy and controls ahead of verification in early 2026. We continued to upgrade data management capabilities, improving tools and controls to meet growing Environmental, Social and Governance (ESG) reporting requirements.

b) Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas emissions and the related risks

Croda reports on additional industry aligned metrics in our annual Reporting data pack.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Further Information

Delivering sustainability leadership pages 18 to 19
Climate Positive: Our revalidated Science-base targets page 184
Climate Scenario Analysis pages 43 to 47
Report of the Remuneration Committee pages 78 to 109

2025 Reporting Data Pack: www.croda.com/sustainability/reporting-datapack
Climate Positive: GHG emissions and energy usage pages 181 to 184
Limited assurance opinion & reporting criteria: www.croda.com/en-gb/sustainability
Group Accounting Policies: Climate Change page 134

Climate scenario analysis (CSA) methodology

Croda has undertaken climate scenario analysis to assess the potential financial impacts of climate-related risks and opportunities under three distinct climate scenarios. The analysis draws on internal data, external scenario data sets and the financial quantification pathways, set out in the adjacent table, to estimate impacts under each scenario. The scenarios were selected to reflect a range of plausible climate pathways and were informed by the climate-related risks and opportunities identified through Croda's Enterprise Risk Assessment process, incorporating the findings of our double materiality assessment.

Overview of scenarios

	Net Zero World	Delayed transition	Hot House World
Estimated 2100 warming	~1.5°C	~2°C	>3°C
NGFS scenarios	Net Zero 2050	<2°C Delayed Transition	3°C Current Policies Scenario
WBCSD scenarios	1.5°C Innovation Scenario	<2°C Forecast Policy Scenario (IPR)	>3°C Historic Trends Scenario
IEA scenario	Faster Innovation	Sustainable Development	Stated Policies
Aqueduct Scenario		Optimistic	Business-as-usual
KNMI Scenario	SSP1-2.6	SSP2-4.5	SSP5-8.5

Time horizons

Climate-related risks and opportunities have been assessed across three time horizons, consistent with Croda's approach to strategic planning, viability and long-term asset management. The alignment between these time horizons and those used in assessing Croda's going concern and viability is illustrated below.

- **Short term (0–3 years):** aligned with the Group's assessment of viability timeframe (page 40).
- **Medium term (3–10 years):** aligned with Croda's strategic planning horizon and covering targets supporting the Group's commitment to be Climate, Land and People Positive by 2030.
- **Long term (10–30 years):** aligned with longer-term ambitions, including the commitment to reach net zero by 2050, and reflecting the typical economic life of major plant and equipment.

Financial impacts were modelled on an annual basis from 2025 to 2050.

Financial impact assessment

The financial impact of climate-related risks was assessed using the same five-point financial impact scale applied within Croda's Group risk management framework. Opportunities were assessed using the same scale to support comparability. The results of this assessment are presented in the tables on pages 44 to 47.

Scenario development and methodology

Climate-related risks and opportunities are identified at all levels of the organisation and assessed for likelihood and impact using the Group's global risk framework (page 34). Croda undertakes periodic Double Materiality Assessments, most recently in 2024, with the outcomes integrated into the Group Enterprise Risk Management system. Climate scenario analysis is used as a complementary tool to assess how potential future environmental, societal and economic conditions could affect the Group, supporting preparedness for uncertainties arising from climate change. Croda formally reviews its climate scenario analysis at least every three years and completed a comprehensive review in 2025.

Detailed scenario modelling was first undertaken in 2021 and has been progressively refined through subsequent assessment cycles. In 2022, modelling assumptions were updated to reduce the assessed impact of climate change on labour productivity and to introduce water usage impacts. In 2023, water-related impacts were further enhanced to capture both disruption from flooding and exposure to water scarcity, with increased geographic differentiation of risk. This latest iteration represents Croda's third cycle of climate scenario analysis and significantly enhances the depth and sophistication of modelling, enabling more robust stress testing of the Business and a more rigorous evaluation of mitigation strategies.

Working with Accenture, Croda undertook the following steps, first determining the scope of our assessment by:

- Peer benchmarking of climate-related risks and scenario analysis practices across industry leaders
- Review of material risks identified through Croda's Double Materiality Assessment to assess alignment with climate scenario testing
- Mapping of current risks to those analysed in earlier scenario cycles to track consistency and evolution over time

Scenario narratives were developed to represent plausible future states, incorporating key drivers such as policy and regulation, physical climate risks, market dynamics and stakeholder behaviour. These narratives informed the assessment of how climate-related risks and opportunities may evolve under each scenario. Assumptions relating to growth, strategic roadmap delivery and future demand were reviewed by cross-functional internal teams and combined with external scenario data to quantify potential financial impacts in line with Croda's risk matrix.

Where relevant, existing mitigation measures – covering sustainable procurement, decarbonisation initiatives and technology innovation – were applied within the modelling to assess the effectiveness of current strategies and readiness for the transition to a lower-carbon economy. Recommendations for priority next steps were informed by internal stakeholder interviews across supply chain, sustainability and insurance disciplines.

Scope of assessment

Climate scenario analysis has been performed at an organisational level. Risks relating to Croda's own operations and its supply chain were assessed using representative groups of locations identified as material for each risk or opportunity. The most relevant geographies and sites are disclosed in the results tables on pages 44 to 47.

Our range of assessments covers risks and opportunities, includes transitional and physical risks and reaches across the value chain as indicated in our disclosures below. Two additional risks—shifts in customer preferences and new technological innovation—were included in this assessment cycle. Updates were also made to existing risk definitions, including reframing water scarcity in terms of drought exposure, refreshing flood risk analysis, expanding energy analysis to include electricity alongside natural gas, and updating commodity pricing assessments by using the WBCSD model for palm oil and adding corn.

Outcomes and disclosures

Through this iterative process, Croda has continued to strengthen the maturity and scope of its climate risk assessment, improving alignment with materiality thresholds and integrating mitigation levers where available. Summary results are presented in the tables below and include risk descriptions, key inputs, unmitigated and, where assessed, mitigated financial impacts, relevant geographies and sites, mitigation actions, links to strategic targets and additional financial metrics.

Customer Preference Change – Transitional Risk / Opportunity, Upstream

Croda risks losing revenue and reputation if it fails to meet growing customer expectations for decarbonisation. Companies and consumers increasingly demand sustainable products. Meeting these expectations strengthens Croda's position as a preferred supplier.

Mitigations

Delivery of Croda's SBTs and net zero strategy – through low carbon feedstocks, deforestation free supply chains and net zero ready products – mitigates customer preference risk; under delivery would result in revenue exposure.

Geographical and asset impact

An increasing proportion of Croda's customers now have scope 3 SBTi-aligned targets, with the greatest concentration in Consumer Care, a significant share in Life Sciences, and a smaller contribution in Industrial Specialities.

Related Goals

Deliver our SBTi targets for 2030 and 2050 (see page 184 for details).

Scenario inputs

Predicted revenue from customers with scope 3 SBTi Targets
 Predictions of % companies deselecting suppliers that fail to meet decarbonisation criteria
 Croda Growth forecasts to 2050
 Value creation and protection proxy

Other Metrics

We intend to develop and report a quantified financial impact metric in the future.

Financial impact

1.5°C: Strong global action drives high demand for greener products. Croda can gain market share if it meets targets; failure could lead to significant revenue loss.

2-3°C: Weak policies until 2030, then sudden tightening. Minimal risk early, but sharp revenue loss later if Croda lags.

+3°C: Little demand for sustainable products; low immediate risk but no growth opportunity.

Scenario	Short	Medium	Long	
1.5	Critical			Unmitigated
2-3	Medium	Critical		
+3	Medium			
1.5	Significant			Value opportunity
2-3	Significant			
+3	N/A			

New Technology Innovation – Transitional Risk / Opportunity, Upstream

Croda's decarbonisation goals depend on emerging technologies, many of which are still unproven or not commercially viable. This creates a risk of reputational damage if targets are missed, or financial loss from over-investment in technologies that fail to deliver. By leveraging its decarbonisation strategy and early adoption of renewable feedstocks, Croda could lead the market in sustainable products.

Mitigations

Croda aims to source 75% of feedstock inputs from renewable carbon sources by 2030, as part of its wider decarbonisation strategy.

This goal depends on external market and technology innovation, supported by industry partnerships.

These collaborations will position Croda as an early mover, securing renewable feedstock supply and accelerating technology development at scale.

Geographical and asset impact

N/A

Related Goals

Deliver our SBTi targets for 2030 and 2050 (see page 184 for details).

Source 75% of our raw materials from renewable carbon by 2030.

Scenario inputs

IEA's scenarios used to determine technology specific market growth scenarios and cost of adoption

Croda Growth forecasts to 2050

Other Metrics

N/A

Financial impact

1.5°C and 2–3°C: Could create high short- to medium-term financial exposure, reducing over time. Early adoption and industry partnerships could position Croda as a market leader in renewable feedstocks, supporting customer preference and long-term competitive advantage.

+3°C: Premature investment in unproven technologies could lead to high to critical financial impact.

Croda's decarbonisation strategy relies on emerging technologies. We have not shared a quantified financial impact as significant uncertainty remains around technology costs, performance, infrastructure, and environmental trade-offs, including land and water use. Current modelling excludes regulatory pricing, carbon taxes, and physical supply chain risks, and does not quantify reputational benefits. These uncertainties reinforce the need for cautious, phased investment and continued partnerships to manage strategic and financial risk.

Carbon Pricing – Transitional Risk, Upstream

Croda's profitability may be exposed to rising carbon prices on scope 1 and 2 emissions, and potentially scope 3 and FLAG. Under future climate scenarios Croda can turn carbon pricing into a competitive edge by meeting SBTi-validated targets, including FLAG reductions.

Mitigations

Delivery of validated SBTi targets for 2030 and 2050 (scope 1, 2, and 3 reductions) and applying a shadow carbon price (£124/TCO_{2e}) to guide investment decisions.

Geographical and asset impact

Scope 1 and 2 emissions by region:

North America 41%, Atlas Point largest contributor overall.

Asia 30%

EMEA 26%

LATAM 3%

Related Goals

Deliver our SBTi targets for 2030 and 2050 (see page 184 for details).

Scenario inputs

NGFS carbon price model

Croda site level emissions data (scope 1 & 2)

Croda growth forecasts to 2050

Croda expected emissions reductions in line with science-based target trajectories

Other Metrics

Potential carbon tax based on scopes 1 & 2 (market-based) emissions x shadow carbon price: £14.4m 2025 (£14.2m 2024).

Potential carbon taxes % PBT: 5% 2025 (5% 2024).

Financial impact

1.5°C: Coordinated global action front-loads costs but avoids shocks; carbon prices rise steeply from 2025, peaking mid-century. Scope 3 taxation from 2030 could escalate costs.

2-3°C: Weak policy until 2030 triggers an abrupt carbon price surge, creating volatility and stranded asset risks.

+3°C: Carbon prices remain low and fragmented; transition risks are minimal, but Croda may over-invest in decarbonisation with limited return.

Scenario	Short	Medium	Long		Results based on scope 1 & 2 emissions.
1.5	Medium	High	Critical	Unmitigated	
2-3	Low	Medium	High		
+3	Low		Medium		
1.5	Medium			Mitigated	
2-3	Low	Medium			
+3	Low				

Energy Pricing – Transitional Risk, Upstream and Own Operations

Croda faces profitability risk from energy price volatility under future climate scenarios, with the greatest exposure linked to natural gas. Progressing alternative fuels, electrification and onsite renewable generation reduces scope 1 and 2 emissions while limiting exposure to volatile energy markets.

Mitigations

Croda is lowering exposure to natural gas volatility by reducing demand and diversifying fuel sources, including landfill-gas substitution. These actions, combined with partial cost pass-through, mitigate volatility and create potential cost-saving opportunities. A shadow carbon price of £124/TCO₂e guides investment decisions.

Geographical and asset impact

Natural Gas dominates this risk with consumption by region:

- North America 48%, Atlas Point largest consumer overall.
- EMEA 28%
- Asia 21%
- LATAM 3%

Scenario inputs

NGFS natural gas/electricity price models
Croda projected natural gas/electricity consumption with consideration of:

- Croda growth forecasts to 2050
- Croda expected energy use reductions in line with decarbonisation targets

Financial impact

1.5°C: Steep early carbon pricing sharply increases natural gas costs and moderately raises electricity costs but rapid decarbonisation and landfill gas switching significantly cut exposure and delivers net savings by 2050.

2-3°C: Energy costs remain stable to 2030 before rising sharply as policy tightens; lower near-term risk but greater long-term cost exposure without early mitigation.

+3°C: Weak climate policy keeps energy transition costs low with minimal near-term financial impact but offers limited cost optimisation benefits. This scenario does not account for physical disruption / longer-term grid reliability risks.

Scenario	Short	Medium	Long		Results based on scope 1 & 2 emissions.
1.5	Medium			Unmitigated	
2-3	Medium				
+3	Medium				
1.5	Medium		Cost saving	Mitigated	
2-3	Increasing cost saving				
+3	Increasing cost saving				

Water Stress from Droughts – Physical Risk, Own operations

Extended droughts could reduce water availability and disrupt operations at Croda's most water-stressed sites, leading to potential revenue loss. Profitability may also be impacted by rising water costs in regions where supply is constrained, particularly where water is sourced from mains.

Mitigations

Croda has piloted a water impact assessment to identify sites most exposed to high water risks and consumption.

Six sites now have water reduction targets to lower local water stress and reduce financial risk from drought-related production losses.

Geographical and asset impact

Risk dominated by our manufacturing plants in:

- Spain: Mevisa, Alcantarilla, Alhama du Murcia
- Brazil: Campinas

Related Goals

By 2030 halve our water use impact (see page 185 for details).

Scenario inputs

KNMI Climate Explorer precipitation models
Calculated 12-month Standard Precipitation Index
Croda growth forecasts to 2050
Croda forecast revenue loss due to drought

Other Metrics

% revenue from sites with risk of more than 12 months of extreme drought to 2050: 22.2% 2025 (20.7% 2024).
Note this is gross risk and does not account for transfer of production to alternative locations.

Financial impact

1.5°C: Strong global climate action and investment in water resilience keep drought risk low, with limited operational disruption and modest financial impact to 2050.

2-3°C: Delayed policy action increases drought frequency and cost exposure. Whilst losses grow by 2050, they remain a moderate risk to operations.

+3°C: Minimal climate action leads to severe and prolonged droughts, driving higher operational disruption and escalating losses by 2050. Although contained at a moderate level, this risk scenario highlights the potential significant cost of inaction.

Scenario	Short	Medium	Long	
1.5	Medium			Unmitigated
2-3	Medium			
+3	Medium			

Flood – Physical Risk, Own operations

Increased flooding driven by climate change may cause damage or loss to assets and disrupt operations therefore reducing revenue at high-risk Croda sites.

Mitigations

Croda mitigates flood-related financial risk through insurance and operational resilience measures, including the ability to transfer production to alternative sites when disruption occurs.

Additional protection could come from passing increased operational costs to customers, reducing residual risk to a medium level in modelled scenarios.

Geographical and asset impact

Key manufacturing plants included in our risk with medium to extremely high riverine flood risk are:

- India: Thane
- Spain: Alcantarilla, Alhama du Murcia
- China: SIPO, Guangzhou

Related Goals

By 2030 halve our water use impact (see page 185 for details).

Scenario inputs

WRI Aqueduct Tool Predictions of fluvial flood and related damage

Croda asset values at risk of flooding

Croda revenue at risk due to flooding

Other Metrics

% revenue from sites with extremely high or high riverine flood risk: 2.4% 2025, (2.6% 2024).

Note this is gross risk and does not account for transfer of production to alternative locations.

Financial impact

2-3°C: Delayed climate action increases flood risk by mid-century, with rising unmitigated financial impact from shutdowns and damage by 2050; insurance reduces near-term exposure but residual risk remains significant.

+3°C: Minimal climate action drives severe and frequent flooding, escalating unmitigated costs by 2050; even with insurance, residual impact remains high.

Scenario	Short	Medium	Long	
1.5		N/A		Unmitigated
2-3		High		
+3		High		

Commodity Pricing – Physical Risk, Upstream

Croda faces financial risk from rising bio-based commodity prices due to shifts in land use, resources and agricultural productivity which could significantly raise Croda's cost of sales and affect profitability.

Mitigations

Croda is mitigating supply chain and regulatory risks by diversifying suppliers and geographies, implementing dual-sourcing ahead of EUDR requirements.

The Company is exploring alternative feedstocks to reduce dependency on palm and strengthen resilience.

These actions support delivery of short-term science-based targets and the net zero strategy, including a shift to low-carbon, deforestation-free raw materials and a portfolio transformation to be net zero ready for customers.

Geographical and asset impact

Palm derivatives are Croda's largest natural biobased feedstock, representing 35% of bio-based raw material volume in 2025 and sourced mainly from Malaysia and Indonesia.

Corn is the second largest feedstock at 27% bio-based raw material volumes, primarily sourced from the US Midwest, with Ukraine as a secondary source, though currently constrained by geopolitical instability.

Related Goals

Remove deforestation risk in our key bio-based supply chains by 2030.

Source 75% of our raw materials from renewable carbon by 2030 (see pages 184 to 185 for details).

Scenario inputs

WBCSD projected commodity price change by country of origin

Croda volume consumption by commodity and country of origin

Croda commodity spend by country of origin

Croda growth forecasts to 2050

Other Metrics

A quantified financial impact metric is not disclosed due to commercial sensitivity; metrics are monitored internally to support risk management and strategic decision-making.

Financial impact

+3°C: Minimal climate action leads to severe physical pressures and inefficiencies, driving sharp commodity price increases by 2050, creating major cost exposure for Croda's bio-based feedstocks.

We have not quantified the financial impact due to high measurement uncertainty. Current modelling relies on global averages and limited regional detail, which may understate risks at specific sourcing locations. It also excludes regulatory pressures such as EUDR and omits physical climate and supply-chain disruption factors – including extreme weather, biodiversity loss and infrastructure impacts – that could significantly increase future commodity costs and availability risks.

Non-financial and sustainability information statement

In accordance with the Non-Financial Reporting Directive, we have summarised where non-financial information relating to environmental, employee, social, respect for human rights, anti-corruption and anti-bribery matters can be found in our Annual Report (ARA) and online. Our Viability Statement on page 40 assesses the key risks and combinations of risks (including consideration of business relationships and products) which could adversely impact the Group. Confirming environmental integrity and social accountability is an increasingly important prerequisite in our upstream supply chains.

During 2025, we can confirm there were no significant safety, health, environment or quality incidents across our operations on which to report.

This table summarises our policies and sets out where you can find the information required to meet the non-financial and sustainability information statement reporting requirements under the amended sections 414CA and 414CB of the Companies Act 2006.

Risks	Page number	Policies	Impacts and metrics	Page number
Environmental matters				
• Major safety or environment incidents	186	• Supplier Code of Conduct	• Total Recordable Injury Rate (TRIR)	26
• Delivering sustainable solutions	37	• Group SHE policy	• Climate Positive	181
• TCFD	41		• Nature Positive	185
• CFD	41			
Respect for human rights				
• Our people	38	• Code of Conduct	• Fair income (Living Wage)	99
		• Guidelines policy for Managing Diversity		
Social matters				
• Our people	38	• Code of Conduct	• Diversity and inclusion	67
		• Guidelines policy for Managing Diversity		
		• Group Transgender policy		
Employees				
• Our people	38	• Group Code of Ethics	• Culture	9
• Ethics and compliance	39	• Code of Conduct	• Key people metrics	67
		• Group policy on Training and Development	• Employee Net Promoter Score (Workforce Engagement)	26
		• Equal opportunities policy	• Gender balance	68
		• Group SHE policy	• Health, Safety and Wellbeing	26
Anti-bribery and corruption				
• Responsible business	72	• Code of Conduct	• Responsible business	72
		• Guidelines policy for Managing Diversity		
		• Group Transgender policy		
		• Anti-bribery and corruption statement		
		• Ethics and anti-corruption compliance programme		
		• Croda Modern Slavery Statement		
		• Whistleblowing reporting procedure		
Business model				
• Principal risks	35		• Key performance indicators	26

All policies listed can be found at <https://www.croda.com/en-gb/sustainability/reporting-datapack/policies-and-procedures>

Governance report

“Good corporate governance is critical for the execution of our growth and efficiency transformation programme. Our governance framework supports effective leadership, clear accountability and long-term value creation. The Board ensures that our Purpose and values guide decision-making, helping us meet the expectations of our stakeholders and adapt to a changing environment.”

Danuta Gray
Chair

In this section

Chair’s introduction to Governance	50
Board biographies	51
Board activity and outcomes	54
S172 Stakeholder engagement	57
Board leadership	61
Audit, risk and internal control	64
Report of the Nomination Committee	66
Report of the Sustainability Oversight Committee	70
Report of the Audit Committee	72
Report of the Remuneration Committee	78
Directors’ report	110

UK Corporate Governance Code

During the year under review, the Company applied the principles and complied with all the provisions of the UK Corporate Governance Code 2024 (the Code), except for the new Provision 29 relating to the effectiveness of the risk management and internal control framework which becomes effective for periods beginning on or after 1 January 2026. The Code is available at www.frc.org.uk.

How we apply the principles of the Code

Board Leadership and Company Purpose

The role of the Board	61
Purpose and culture	4, 9, 60
Resources and controls	40, 74
Stakeholder engagement	8, 50, 57
Workforce engagement	60, 63

Division of responsibilities

Role of the Chair, Non-Executive Directors and Company Secretary	61
Composition of the Board	61

Composition, succession and evaluation

Appointments to the Board and succession planning	66
Board skills, experience and knowledge	69
Board performance	63

Audit, risk and internal control

Audit Committee report	72
Risk report	33

Remuneration

Remuneration Committee report	78
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Chair's introduction



On behalf of the Board, I am pleased to present the Corporate Governance report for the year ended 31 December 2025.

“The Board is responsible for the effective leadership of the Group and promoting its long-term sustainable success. This report outlines our governance framework and explains how the Board discharged its responsibilities during the year.”

Our Board

In April, we were delighted to welcome our new CFO, Stephen Oxley. Stephen brings extensive experience in strategy development and execution, driving business performance, and transformation. Since joining, he has actively engaged with our people and investors and played a key role in the implementation of the sales growth and efficiency transformation programme.

In July, Julie Kim retired from the Board to focus on her executive commitments having been named as the next Group CEO of Takeda Pharmaceutical. I would like to thank Julie for her insightful and valuable contributions to the Board during her tenure and wish her every success in her new role.

In January 2026, we were pleased to welcome Jill Anderson as an Independent Non-Executive Director. Jill brings over 30 years of international leadership experience in the healthcare industry, spanning executive roles in finance, commercial research and supply chain functions. Jill's extensive sector knowledge, combined with her financial expertise, make her an excellent addition to the Board.

Leadership and diversity

We are committed to maintaining a Board with the right balance of skills, experience and diversity to ensure effective oversight, constructive challenge and informed guidance. Diversity, including gender diversity, remains a central consideration in the Nomination Committee's approach to succession planning. Following Julie Kim's retirement in July, female representation on the Board fell to 33%, below the 40% target set by the Listing Rules, our Board Diversity and Inclusion Policy, and the ambitions of the FTSE Women Leaders Review and the Parker Review. However, with Jill Anderson's appointment in January 2026, female representation has returned to 40%.

Stakeholders

Throughout the year, the Board engaged with investors and considered the interests of key stakeholders on a number of topics, including strategy and Croda's sales growth and efficiency transformation programme. The Board also values direct engagement with our people across the business, which provides valuable insight into their views and the challenges faced. In 2025, this included the Board visit to our sites in China, Korea and Singapore, where Directors met senior leaders and employees to discuss performance, future plans, and opportunities. Further details on our stakeholder engagement and how this has informed Board discussions and decision-making can be found on pages 57 to 60.

Board performance review

In line with the Code, the Board undertakes an annual review of its own performance, its Committees and individual Directors, to ensure they are operating effectively. This year we conducted an internal Board performance review with support from Linstock. Alongside the Linstock review, I held one-to-one meetings with all of my fellow Directors and the Company Secretary to help identify key themes that enabled specific actions to be agreed. The review confirmed a strong Board culture, characterised by diversity of thought and perspective as well as a collaborative approach enabling constructive challenge and informed debate. Two key themes emerged from the review relating to strategy development and communication, and talent and succession. These will form part of the Board's agenda for 2026.

AGM

Our AGM will be held on 22 April 2026. Full details, including the resolutions to be proposed, are set out in the Notice of AGM. We look forward to meeting shareholders, hearing your views and answering your questions.

Danuta Gray
Chair

The Board's biographies



Danuta Gray

Chair

Appointment: February 2024 and Chair since April 2024

Nationality: British

Danuta is a highly experienced Non-Executive Director and Chair with a strong understanding of consumers, technology, sales and marketing within both the UK and international business markets gained through her executive career. Danuta is currently a Non-Executive Director and Chair of the Remuneration Committee at Burberry Group plc. She is also a member of the Board of Trustees of the Resolution Foundation. She was previously Chair of Direct Line Insurance Group plc, and St Modwen Properties plc, Senior Independent Director and interim Chair at Aldemore Bank plc, Non-Executive Director and Chair of the Remuneration Committee at PageGroup plc and Old Mutual plc, and Non-Executive Director at Paddy Power Betfair plc.

Danuta's wealth of Plc board experience and deep understanding of UK governance requirements make her a strong asset to the Board. Her extensive cross-industry experience brings valuable external perspective and strengthens the Board's ability to oversee the Group's long-term strategic priorities.



Steve Foots, CBE

Group Chief Executive

Appointment: July 2010 and Group Chief Executive since January 2012

Nationality: British

Steve joined Croda as a graduate trainee in 1990 and brings to the Board extensive business, strategic and operational experience gained from a wide range of senior leadership roles across the Group. Outside Croda, Steve serves as a Non-Executive Director of Tate & Lyle PLC. In 2025, he was awarded a CBE for his outstanding contribution to the chemical and life sciences industries. He also received an Honorary Degree from the University of York in 2025, in recognition of his industry leadership and long standing commitment to scientific innovation.

Steve has led multiple Croda businesses over his 35-year career, enabling him to develop deep insight into the markets the Group serves, the importance of customer focus, and the value of fostering an innovative culture.



Stephen Oxley

Chief Financial Officer

Appointment: April 2025

Nationality: British

Stephen brings extensive leadership experience in strategy setting and execution, enhancing business performance, transformation, and corporate transactions. He was previously CFO at Johnson Matthey Plc, and a partner at KPMG where he spent nearly 30 years advising global organisations across consumer, healthcare and industrial sectors on financial, operational, and strategic matters. Outside of Croda, Stephen is a member of the Audit and Risk Committee for the Sovereign Grant.

Stephen has significant experience supporting companies through major transformation programmes, combining operational insight with strong technical expertise. He has a solid understanding of governance, risk management and value creation in dynamic environments. Stephen also brings strong stakeholder engagement and corporate governance experience, helping to align operational priorities with long-term shareholder value.

Key to the board committees

- | | |
|------------------------------|--------------------------------------|
| ● Chair of the Committee | Ⓐ Audit Committee |
| ● Member of the Committee | Ⓝ Nomination Committee |
| ● Secretary of the Committee | Ⓢ Sustainability Oversight Committee |
| | Ⓡ Remuneration Committee |



Ian Bull

Non-Executive Director

Appointment: June 2024

Nationality: British

Ian has extensive experience with listed companies across a wide range of industries, both domestic and international, as an Executive Director as well as in a Non-Executive capacity as Senior Independent Director and Audit Committee Chair. He is currently Chair of Domino's Pizza Group Plc, and Senior Independent Non-Executive Director and Audit Committee Chair of Dunelm Group plc. Previously he was Group Finance Director of Greene King plc, Chief Financial Officer at Ladbrokes plc, and was most recently Chief Financial Officer of Parkdean Resorts Group. He is a Fellow of the Chartered Institute of Management Accountants.

Ian's extensive plc experience, combined with his deep knowledge of audit practices and risk management frameworks, enable him to foster open and constructive challenge in the boardroom. He brings significant financial and operational leadership expertise, and his recent and relevant financial experience strengthens the composition of the Audit Committee.



Roberto Cirillo

Non-Executive Director

Appointment: April 2018

Nationality: Swiss

Roberto is an experienced Chief Executive with a demonstrated history of achievements in the service, hospitality, hospital and healthcare industries with many years spent as a strategy practitioner in Europe and Asia. He recently stepped down as CEO of Swiss Post, and he was previously Group CEO at Optegra Eye Health Care Ltd France, CEO and Group COO at Sodexo SA and Associate Partner at McKinsey & Co.

Roberto brings knowledge of, and passion for, growth and operations to the Croda Board. His experience leading large-scale transformation programmes and M&A provides valuable insight into organisational change, efficiency and long-term strategic positioning. His engineering background enables him to link Croda's R&D and production competencies with the evolving demands of its multifunctional markets.

Jill's healthcare sector experience, combined with her deep financial knowledge and her recent role as a serving Executive make her an excellent addition to the Board and enhances the financial expertise on the Audit Committee.



Keith Layden

Non-Executive Director

Appointment: February 2012 and Non-Executive Director since May 2017

Nationality: British

Keith brings to the Board over 40 years' of experience of working at Croda in a variety of positions, including leading the Global Research, Development and Innovation function and as President of the Global Life Sciences business before his retirement from the business in 2017. He also has an interest and background in organisational culture and innovation which are key considerations in the decision-making of the Board.

Keith is the Chair of Croda's recently formed Innovation Advisory Council. In his roles as Honorary Professor of Chemistry and Industry at the University of Nottingham and a Fellow of the Royal Society of Chemistry, Keith widens his network of emerging technology companies and research institutes to help to spot new talent that will aid Croda's future success.



Jill Anderson

Non-Executive Director

Appointment: January 2026

Nationality: British

Jill has more than 30 years' experience in international leadership positions in the healthcare industry, with a career spanning senior roles across finance, commercial, research and supply chain functions. Most recently she was the CFO of GSK's R&D division, where she played a key role in shaping financial strategy to support innovation and long-term growth until her retirement in 2024. She is a Non-Executive Director and Chair of the Audit and Risk Committee at Spire Healthcare Group plc, and is a Board Trustee and Treasurer of Amref UK.

Key to the board committees

- Chair of the Committee Ⓐ Audit Committee
- Member of the Committee Ⓝ Nomination Committee
- Secretary of the Committee Ⓢ Sustainability Oversight Committee
- Ⓡ Remuneration Committee



Jacqui Ferguson

Non-Executive and Senior Independent Director

Appointment: September 2018

Nationality: British

Jacqui is an experienced CEO from the technology industry with general management and M&A experience in international and emerging markets. She spent three years in Silicon Valley as Chief of Staff at Hewlett Packard, focused on new company strategy and turnaround. She is a Non-Executive Director of National Grid plc and Softcat plc, and deputy Chair of Engineering UK, a charity focused on inspiring the next generation of Engineers and Technologists. She was formerly Chair at Tesco Bank.

Jacqui's global broad business experience and first-hand insight of transformational/disruptive digital, cyber security, technology and business process solutions bring valuable insight to Board discussions.



Nawal Ouzren

Non-Executive Director

Appointment: February 2022

Nationality: French

Nawal has 20 years of expertise across a wide range of international business roles, including clinical development, operational and strategic management roles within the pharmaceutical industry. Nawal is a consultant at Sensorion, a Euronext listed biopharmaceutical company headquartered in France, having previously served as CEO. She is also a Non-Executive Director of the Lundbeck Foundation.

Nawal brings to the Board first-hand experience in biologics and novel gene therapies. Her pharma experience and market insight provide a real advantage in driving the implementation of Croda's pharma strategy.

having lived and worked in the USA, Switzerland, Japan, Singapore, Russia and the UK.

His experience strengthens the Consumer Care knowledge around the Board table and supports Croda's continued transition to a Consumer Care and Life Sciences business.



Tom Brophy

Group General Counsel, Company Secretary and President Sustainability

Appointment: December 2012
as Board Secretary

Nationality: British

Tom is an experienced corporate lawyer, having worked at City law firm Hogan Lovells and FTSE 100 company Ferguson. In addition to his General Counsel and Company Secretary role, Tom is President Sustainability and has previously held other senior roles in Croda, including leading the Group HR function and as the Managing Director of the Western European region. Tom provides corporate governance know-how to the Board and Croda. Having spent many years leading global teams, Tom leads the Legal, Company Secretary, IP and Sustainability teams.



Chris Good

Non-Executive Director

Appointment: April 2023

Nationality: British

Chris has spent his career in the Consumer Care industry. He retired from Estée Lauder Companies, a global leader in prestige beauty, following a 20-year career, with the last five years as Group President of North America. Prior to joining Estée Lauder Companies, Chris spent over 10 years at Unilever in senior marketing, executive and general management roles across Europe, North America and Asia. He is currently Chair of Rituals Cosmetics Enterprise B.V. Chris' deep understanding of the Consumer Care industry and in particular his insights into beauty care markets and consumers is of great value to Croda and the Board. As well as having significant P&L experience, Chris also brings a truly international perspective to the Board.

Key to the board committees

● Chair of the Committee	Ⓐ Audit Committee
● Member of the Committee	Ⓝ Nomination Committee
● Secretary of the Committee	Ⓢ Sustainability Oversight Committee
	Ⓡ Remuneration Committee

Board activity and outcomes

During 2025, the Board held seven scheduled meetings with full attendance at each one. In addition, a two-day strategy session was held at the Company's head office in Cowick and two ad-hoc Board calls were held to discuss current trading, progress on the Group's growth and efficiency transformation programme to enhance earnings and returns, and the Q3 sales update.

Meeting agendas are agreed in advance by the Chair, CEO and General Counsel and Company Secretary. They ensure that the Directors discharge their duties including under Section 172(1) of the Companies Act 2006 and the agendas cover a number of regular standing items. These include:

Strategy

During these updates, the Board receives strategic progress reports focusing on delivery against both long-term strategic analysis and planning as well as in-year execution. This year, the Board used these sessions to challenge management to unlock the full potential of the Group's data assets and to embed data-driven decision-making as a core element of the organisational culture. The Board also considers longer-term strategy, including consideration of future investments in technology, the evolving geopolitical and competitive landscape, and the development of capabilities required to position the Group for long-term success. Maintaining a forward-looking perspective enables the Board to balance immediate operational needs with future opportunities and risks, ensuring the Group remains agile and resilient in a rapidly changing environment.

Executive updates

The CEO and CFO provide high-level operational and financial updates, highlighting key achievements, challenges and outlining actions taken during the period, along with priorities for the period ahead. As a core organisational value, safety remains a central theme to reporting, with management reporting on progress to drive continuous improvement in safety performance for the benefit of our employees and communities. Quarterly reports from the Executive Committee members provide further insight into progress against strategic plans and actions taken to support delivery.

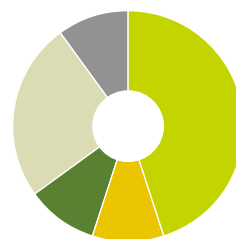
Governance and Committee reports

The General Counsel and Company Secretary provides regular updates on both external corporate governance developments and internal governance, including changes in law and regulation. Committee Chairs report on their respective meetings, summarising key decisions and highlighting issues requiring the Board's attention. Most meetings conclude with a dedicated session for Non-Executive Directors, offering a valuable forum for open dialogue and peer discussion.

Transformation

The Board receives regular updates on the progress of the acceleration of our growth and efficiency transformation programme, including monitoring key workstreams and milestones.

Overview of time spent in 2025



Strategy	45%
People and culture	10%
Governance and reporting	10%
Financial risk and performance management	25%
Stakeholder engagement	10%

The Board's year

January

Board and Committee meetings

- Reviewed the Board Diversity Policy to confirm its continued effectiveness in supporting a diverse and inclusive Board with the skills and perspectives needed for effective oversight.
- Considered the findings of the Board performance review, noting key outcomes and setting objectives for 2025.
- Received an update on the Group strategy review, including an external perspective from the consultants assisting with the project. This enabled the Board to deepen its understanding of the Group's competitive position and long-term value drivers.
- Reviewed management's proposed KPIs and objectives for 2025, emphasising the importance of alignment with the Group's strategic priorities.

The Board received regular updates on the review of strategy which concluded that the Group's portfolio continues to serve attractive market niches with differentiated solutions and the portfolio transition undertaken in recent years positions the business to capture valuable growth opportunities. The Board emphasised the importance of clear articulation of the Group's activities and the value embedded within the portfolio, as well as integrating sustainability considerations and wider consumer trends into future strategic direction.



February

Board and Committee meetings

- Approved the publication of the 2024 annual results and accounts and recommended approval of the 2024 final dividend to shareholders.
- Discussed the scope and challenged management on the ambition of the proposed growth and efficiency transformation programme.
- Reviewed progress on the strategy review to ensure that accelerating profit growth remained a top priority.
- John Ramsay stepped down from the Board as a Non-Executive Director.



April

Board and Committee meetings

- Reviewed an update on U.S. tariffs, including management's mitigation strategies to minimise any potential impact on the Group.
- Assessed the annual review of Treasury activity to confirm it supported the Group's capital structure and liquidity strategy.
- Approved supplementary capex to support the development of a new greenfield manufacturing facility in China to enable future growth in the region.
- Stephen Oxley joined the Board as CFO.
- Received an in-depth geopolitical briefing from an external advisor, enhancing the Board's understanding of the potential implications of recent U.S. tariffs and broader geopolitical trends affecting the healthcare sector. This insight supported more informed assessment of emerging risks and opportunities.
- Initiated a formal search through the Nomination Committee to identify a successor to Julie Kim, to ensure the Board continued to maintain the right balance of skills to support the Company's long-term sustainable success. The process resulted in the appointment of Jill Anderson to the Board in January 2026 (see page 67).



June

Strategy day

In June, the Board held a two-day strategy event at our head office in Cowick to further shape the Company's strategic priorities and ensure the long-term success of the business. This provided opportunity for the Board to engage with the Executive Committee and senior leadership to focus on strategy. The sessions enabled in-depth exploration of key themes, including operational excellence and efficiencies to maximise returns, customer-led innovation, capacity optimisation, and future transformation and change management. The informal interactive format fostered robust discussion, allowing Non-Executive Directors to challenge management constructively and contribute their perspectives. As a result clear areas of strategic focus and alignment to support the Group's next phase of growth were identified.



AGM

The 2025 AGM was held in April in York, offering shareholders the opportunity to engage directly with the Board and meet the Directors in person. The event featured a key note presentation from our CEO, Steve Foots, marking Croda's centenary year. The AGM forms a key part of the Company's broader investor engagement programme, which is led by the Director of Investor Relations and Corporate Affairs. This programme includes results presentations, investor roadshows, participation in conferences and seminars, site visits, an annual governance lunch, and one-to-one meetings which help to ensure meaningful dialogue with the investment community.



July

Board and Committee meetings

- Approved the 2025 interim results and interim dividend, providing information to shareholders and other stakeholders.
- Approved the growth and efficiency transformation programme to improve earnings and returns and to deliver annualised cost savings of £100m by the end of 2027.
- Undertook a regular valuation analysis of the Company, informed by external perspectives on the Group's performance from the Company's brokers and financial advisers, to ensure preparedness for potential market and corporate scenarios.
- Assessed the annual risk review, which included an evaluation of the Company's emerging and principal risks and reaffirmed the robustness of the Company's risk management framework to ensure risks remained aligned with strategic objectives (see pages 33 to 39).
- Reviewed management's decisions to impair certain of the Group's assets following the half year assessment, ensuring financial reporting remained accurate and aligned with performance.
- Julie Kim stepped down from the Board as a Non-Executive Director.
- Held a forward-looking Remuneration Committee session to agree key principles for the renewal of the 2026 Remuneration Policy, establishing a clear foundation for a policy aligned with future strategic priorities.

September

Board update call to discuss:

- Feedback from investors following the half year results.
- Current trading.
- Growth and efficiency transformation programme update.



October

- A corporate governance lunch was held in October, with the Chair, Senior Independent Director and Remuneration Committee Chair, and Audit Committee Chair. Shareholders representing over a quarter of the register attended. Discussions covered strategy, sustainability, talent and succession planning, and governance matters, providing the Board with clear insight into shareholder priorities and concerns.
- Board call to review and approve the Q3 Sales Update.

Board meeting

- Received an in-depth geopolitical briefing on China's role in the global economy from an external adviser, providing the Board with invaluable insights and an enhanced understanding of China's evolving landscape and the potential strategic opportunities and challenges for Croda.
- Received a presentation from the Asia Leadership Team including progress on the Fast Grow Asia strategic pillars, which underscored the opportunities available to the Group in the region.
- Reviewed business performance and strategic growth plans for Pharma Ingredients to assess progress in unlocking growth and advancing areas of strategic portfolio focus..
- Reviewed the performance of past capital investments and return on investment in innovation to evaluate value delivered and the governance of investments.

Overseas Board visit

The Board visited Croda sites in China, Korea and Singapore to deepen its understanding of regional operations, market dynamics, and strategic priorities across Asia. The itinerary included site tours and direct engagement with employees, allowing Directors to observe safety practices, assess operational performance, and explore innovation capabilities firsthand. The visits provided valuable insight into region-specific challenges and opportunities. On-site interactions with process engineers, operators, and research scientists gave Directors a ground-level perspective on operational culture and delivery. Informal dinners and structured workforce engagement sessions – including listening groups and town halls – fostered open dialogue, enabling the Board to better understand employee sentiment and reinforce alignment with the Company's values and Purpose. Informal sessions were also held with emerging regional talent.



November

Board and Committee meetings

- Reviewed business performance and strategic growth plans for Consumer Care to assess progress, identify opportunities and strengthen future growth delivery.
- Reviewed senior management succession plans and the Group-wide talent pipeline to support long-term leadership resilience and future Group capability.
- An external perspective on succession planning and recruiting for potential, provided fresh insights and constructive provocation, strengthening the Board's ability to make informed, future focused talent decisions.
- Received an update on the growth and efficiency transformation programme enabling the Board to assess progress.
- Approved the establishment of an Innovation Advisory Council to enhance Board focus on innovation, science and technology, strengthening oversight of future growth and capability development.



December

Board and Committee meetings

- Reviewed business performance and strategic growth plans for Pharma Solutions to ensure the business is building on its strong foundations to deliver sustainable long-term value.
- Received an update from the CIO on the strategic IT roadmap, including data, analytics/AI and architecture, and challenged management on the pace of delivery to ensure technological support for the business to drive efficient growth, retain customers and drive faster innovation.
- Approved renewal of the Group's global insurance programme as part of the risk management framework, ensuring the levels of insurance remained appropriate for Croda's risk profile.
- Reviewed a deep-dive report on progress of one of the key business transformation pillars to assess progress and impact on value and performance.

S172 Stakeholder engagement

Section 172(1) statement

The Board of Directors confirms that during the year under review it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006. The table below sets out how these factors informed Board discussion and decision making:

S 172 (1) factor	Further information on page:	
The likely consequences of any decision in the long-term	Purpose	4
	Business model	5
	Strategy	15
	Financial review	20
	Sustainability	48, 70
The interests of employees	People	9, 60
	Employee engagement	58
	Diversity	58, 67
	Speak Up	58
	Culture	9, 60
The need to foster the Company's business relationships with suppliers, customers and others	Financial review	20
	Modern Slavery Statement	59
	Business model	5
	Sustainability	48, 70
	Human rights and ethical standards	29, 39, 58, 59, 186
The impact of the Company's operations on the community and the environment	Culture	9, 60
	Purpose	4
	Sustainability	48, 70
	TCFD	41
The desirability of the Company maintaining a reputation for high standards of business conduct	Sustainability Oversight Committee	70
	Purpose	4
	Speak up	58
	Human rights and ethical standards	29, 39, 58, 59, 186
	Internal controls	64
The need to act fairly between members of the Company	Modern Slavery Statement	59
	Ethics and compliance	39
	Stakeholder engagement	57
	AGM	55

The Board maintained a strong focus on engaging with key stakeholders, recognising that this is essential to acting as a responsible business and advancing the delivery of strategy. Consideration of stakeholder interests is embedded in our Purpose and values, which guide our approach to fulfilling strategic commitments and promoting the long-term sustainable success of the Company. Directors actively sought and considered the interests and priorities of the Group's key stakeholders, particularly in relation to key decisions made by the Board during the year.


S172 principal decision: Growth and efficiency transformation programme



The Board approved the implementation of the Group's growth and efficiency transformation programme, designed to deliver business growth, greater efficiency and cost savings through structural changes to ways of working. Key elements of the programme focus on improving customer service and employee experience, including through leveraging data through analytical tools and AI. While significant change can be disruptive and unsettling for employees, the programme aimed to enhance the day to day experience of employees by reducing the number of group-wide initiatives, which had created a high level of workload, and providing greater focus on key strategic objectives which they can help to deliver. Customers would benefit from improved customer service through workstreams dedicated to supply chain and customer excellence and reducing complexity when working with Croda. Programmes to accelerate innovation would further support customers and employees, with sustainability differentiation also benefiting our communities and our suppliers. Although efficiency measures would result in roles changing and in some employee reductions, the programme was expected to strengthen financial performance, particularly margins and revenue growth, delivering value for all stakeholders, particularly shareholders.

The Board receives regular updates to maintain effective oversight, assess stakeholder impacts, and challenge management to ensure accountability and successful delivery of the programme for shareholders and wider stakeholders.

Relevant stakeholders

- Shareholders
- Employees
- Customers
- Suppliers
- Communities

Stakeholder	How we engaged	Outcome of engagement and KPIs
 <p>Our people</p> <p>The Board values meaningful engagement with employees and seeks their views to ensure they feel valued, supported and heard. This helps the Board stay informed about issues and challenges affecting our people and to consider these in decision-making.</p>	<ul style="list-style-type: none"> • Directors engaged with our people during site visits, participating in listening groups, town halls and informal dinners to foster open dialogue and strengthen connections. • The Board oversaw the global launch of YourVoice, a new employee listening and engagement platform. It reviewed initial outputs and key metrics, including engagement, health & well-being, and SHE data. • The Board monitored key employee metrics, including turnover, retention, and Diversity, Equity and Inclusion (DEI) indicators through quarterly HR reporting. • The Board visit to Asia included informal meetings and discussions with some of the region's high-performing talent. • The Board received updates on use of our Speak Up line and the outcomes of related investigations. 	<ul style="list-style-type: none"> • Encouraged open discussion between the Board and our people which enabled the Directors to gain insights from different locations, roles and experiences. Feedback from engagement sessions was discussed by the Board, helping it to gauge employee sentiment and identify key themes and emerging issues. • Enhanced the Board's understanding of the employee experience with data-led insights, enabling enhanced monitoring of culture and identification of any trends and challenges requiring attention. • Informal meetings with high-potential employees provided direct input into talent and succession planning and decisions. • Enabled the identification of any wrongdoing, behavioural trends or underlying cultural issues in general or specific to a region.
 <p>Our customers</p> <p>The Board recognises that understanding customers' needs is key to building collaborative relationships and delivering innovative solutions to meet their needs.</p>	<ul style="list-style-type: none"> • Members of the Board met with key customers in the Beauty sector. • The Board reviewed key customer metrics as presented in quarterly business reports. • The Board considered the results of key customer surveys, including net promoter scores and industry bench-marking. • Customer relationships are regularly discussed by the Board, including feedback from the CEO on his meetings with strategically important customers. • Reviewed a customer journey analysis exercise undertaken as part of a product and customer optimisation initiative. • Considered customer needs and feedback in relation to sustainability requirements. 	<ul style="list-style-type: none"> • Helped to inform on business trends and market dynamics, and identify opportunities and priorities. • Helped the Board to assess customer sentiment, and business needs including in relation to sustainability. • Offered insights into customer relationships to identify opportunities to enhance customer outcomes. • Provided the Board with first-hand insights into the challenges faced by customers and what matters most to them. • Helped the Board to understand customer pain points and challenge management to convert issues into actionable and quick-win initiatives. • Supported the prioritisation of data-driven sustainability objectives to support business decisions and customer readiness for future regulatory requirements.
 <p>Our communities</p> <p>Operating safely and sustainably in the communities where we work, and understanding the impact of our activities on those communities and the environment, is essential to our long-term success.</p>	<ul style="list-style-type: none"> • Community engagement committees at local sites were attended by representatives from both the site and local community. • During site visits, Directors engage with local management teams and discuss how operations impact the community and the environment. • Employees can take up to two paid volunteering days annually to work on projects benefiting local communities. In 2025, these included Science, Technology, Engineering and Mathematics (STEM) education workshops. • The Company provides matching contributions for employee donations to eligible charitable causes. • The Board received updates on the Group's human rights programme. • The Board reviewed the annual update on the work and priorities of the Croda Foundation. 	<ul style="list-style-type: none"> • The insights gained by local engagement provided a deeper understanding of the impact the business has in local communities. • Provided valuable insights into local community priorities and issues, enabling informed decision-making. • Demonstrated that community engagement is embedded in Croda's culture. • Reflected the Board's consideration of matching employee interests and its positive impact on the community. • Demonstrated the Company's commitment to supply chain transparency and upholding and respecting human rights. • Renewed the Company's commitment to ongoing funding of the Croda Foundation, enabling it to continue its mission of awarding grants aligned with Croda's Purpose, values, and areas of expertise.

Stakeholder	How we engaged	Outcome of engagement and KPIs
 <p>Our suppliers</p> <p>Supply chain integrity is essential to Croda's ambition to be the most sustainable supplier of innovative ingredients and to deliver long-term value for our customers.</p>	<ul style="list-style-type: none"> • The Board considered progress on suppliers' ethical, social and sustainability standards, primarily through EcoVadis. • The Board reviewed and approved the Company's Modern Slavery Statement. • The Board assessed the Company's ethics programme, including KPI tracking and third-party compliance, to confirm alignment with governance standards. • The Board received updates on the Group's human rights programme and progress towards EUDR compliance. • The Board reviewed Croda's prompt payments statistics in light of UK Payment Practice Reporting requirements. 	<ul style="list-style-type: none"> • Supplier sustainability scoring indicates that 75% of Croda's re-assessed suppliers have achieved a score higher than 54 on the EcoVadis platform. Ongoing monitoring ensures our suppliers remain aligned with Croda's Purpose, values and Supplier Code of Conduct. • Reaffirmed the Board's commitment to ethical practices, human rights and sustainable practices across the supply chain, providing transparency in our arrangements. • Demonstrated Croda's commitment to integrity, transparency, and responsible business practices, including in relation to suppliers. • The award of CDP Supplier Engagement Leader rating 2024 serves as external validation of the Company's commitment to its suppliers. • Ensured continued compliance with local laws designed to protect smaller suppliers, and provided information to business partners.
 <p>Our shareholders</p> <p>Regular engagement with shareholders is vital to keep them informed about our strategy for long-term value growth and sustainable returns, while providing opportunities for feedback</p>	<ul style="list-style-type: none"> • The Chair holds regular meetings with the Company's major shareholders. • Investor meetings and roadshows were held in the UK and globally to discuss interim and year-end results. • A corporate governance lunch was held in October to discuss shareholder priorities, attended by investors representing around a quarter of our share register. • The Remuneration Committee Chair consulted with our most significant shareholders as part of our triennial review of the Remuneration Policy. • The CEO and Investor Relations team hosted visits to Croda's offices and laboratories at Cowick and operational sites in the UK and US. • The AGM provides a forum for shareholders to engage with the Board and ask questions. The Director of Investor Relations and Corporate Affairs provided regular updates to the Board, including peer and competitor analysis and insight into broader market sentiment. 	<ul style="list-style-type: none"> • Provided the Chair with direct insight into shareholder views and overall sentiment. • Supported meaningful dialogue on areas of concern and improved understanding of shareholder perspectives. • Enabled shareholders to meet the Chair, and Chairs of the Audit and Remuneration Committees. Facilitated discussions on a range of topics, the Company's priorities and the Board's areas of focus. • Shareholder feedback is incorporated into discussions during the development of the Remuneration Policy. • Allowed shareholders to gain firsthand insight into Croda's operations, culture and strategic priorities. Provided a forum for all shareholders to engage with the Board and ask questions. All resolutions at the 2025 AGM received over 87% support. • Enabled the Board to assess performance and shareholder sentiment within the broader market context, incorporating these insights into strategic discussions and decision-making.

The Board and culture

The Board is responsible for monitoring and assessing the culture of the Group and how it is embedded throughout the organisation. Croda's culture is customer-driven, underpinned by our Purpose of Smart science to improve lives™. Culture and employee sentiment are assessed through a range of metrics that provide insight into how employees experience the organisation. Trends in attrition and retention, data from engagement surveys, feedback from employee engagement activities, safety data, and reports from ethics and whistleblowing channels help the Board identify emerging issues relating to leadership behaviours, workload, inclusion, and alignment with the Company's values. Differences across functions, locations or demographic groups are reviewed to ensure cultural consistency and to highlight areas requiring further attention. Ongoing monitoring of personal safety performance and recordable injuries enabled the early identification of sites where additional attention might be needed, thereby allowing local safety culture to be reinforced to ensure consistent behavioural standards across the Group. This analysis also enables the Board to assess whether the culture supports the long-term strategy, attracts and retains talent, and fosters an environment where our people can thrive. Key metrics are considered alongside actions taken to strengthen leadership capability, enhance well-being, and improve inclusion, providing assurance that the Company continues to maintain a healthy, values-led culture.

The Board devotes significant time to activities that provide insight into Croda's culture and allow it to assess how effectively it is embedded across the organisation. Engagement with our people enables the Board to understand first-hand issues and challenges across the Business. During the year, Non-Executive Directors undertook site visits to China, Singapore, Spain, Denmark, the US and the UK, which incorporated listening groups comprising small, diverse groups of employees from different functions, job types, ages and tenure. These forums provide an opportunity for open, informal discussions. To encourage unconstrained dialogue, local management do not attend the listening groups. Feedback and key themes arising from these sessions are discussed at the next scheduled Board meeting.

In March 2025, an employee listening and insight tool was introduced, designed to strengthen engagement by capturing authentic feedback on an ongoing basis. It enables our people to share their experiences safely and consistently, while providing leaders with clear, actionable insight into what matters most to their people. In Singapore, the Customer Care team identified workload as a key focus area from their YourVoice feedback. To address this, the team collaborated to list pain points and propose solutions, resulting in four major areas of improvement which have eased resource challenges, boosted productivity, and reinforced Croda's commitment to sustainability. The Board receives regular updates on the insights received, as well as site-specific reports during its visits.

The Group maintains a range of development programmes for high-potential senior talent, alongside initiatives to foster inclusion. In 2025, a strategic workforce plan was developed, establishing a structured approach to attracting, assessing, managing, and developing talent, and supported by an enhanced succession planning framework. This framework prioritises the identification of high-potential employees and reviews essential roles for business continuity and strategic delivery.

“A strong, values led culture remains central to the Board's agenda. Through regular workforce engagement and the introduction of new insight tools, the Board has kept close to how our culture is lived across the business, ensuring it continues to support our strategy and help our people thrive.”

S172 principal decision: Innovation Advisory Council

The Board approved the establishment of an Innovation Advisory Council to provide strategic insight into emerging technologies, disruptive science, and process platforms, ensuring Croda maintains its position as a class-leading, innovative and differentiated business. The Council will support the Board by undertaking deep dives into areas requiring detailed technical and strategic discussion, challenging existing assumptions and refining Croda's innovation model to ensure alignment with evolving customer needs and market dynamics. The Council will be chaired by Keith Layden, and will comprise two members appointed by the Board, alongside Croda's senior R&D and Marketing leaders.

In approving this initiative, the Board considered the impact on stakeholders. For customers, the Council will help accelerate the development of innovative solutions that meet changing market demands, improving service and product differentiation. Employees will benefit from clearer strategic direction and opportunities to work on meaningful projects, enhancing engagement and skills development. Suppliers will gain from closer collaboration on new technologies, strengthening partnerships and shared growth opportunities. Shareholders will see long-term value creation through sustained innovation, supporting revenue growth and competitive advantage. Communities will benefit indirectly through Croda's ability to deliver sustainable and science-led solutions that address global challenges.

The Board will receive regular updates on the Council's work to ensure effective oversight and alignment with Croda's Purpose and stakeholder interests.

Relevant stakeholders

- Customers
- Shareholders
- Employees
- Communities
- Suppliers

Board leadership

The Company is led by a diverse and effective Board which is responsible for the overall leadership of the Group and for promoting its long-term sustainable success.

As at 31 December 2025, the Board comprised nine Directors: the Chair, the Group Chief Executive, the Chief Financial Officer, five independent Non-Executive Directors and one non-independent Non-Executive Director.

The Board provides strategic leadership and direction, ensuring the Company is well positioned to achieve its long-term objectives. Its size enables constructive debate and challenge on key aspects of performance and strategic initiatives, while ensuring all Directors' perspectives are heard. The Board monitors operational and financial performance against agreed goals and objectives, oversees risk management through appropriate controls and systems, and ensures the Company has the necessary financial resources and skilled personnel to deliver its strategy.

Certain responsibilities are discharged directly by the Board, while others are delegated to the Committees, as outlined on the following page. Execution of the strategy and day-to-day management of the Company's business are delegated to the Executive Committee and, where appropriate, to senior leadership teams. The Board retains oversight and holds management to account. In addition to its scheduled meetings, the Board met and heard from the Executive Committee members, senior management and a wider range of employees on a regular basis.

Board and Committee meetings and attendance

Membership of the Board and its Committees, and attendance (eligibility) at meetings held in 2025.

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Sustainability Oversight Committee
Danuta Gray (Chair)	● 7 (7)		● 4 (4)		
Ian Bull	7 (7)	● 5 (5)	4 (4)	5 (5)	
Roberto Cirillo**	7 (7)	4 (5)	4 (4)	5 (5)	
Jacqui Ferguson	7 (7)	5 (5)	4 (4)	● 5 (5)	4 (4)
Steve Foots	7 (7)				
Chris Good	7 (7)	5 (5)	4 (4)	5 (5)	● 4 (4)
Julie Kim*	4 (4)	1 (4)	1 (3)	1 (3)	
Keith Layden	7 (7)		4 (4)		4 (4)
Nawal Ouzren**	7 (7)	4 (5)	4 (4)	5 (5)	4 (4)
Stephen Oxley	5 (5)				
John Ramsay	2 (2)	2 (2)	1 (1)	2 (2)	

● Chair of the Committee

* Julie Kim was unable to attend Committee meetings in February, April, May and July due to other commitments as a serving executive.

** Roberto Cirillo was unable to attend the May Audit Committee meeting due to a technical issue and Nawal Ouzren was unable to attend this meeting due to illness.

Division of responsibilities – Board

Chair

- Provides overall leadership to the Board and ensures its effectiveness.
- Sets the agenda and establishes the tone for Board meetings and discussions.
- Fosters a culture of openness, constructive debate and challenge at Board meetings.
- Leads the annual performance review of the Board and its Committees.

Senior Independent Director

- Acts as a sounding board for the Chair and, where appropriate, serves as an intermediary for the Non-Executive Directors.
- Available to shareholders who wish to raise any concerns.
- Leads the process for Chair succession.

Non-Executive Directors

- Provide strategic and specialist guidance and effective governance.
- Support and constructively challenge the Executive Directors.
- Scrutinise management's performance against agreed goals and objectives, ensuring that stakeholder perspectives are appropriately considered.

Group Chief Executive Officer

- Develops and proposes the Group's strategy to the Board and is accountable for its implementation.
- Responsible for the overall performance of the Group and the day to day management of the business, including oversight of safety and sustainability activities.
- Leads the Executive Committee, ensuring effective execution of strategic and operational priorities.

Group Chief Financial Officer

- Supports the Group Chief Executive in the development and execution of the Group's strategy.
- Responsible for the financial management of the Group, including the accuracy and completeness of its financial statements.
- Ensures the Group maintains robust risk management and internal control systems to support accurate and timely financial and non-financial reporting.

General Counsel, Company Secretary and President Sustainability

- Supports the Chair in the efficient and effective operation of the Board and its Committees.
- Collaborates with the Chair to develop meeting agendas and the annual agenda programme.
- Ensures compliance with Board procedures and provides guidance on regulatory requirements and corporate governance matters.

Governance structure

The Board has four main committees:

Nomination Committee

Reviews the structure, size and composition of the Board and its Committees. Identifies and nominates suitable candidates for appointment to the Board and has responsibility for Board and Executive Committee succession planning.

Audit Committee

Monitors the integrity of the Group's financial statements and announcements, the effectiveness of internal controls and risk management as well as managing the external auditor relationship.

Sustainability Oversight Committee

Monitors the execution and implementation of the Group's sustainability strategy, ensuring compliance with relevant regulations and alignment with best practice. It also oversees the communication of the Group's sustainability activities.

Remuneration Committee

Recommends the Company's Remuneration Policy and framework and determines the remuneration packages for members of senior management.

Independence of Non-Executive Directors

The independence of the Non-Executive Directors is kept under regular review to ensure continuing independence and objective judgement. The Chair was considered independent at the time of her appointment in 2024. Both the Chair as leader of the Board, and the Group Chief Executive as head of executive management, have clearly defined roles. Further details on their respective responsibilities are set out on the table on page 61. With the exception of Keith Layden, the Board considers that all Non-Executive Directors who served during the year to be independent in character and judgement, with no relationships or circumstances likely to affect, or appear to affect, their judgement. Keith Layden is not considered independent, having previously served as the Company's Chief Technology Officer before retiring and subsequently being appointed as a Non-Executive Director in May 2017.

On behalf of the Board, the Nomination Committee conducts an annual assessment of the Non-Executive Directors' independence, skills, knowledge and experience. The Chair also holds regular one-to-one meetings with each Non-Executive Director. Following these discussions, and in conjunction with the Nomination Committee, it was concluded that each Non-Executive Director continued to contribute effectively and remained committed to the role. All current Directors will stand for election or re-election at the 2026 AGM.

During 2025, the Chair and the Non-Executive Directors met without the Executive Directors present at the end of most Board meetings, providing additional opportunity for discussion on matters relevant to Board operations. The Non-Executive Directors also met independently without the Chair.

The Senior Independent Director met with the Chair to provide feedback on her performance, informed by discussions with the other Non-Executive Directors and members of the Executive team. The evaluation was highly positive, confirming that the Chair demonstrated the skills and behaviours expected of an experienced, inclusive and effective leader.

The Chair also met individually with each Non-Executive and Executive Director to provide feedback on their performance.

Director induction and training

All newly appointed Directors undertake an induction programme designed to build their understanding of the business, its people, processes, and their responsibilities as Directors. This includes their duties under Section 172(1) of the Companies Act 2006. Each programme is customised to suit the individual Director and typically includes site visits across the Group, briefings from Group functions, and one-to-one meetings with fellow Board members, senior management, and the Company's advisers.

The Board remains committed to the ongoing training and development of Directors and the Company Secretary. Professional advisers are regularly invited to provide in-depth updates. For example, during 2025 external specialists have shared insights on current geopolitical developments affecting global businesses including U.S. trade and tariff policies, and specific challenges in the Asia and China markets. The Company Secretary also provides regular updates on regulatory and corporate governance matters to ensure the Board remains well-informed and compliant.

Board performance review

The Board conducts an annual review of its performance in line with the UK Corporate Governance Code. This review helps to drive continuous improvement of the Board's performance. In 2025, the evaluation was carried out internally using a tailored online tool provided by Linstock, supported by Committee questionnaires and one-to-one discussions between the Chair and each Director. The Board discussed the outcome and agreed actions to enhance its effectiveness. The findings confirmed a strong Board culture characterised by diversity of thought and perspective as well as a collaborative approach enabling constructive challenge and informed debate. Committee Chairs were commended for their diligence and skilled leadership. Led by Jacqui Ferguson as the Senior Independent Director, the Non-Executive Directors met without the Chair to review her performance and concluded that she continues to provide effective leadership for the Board and facilitates open, constructive debate.

The review highlighted progress made across several areas in 2025. Reporting to the Board has improved through sharper, more focused presentation materials, creating additional time for meaningful discussion, with further enhancements planned for 2026. There was also an increased emphasis on strategy during 2025, supported by targeted insights from external advisers, which strengthened the level and quality of debate on strategic issues and challenges. Focus on talent and succession planning increased, with improved reporting on executive talent, including market mapping. In addition, several actions advanced the Board's effectiveness during 2025. These included completion of a cyber security review and development of an action plan, the appointment of a new CIO to strengthen IT and data capabilities, and the implementation of a sales growth and efficiency transformation programme, overseen by the CEO.

Looking ahead, the Board's key priorities for 2026 will include further strategy development and ensuring sufficient time is dedicated to long-term strategic discussions. This will be supported by continued enhancements to management information and the use of data-driven reporting to enable more effective performance monitoring and high quality debate. Talent and succession planning will remain a priority, with Executive Committee succession a key area of focus. Enhancements to talent development programmes and Board engagement with potential future leaders will also continue to be developed. As the strategy develops, the Board will continue to review the skills matrix to ensure that Board succession planning supports the long-term sustainable success of the business. The Board will also remain focused on ensuring that a balanced mix of complementary skills, experience and styles is maintained. High quality external contributions to Board debate were highlighted as particularly valuable in 2025, and ways to bring further specialised expertise into Board deliberations to enrich discussion and stimulate debate will be explored.

Conflicts of interest and external appointments

The Board has an established process for reviewing and monitoring actual and potential conflicts of interests. The Company's Articles of Association allow the non-conflicted members of the Board to authorise an actual or potential conflict situation. Directors are required to disclose any external commitments prior to their appointment and on an ongoing basis. Actual and potential conflicts of interest are recorded in a register maintained by the Company Secretary, which is reviewed annually.

When appointing new Non-Executive Directors, the Board considers their existing commitments to ensure they can dedicate sufficient time to the role and to assess whether any actual or potential conflicts may arise. Any proposed new appointments are reviewed and approved in advance by the Board. The Board also reviews each Director's ability to commit adequate time to their duties annually, taking into account any external appointments. This review is conducted ahead of any recommendation for election or re-election at the AGM, following recommendation by the Nomination Committee. Details of the Non-Executive Directors' professional commitments are provided in their biographies on pages 51 to 53. The Board is satisfied that these commitments do not interfere or conflict with, their responsibilities to the Company.

Board support

The Board and each Director have access to the advice and services of the Company Secretary. Directors may also seek external independent professional advice at the Company's expense, if required.

Employee engagement

Given Croda's global operations, the Board has determined that the most effective approach to employee engagement is to continue to share responsibility across all Non-Executive Directors and to continue to use the diverse mechanisms already in place. These include participation in listening groups, town halls and informal dinners with employees during site visits, all of which help foster open dialogue and meaningful connection. The Board is confident that these alternative methods provide effective engagement with employees, rather than one of the three methods outlined in the 2024 UK Corporate Governance Code.

Audit, risk and internal control

Fair, balanced and understandable

To assist the Board in determining whether the Annual Report was fair, balanced and understandable, the Annual Report team prepared a Board paper that, amongst other things, reviewed the process of preparation of the report, the controls in place to ensure consistency and reliability of the underlying information, identified the material positive and negative matters referred to in the report to ensure balanced content and provided details of the level of senior oversight of the content of the report.

The Annual Report and Accounts process is designed to give the Board enough time to assess whether it is fair, balanced and understandable, as required by the Code. The key themes and messages to be included in the Annual Report and Accounts are considered by the Board early in the process.

The Board considered whether the Annual Report and Accounts contained the necessary information for shareholders to assess the Company's position and performance, business model and strategy. The Directors received a full draft of the Annual Report and provided feedback. This review ensures that each Director has an opportunity to highlight any areas requiring further clarity as well as suggesting issues and areas that were not adequately covered or on which the report may have placed too much emphasis.

The key messages in the narrative in the Strategic Report and Governance sections of the Annual Report and Accounts were reviewed to ensure they were consistent with the financial reporting contained in the financial statements.

The Board reviewed whether the Annual Report and Accounts disclosed the successes and the challenges that had been faced in the period and that the narrative and analysis effectively balanced the information needs and interests of each of our key stakeholder groups. In particular, the Board had regard to the current macroeconomic and geopolitical issues and the potential for wider impact alongside continued inflationary pressures.

The framework and layout were considered to be clear and coherent, with a consistent tone throughout and clearly signposted linkage between all sections, in a manner that reflected a comprehensive narrative and highlighted the key messages appropriately throughout.

Following this assessment, the Board was of the opinion that the 2025 Annual Report and Accounts are representative of the year and present a fair, balanced and understandable overview, providing the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

Risk management and internal control

The Board acknowledges its responsibility for ensuring the maintenance of a sound system of internal controls and risk management, in accordance with the guidance set out in the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial Business Reporting 2014, and in the 2024 UK Corporate Governance Code. The Board receives updates on principal risks and risk appetite on an annual basis.

Transparent policies and procedures

Executive management have established an organisational structure with clear operating procedures, lines of responsibility and delegated authority which was reviewed by the Board. In particular, there are clear procedures and defined authorities for the following:

Financial reporting and financial statements review

Policies and procedures governing the financial reporting process and preparation of the financial statements are owned by the Chief Financial Officer and clearly and transparently communicated through the Group Policies system. In order to assess the financial statements, the Audit Committee regularly reviews reports from members of the finance team and the external auditor who is invited to attend the Committee's meetings. When conducting its review the Committee considers material accounting assumptions and estimates made by management, any significant judgements or key audit matters identified by the auditor (page 119), compliance with relevant accounting standards and other regulatory reporting requirements, including the 2024 UK Corporate Governance Code, and the accounting policies and procedures applied (pages 72 to 77).

Internal audit function

The internal audit function is a key element of the Group's corporate governance framework. Its role is to provide independent and objective assurance, advice and insight on governance, risk management and internal controls to the Board, the Audit Committee and the Group. It supports the Group's strategy and objectives by evaluating and assessing the effectiveness of risk management systems, business policies and procedures, system and key internal controls. In reporting on their reviews, internal audit makes recommendations to address issues and improve processes. Once recommendations are agreed with management, the internal audit function monitors their implementation and reports to the Audit Committee on progress at every meeting. See pages 74 to 75 of the Audit Committee report.

Capital investment

The Finance Committee (a sub-committee of the Executive Committee) operates a clearly defined capital expenditure process including detailed business plan appraisal, risk analysis and authorisation. A framework exists for managing major capital expenditure projects, including in-flight and post-investment reviews of the projects provided by the commercial and project teams at the Finance Committee. Major projects are also periodically reviewed by the Board and Audit Committee.

Business risk management

As described on page 33, the Executive Committee has established an ongoing process for identifying, evaluating and managing emerging and principal risks. The Board receives updates on principal risks and risk appetite on an annual basis and the Audit Committee receives reports from internal audit on the effectiveness of mitigating controls in place over principal risks. The Executive Committee receives quarterly updates on both current and emerging risks and at least annually they perform a review of the principal risks. See page 35 for the Directors confirmation that they have carried out a robust assessment of the emerging and principal risks facing the Group.

Internal controls

There is a documented framework of required financial, operational, reporting and compliance internal controls, which form part of our business as usual activities and which are documented in controls manuals. Policies governing the internal controls are documented in the Group Policies system, which is available online to all employees, and each Group policy is owned by a member of the Executive Committee. Confirmation that the controls are being adhered to is the responsibility of managers, who together with their teams complete a self-assessment process against relevant controls which provides a snapshot of the control environment. Compliance with controls is tested by the Internal Audit team as part of their annual plan of work approved by the Audit Committee each year, as well as being tested by other internal assurance providers; see pages 74 to 75 for more information.

The Board discharged its responsibility for monitoring the operational effectiveness of the internal control and risk management systems throughout the year using a process which involved:

- Delegation of review of systems of risk management and internal control to the Audit Committee, whose activities are described in detail on pages 72 to 77.
- Receipt of written confirmations from senior management.
- Board review of the report on significant control weaknesses.
- Annual review of risk appetite statements and principal risks (page 33).

These processes have been in place for the full financial year up to the date on which the financial statements were approved by the Board. The systems are designed to mitigate, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against material misstatement or loss.

For the full statement of Directors' responsibilities see page 113.

Report of the Nomination Committee

The Committee is responsible for succession planning and for recommending candidates for appointment to the Board. It reviews the balance of skills, knowledge, experience and diversity on the Board and ensures that the structure, size, and composition of the Board and its Committees remain appropriate. The Committee also monitors Director independence and tenure.



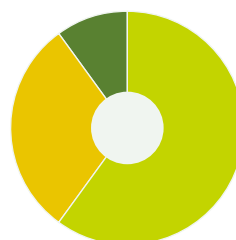
“The Committee’s focus on succession planning ensures that the Board has the requisite skills, knowledge, experience, and diversity to deliver the Company’s long-term strategy.”

I am pleased to present the Committee’s report for the year ended 31 December 2025.

Key responsibilities

- To regularly review the structure, size, and composition of the Board – including its skills, knowledge, experience, and diversity – and to make recommendations for any changes as appropriate.
- To maintain an effective succession plan for the Board and senior management, taking into account the Company’s current and future challenges and opportunities, based on merit and objective criteria while promoting diversity, inclusion and equal opportunity.
- Where a Board vacancy is identified, to review the balance of skills, knowledge, experience and diversity on the Board, and prepare a description of the role and capabilities required for the role.
- To identify and nominate suitable candidates to fill Board vacancies, for the approval of the Board.
- To review annually the time required from a Non-Executive Director and the Chair to fulfil their duties.

Time allocation



Board appointments	60%
Executive succession planning	30%
Governance	10%

Key focus areas in 2025

- Board appointments – reviewed the Board skills and experience matrix and led the recruitment of a new Non-Executive Director (NED) to bring healthcare sector experience and further enhance the financial expertise on the Audit Committee. The Committee also considered longer-term succession planning in light of the periods of tenure for some NEDs coming to an end.
- Succession planning – appointed three new Executive Committee members, one from within Croda and two from outside.
- Governance – ensured compliance with key governance issues.
- Reviewed and updated the Committee’s terms of reference.
- Details of attendance at meetings during the course of the year can be found on page 61. Where appropriate, members of the Executive Committee may attend meetings at the request of the Committee Chair.

Board changes

The Committee’s focus on succession planning ensures that the Board has the requisite skills, knowledge, experience, and diversity to help management deliver the Company’s long-term strategy. Both executive and non-executive experience is key, as are both sector-specific and functional skills. In July 2025, Julie Kim stepped down from the Board after four years’ service to focus on her executive commitments having been named as the next Group CEO of Takeda Pharmaceutical. We thank Julie for her excellent and insightful contribution to Croda and wish her success in her new role.

In April, Stephen Oxley joined the Board as CFO. Stephen, a qualified accountant, was the CFO of Johnson Matthey Plc, the specialty chemicals and sustainable technologies company. He brings valuable experience in strategy setting and execution, enhancing business performance, transformation and corporate transactions, as illustrated by progress on the implementation of the sales growth and efficiency transformation programme. Stephen has quickly established a strong working relationship with the CEO and the Board. I would like to thank Anthony Fitzpatrick for acting as CFO on an interim basis and helping to ensure an orderly handover to Stephen when he joined.

In April, Thomas Riermeier joined the Executive Committee as President Life Sciences. Thomas has extensive global leadership experience in the pharmaceutical and chemical industries, having served in many leadership positions with Evonik, including Senior Vice President and General Manager of Evonik's Health Care business. He has also made an immediate impact, particularly through his review of the Pharma strategy to ensure value creation in both the short and longer term. In July, Thiru Selvan was appointed as President Supply Chain Operations, having been successful in a similar role in Croda Asia, and became the first leader from Asia to join the Executive Committee reflecting the growing strategic importance of the region to the Group. Thiru is an accomplished operations leader and brings a wealth of experience in building agile, customer-centric supply networks.

The Committee reviewed the Board's skills and experience matrix and discussed longer-term succession planning in light of the periods of tenure for some NEDs coming to an end. Some of the areas identified were the need for additional recent and relevant financial experience to strengthen the Audit Committee's composition, as well as experience in the pharmaceutical industry given Julie Kim's retirement from the Board. The Committee led the recruitment process for a new Non-Executive Director to address these requirements. Russell Reynolds, a signatory to the voluntary code of conduct for executive search firms and with no other connection to the Company or any individual Director, was engaged to support the search. A longlist of potential candidates was reviewed by the Committee, and following evaluation, a shortlist was agreed. Further interviews were conducted, and the Committee recommended the appointment of Jill Anderson who joined the Board on 12 January 2026. Jill brings recent executive healthcare sector experience and as a seasoned finance leader further enhances the financial expertise on the Audit Committee. Most recently she served as CFO of GSK R&D, overseeing finance for one of the largest global pharma R&D operations. Prior to that she was CFO of ViiV Healthcare, where her responsibilities spanned finance, supply chain and business development. Jill's appointment brings greater diversity to the Board in terms of gender and ensures we meet our commitment to the FTSE Women Leaders Review target for a minimum of 40% women representation on the Board.

The Committee's focus on succession planning extended to senior management through a specific workstream on talent management to ensure that the right leadership team is in place to deliver the Company's long-term strategy. This included an assessment of internal talent, both on a ready now and longer-term basis, and better visibility externally to identify potential future leaders in the industry. As part of this workstream, the Board held informal sessions with employees beyond the Executive Committee, including a group of high-potential employees in Asia. It was impressed with the talent of Croda's new generation of future leaders in this strategically important geography.

Diversity and inclusion

Diversity and inclusion remain key priorities for both the Board and the Group. We believe that a broad range of perspectives – at every level of the organisation and within the Board – drives business success. We seek to appoint talented Board members with the right balance of skills, experience, and market knowledge to ensure the Board operates effectively. Our Board Diversity and Inclusion Policy (DIP) sets the tone from the top and underscores our commitment to fostering an inclusive culture. The DIP, a copy of which is available in the corporate governance section at www.croda.com, is reviewed regularly and confirms our commitment to meeting or exceeding the target set by the FTSE Women Leaders Review and the Parker Review. In considering Board appointments, the Committee makes recommendations with due regard to the DIP. Great Minds Think Differently is a new initiative that reinforces Croda's commitment to an environment where every perspective is valued and every voice is heard. It aims to embed diversity, equity and inclusion into the fabric of the business while continuing to promote a culture that celebrates our differences.

Details of gender and ethnic representation as prescribed by UK Listing Rule 6.6.6R (10) are set out in the table below. Our chosen reference date is 31 December 2025 and, as at that date, the Company had met two of the Board diversity targets, of having at least one ethnic minority Director and having a woman in at least one senior Board role. The unmet target was the requirement that at least 40% of the Board members be women. Following Julie Kim's retirement in July, female representation of Board members fell to 33% and remained as such at 31 December 2025. However, there has been a change since the reference date following the appointment of Jill Anderson on 12 January 2026, when female representation on the Board increased to 40%, thereby meeting the UK Listing Rule requirement.

As recommended by the Parker Review, during the year a target was set that by 31 December 2027, 10% of Croda's senior management roles will be filled by employees who identify as being from a minority ethnic group.

Gender identity/sex of members of the Board and Executive Committee

as at 31 December 2025	Number of Board members	Percentage of the Board	Number of senior Board positions*	Number in executive management	Percentage of executive management
Men	6	67%	2	6	75%
Women	3	33% ^Δ	2	2	25%
Not specified/ prefer not to say					

* CEO, CFO, SID, Chair

Ethnic background of members of the Board and Executive Committee

as at 31 December 2025	Number of Board members	Percentage of the Board	Number of senior Board positions*	Number in executive management	Percentage of executive management
White British or other White (inc. minority white groups)	8	89%	4	7	88%
Mixed/multiple Ethnic Groups	1	11%			
Asian/Asian British				1	12%
Black/African/Caribbean/Black British					
Other ethnic group					
Not specified/prefer not to disclose					

* CEO, CFO, SID, Chair

As at 31 December 2025, the gender balance of the Executive Committee and their direct reports stood at 36% female. Beyond the Board we aspire to have gender balance across all levels of the Group. Leadership roles held by women is now 42%^a (2024: 41%). Across all Group employees, women in the workforce is 40%^a and 60% men.

Numerical diversity data, in the format required, is outlined in the table above as at 31 December 2025. The Company has collected the data on which the tables are based by the individuals concerned self-reporting their data on being asked about their ethnicity and gender.

Director induction

All Directors participate in a comprehensive induction programme upon joining the Board. This programme is tailored through discussion with the Chair and the Company Secretary, taking into account each Director's existing expertise and any Committee responsibilities. It is designed to ensure that every Director is equipped to contribute effectively to Board discussions and decision-making from the outset. New Directors are provided with access to electronic Board papers, offering easy and secure access to key documents. During the year, an individual induction programme was developed for Stephen Oxley, which included site visits to key operations and meetings with senior leaders across the business.

Other activities of the Committee

The Committee reviewed the time commitment of the Non-Executive Directors, which is assessed before appointment and on an annual basis. The Committee was satisfied that all the Non-Executive Directors remain able to commit the required time for the proper performance of their duties.

It is the Committee's responsibility to keep Board composition under review, including Director independence and tenure. During the year, the appointments of Roberto Cirillo, Jacqui Ferguson and Keith Layden were considered by the Committee. The appointments of Roberto, Jacqui and Keith were extended for another year, in line with the Nomination Committee policy that once a Non-Executive Director has served six years, any extension to their term is on a year-by-year basis.

The Committee considered and concluded that, except for Keith Layden, all the Non-Executive Directors continue to fulfil the criteria of independence. As Keith was formerly an Executive Director of the Company, he is not considered to be independent.

Board performance review

In line with the 2024 Code requirements, during the year an internal performance review of the effectiveness of the Board and Committees was undertaken using an online questionnaire from Lintstock, tailored to Croda's activities and current concerns to consider the Board and Committee's operations, oversight and progress during the year. This concluded that the Board continues to operate effectively with open and honest discussions with a high degree of trust. Further information on the Board performance review process is on page 63.

I would like to thank my fellow Committee members for their continued commitment and support throughout the year.

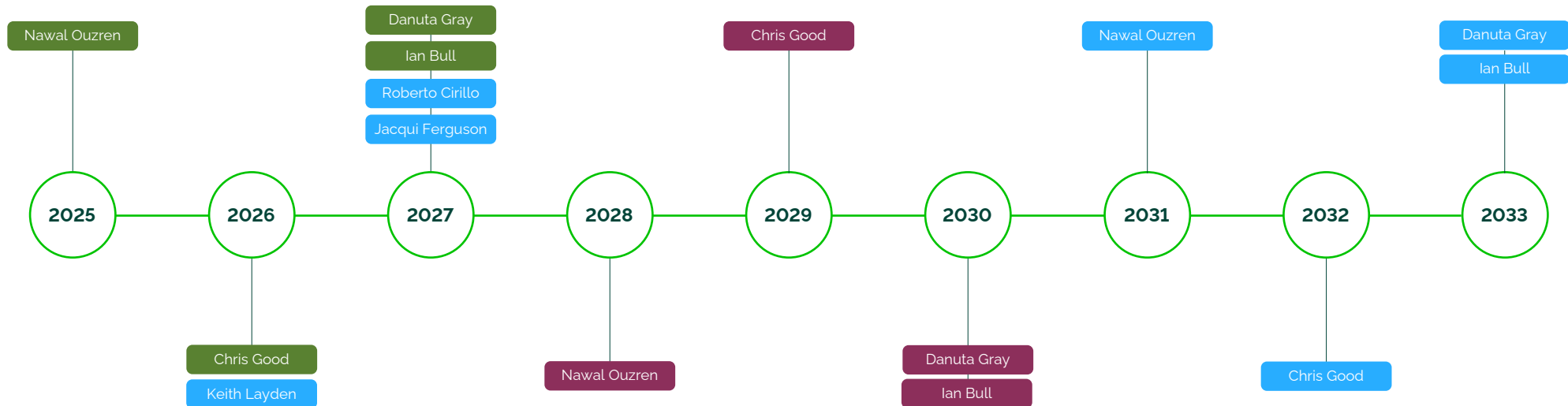


Danuta Gray
Chair

Board composition dashboard information

Non-Executive Directors' tenure as at 31 December 2025

- 3 years
- 6 years
- 9 years



General – skills/experience required from the majority of FTSE 100 Boards

Strategy	✓✓✓
Governance and Risk	✓✓
Remuneration	✓✓✓
Finance/accounting	✓✓

Croda – skills/experience required from the majority of global speciality chemical company Boards

SHEQ	✓✓✓
Operations	✓✓✓
Sustainability	✓✓
International and Emerging Markets	✓✓✓
Emerging markets ('in-country' living and working experience)	✓✓✓
Experience as a CEO	✓✓✓
M&A	✓✓

Croda – skills/experience required from Croda's Board

Consumer Care (Personal Care and F&F)	✓✓✓
Pharma	✓✓
Crop/Agriculture	✓✓
Marketing	✓✓✓
Digital	✓✓✓
Innovation	✓✓✓
Technical (including Biotech)	✓✓✓
Entrepreneurial	✓✓✓

Key

- ✓✓✓ the Board has the appropriate amount of skill/experience in this area
- ✓✓ the Board may benefit from additional skill/experience in this area
- ✓ the Board does not have the required skill/experience in this area

Report of the Sustainability Oversight Committee

The Committee supports the Board through oversight of the Group's long-term sustainability strategy, monitoring the Group's material impacts, risks and opportunities, reviewing developments and emerging best practice for all stakeholders, and building Board competence in sustainability.



“Sustainability remains central to Croda’s strategy and in 2025 a key focus for the Committee was the Group’s refreshed sustainability strategy and ensuring it is fully embedded within the Group’s overall corporate strategy.”

I am pleased to present the report of the Sustainability Oversight Committee for the year ended 31 December 2025.

The Committee met four times during the year and received presentations on a broad range of topics, including the refreshed corporate sustainability strategy, the Agriculture and Consumer Care sustainability strategies; regular progress updates against the Group’s sustainability targets; proposed ESG metrics for Group incentive schemes; stakeholder engagement including investor expectations and employee engagement initiatives to reinforce cultural alignment; and external and market trends relating to sustainability.

Key responsibilities

Croda’s sustainability strategy is developed by the Executive Committee and approved by the Board with the role of the Sustainability Oversight Committee to:

- Monitor the execution and implementation of the sustainability strategy, including progress of Group sustainability targets and metrics.
- Monitor compliance with sustainability policies, regulations and best practice.
- Support the Board by considering in more depth the Group’s principal sustainability risks and opportunities.
- Oversee communication of the Group’s sustainability activities, including review of the sustainability reporting in the Annual Report including TCFD disclosures.
- Provide input to the Board and other Board Committees on sustainability matters as required.
- Build Board competency through recent sustainability-related thought leadership as well as relevant subject deep-dives, for example into nature and ecosystems impacts.

The Committee’s strategic role is complemented by the Audit and Risk Committee, which oversees assurance of Croda’s sustainability commitments, and the Remuneration Committee, which monitors and approves sustainability linked performance metrics and ensures senior executives’ objectives align with Group sustainability goals. Cross Committee representation and collaboration provide strong connectivity across all the Board Committees, ensuring alignment and consistency.

Committee membership

The Committee comprises myself as Chair and Jacqui Ferguson, Keith Layden and Nawal Ouzren as members. All other Directors are invited to attend Committee meetings, as are the Chief Sustainability Officer and the Group General Counsel, Company Secretary and President Sustainability.

Time allocation



Main activities and priorities in 2025

A key focus for the Committee was the refreshed sustainability strategy. The Committee worked with the executive team to define priorities for the business and ensure that the sustainability strategy is fully embedded within the Group's overall corporate strategy. This included a two-day strategic review by the executive team held at the Cambridge Institute for Sustainability Leadership and attended by myself as Chair and other fellow members of the Committee. The Committee reviewed and challenged the refreshed sustainability strategy, which was subsequently approved by the Board, with Croda's continued ambition to be Net Zero by 2050 framing the corporate approach in the coming years. Within the refreshed and simplified strategy, the Committee examined the commitments to deliver on updated short-term Science Based Targets by 2030, still aligned with a 1.5°C trajectory, and ensuring at least 75% of raw materials are sourced from renewable carbon. Recognising Croda's impact on nature, the Committee assessed the refreshed strategy commitment to removing deforestation risk in key bio-based supply chains by 2030 and delivery of the objective to halve the water use impact of our operations in water-stressed regions by 2030. The focus of the refreshed sustainability strategy is on a smaller number of priorities which our customers value most, and where we can have the biggest impact. See page 19 for further information on Croda's sustainability targets.

Progress against existing Group sustainability targets and metrics continued to be monitored, including consideration of the implications for stakeholders. The Committee received detailed presentations from the business on the Agriculture and Consumer Care sustainability strategies which emphasised the importance of aligning Croda's business value proposition with market sustainability goals. Updates were presented on future regulatory requirements, including the Corporate Sustainability Reporting Directive, as well as initiatives to strengthen employee engagement and cultural alignment through enhanced communications and recognition programmes. The Chair of the Croda Foundation presented to the November meeting and the Committee reaffirmed Croda's ongoing commitment to support the Foundation and its aim of improving more lives sustainably. This continued partnership reinforces Croda's position as a global leader in social impact and philanthropy.

Specific focus areas in 2026

Looking ahead to 2026, the Committee will concentrate on deepening oversight of sustainability strategy execution across Consumer Care, Agriculture, and Pharma, and ensure continued alignment with the Group's long-term objectives. It will also continue to build knowledge and capability through targeted deep-dives on significant topics such as water stewardship, net zero commitments, and transition planning. A key priority will be reviewing and assessing engagement of key stakeholders, including employees, suppliers, investors and regulators and NGOs, in Croda's sustainability agenda.

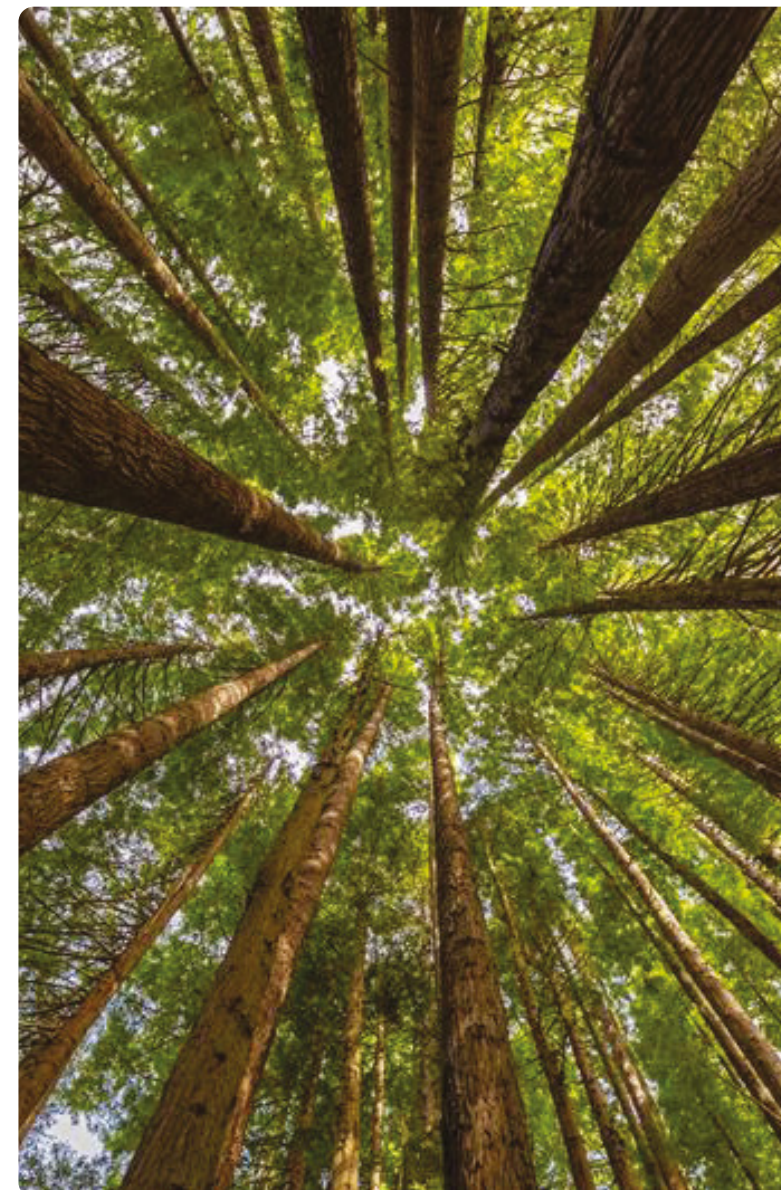
Committee performance review

In 2025, the Committee undertook a review of its role to ensure continued relevance and effectiveness. This process included individual interviews, conducted by an independent expert, with Board members to gather perspectives on priorities and strategic focus. The review confirmed broad recognition of the Committee's value, with consensus that its remit should remain forward-looking, providing challenge and input on medium to long-term progress rather than short-term execution. Key themes emerging from the review included assessing the value impact of sustainability within the corporate strategy, continuing to receive updates on global sustainability trends and their implications for the industry, and reviewing the Group's long-term strategy, including transition plans, the impact of AI, and building resilience. The Committee will also maintain its role in monitoring the Group's response to identified material impacts, risks and opportunities, as well as testing and reviewing the sustainability elements of both Group and business strategies to ensure alignment with stakeholder expectations and future regulatory requirements.

I look forward to continuing to lead the Committee and its evolving role within Croda's sustainability governance framework in 2026 and beyond.



Chris Good
Non-Executive Director



Report of the Audit Committee

The Committee supports the Board by ensuring that financial integrity, risk frameworks and internal controls and assurance processes are robust.



“The focus this year remained on the oversight of Croda’s internal controls and risk management framework in the context of the updated UK Corporate Governance Code, maintaining and improving the integrity of financial and non-financial reporting, cyber security, and overseeing the management of the Company’s principal and emerging risks.”

On behalf of the Audit Committee, I am pleased to present the Committee’s report for the year ended 31 December 2025. This report provides an overview of the Committee’s main activities during 2025.

Key responsibilities

- Monitor the integrity of the Group’s financial statements and results announcements, including the review of significant financial reporting issues and key judgements.
- Oversee the external audit process, including recommending the appointment of the external auditor, assessing audit quality and independence, approving the audit fee, monitoring non-audit services and responsibility for audit tendering.
- Review the adequacy and effectiveness of the Group’s internal controls and risk management systems, as well as performance, scope, and output of the internal audit function.
- Review the Group’s whistleblowing arrangements, procedures for detecting fraud, and systems and controls for the prevention of bribery and corruption.
- Provide oversight and assurance on the Group’s sustainability disclosures, ensuring transparency and alignment with relevant reporting standards.

Time allocation



In light of the updated Corporate Governance Code, oversight of the Group’s internal controls framework remained a key priority throughout the year. Key activities included strengthening documentation and testing material controls across financial, operational, compliance, and reporting areas.

While the business maintained its focus on Croda’s sales growth and efficiency transformation programme, the Committee’s continued attention has been on maintaining the integrity of Croda’s financial and non-financial reporting, ensuring the adequacy of internal controls, and overseeing the management of the Company’s principal and emerging risks. This included monitoring the Group’s approach to risk appetite and mitigation, while remaining responsive to the evolving needs of the business.

In April, Stephen Oxley joined Croda as CFO. Stephen, a qualified accountant, brings extensive experience in developing and executing strategies that drive business performance and support efficiency transformation. As Committee Chair, I have worked closely with Stephen from the outset to support the transition and ensure continuity in financial governance and oversight.

Recognising the growing threat landscape of cyber security, and as one of the Group’s principal risks, the Committee maintained a strong focus in this area. Activities included reviewing the Group’s cyber risk framework, monitoring resilience testing outcomes, and engaging with external experts to develop both tactical and strategic potential responses. These measures aim to ensure robust governance and compliance measures are in place to address the evolving threat landscape.

This report aims to provide the disclosures set out in the FRC’s Audit Committees and the External Audit: Minimum Standard. In particular, it explains how the Committee has had oversight of, and assessed, the relationship with the external auditor and the effectiveness and quality of the external audit process, and the approach to managing non-audit services (see page 76). The Committee believes it complied with the provisions of the Minimum Standard during the year.

Committee membership

Julie Kim stepped down as a member of the Audit Committee following her retirement from the Board in July 2025 and I would like to thank Julie for her support to the Committee. There were no other changes to the Committee's composition during the year. The Committee continues to be composed solely of independent Non-Executive Directors and the Board is satisfied that all members of the Committee have sufficient financial experience as well as a broad and diverse range of competence relevant to the sector and the Group's long-term strategic aims. It also meets the Code requirement that at least one member has significant, recent and relevant financial experience. The appointment in January 2026 of Jill Anderson to the Board and Audit Committee further enhances the financial expertise of the Committee. The experience of each Board member is outlined on pages 51 to 53. Other regular attendees at meetings include the Chair of the Board, Keith Layden (a Non-Executive Director), the CEO, the CFO, the Group General Counsel and Company Secretary, the VP Risk and Assurance, the Group Financial Controller and representatives from the external auditor, KPMG LLP, and the internal audit co-sourcing partner, PwC. The Group General Counsel and Company Secretary acts as Secretary to the Committee.

The Committee met five times during the year as planned with members of senior management present as and when appropriate. The Committee maintains a rolling calendar of items for consideration at each meeting and reviews and updates it regularly. The Committee met with the external auditor and the VP Risk and Assurance separately during the year without management present. As the Committee Chair, as a matter of normal course, I also met with KPMG and the VP Risk and Assurance privately and held regular private sessions with the CFO, senior members of the Finance team as well as the Chief Information Officer. This ensures that open and informal lines of communication exist should they wish to raise any concerns outside formal meetings.

To accurately reflect the Committee's responsibilities for risk management, the Committee was renamed the Audit and Risk Committee, effective 1 January 2026.

Committee activity in 2025

The Committee agendas are developed in alignment with the Board agendas to ensure that all significant areas of risk are covered and to enable it to provide timely input to Board deliberations. The Committee's core activities, as well as the additional focus areas, are:

Financial reporting

The Committee:

- Monitored the Group's financial statements and results announcements, including the Annual Report and the interim statement, and with support from the external auditor, reviewed those items in the Group's financial statements that were material to our reporting. The Committee challenged management on the statements and the underlying accounting judgements, including goodwill impairment considerations.
- Assessed the impairment testing reviews of goodwill balances on the Group's balance sheet and supported management's conclusion that there was no indication of possible material impairment either at a Group, Operating Segment or CGU level. Challenged management's asset impairment indicators assessment and was satisfied with the outcome that included decisions to impair some specific assets which included the lipids scale up facility at Lamar in the USA, various assets under construction and a leased warehouse in the UK. The Committee also considered the recognition of an onerous contract provision relating to the obligations to the US Government at the Lamar site, ensuring the financial reporting remained accurate and aligned with performance.
- Consideration was given to the appropriateness of accounting policies, critical accounting judgements and key sources of estimation uncertainty. Recommendations were made to the Board supporting the half and full-year accounts and financial statements.
- Monitored the Group's financial performance and ensured that management's judgements and estimates remained reasonable and prudent.
- Reviewed the Group's external reporting framework and use of Alternative Performance Measures (APMs) to assess ongoing appropriateness. The Committee approved revisions to the ROIC definition and introduced a new APM for Free

Cash Flow to sales to better reflect the future direction and consistency with the Remuneration Committee's determination of senior management's remuneration. With the exception of these changes, the Committee was satisfied that the APMs were consistent with market practice of both the peer group and wider FTSE 100 companies, and that disclosures and reconciliations to statutory measures were appropriate.

- Reviewed consideration given by management relating to various Financial Reporting Council (FRC) thematic reviews and guidance for financial reporting.
- In conjunction with the Board, challenged management on the assumptions and forecasts behind the financial modelling and stress testing conducted for the going concern assessment. A recommendation was made to the Board to support the going concern statement. Further information can be found on page 134.
- Reviewed the viability assessment process undertaken in support of the long-term viability statement, based on severe but plausible scenarios (including different combinations of scenarios) arising from key risks and their impact on headroom and debt covenants. The Committee challenged the assumptions and calculations in the modelling and scenarios, noting the effect they would have during the viability period and was satisfied that they were robust and well thought through. The Committee also considered and was satisfied with the appropriateness of the three-year period for assessing the viability and the severity of the stress-testing scenarios, including reverse stress testing and headroom. A recommendation was made to the Board to support the long-term viability statement. Further information can be found on page 40.
- Undertook regular reviews of the Group's litigation. The Committee receives reports twice a year from the Group General Counsel and Company Secretary and was satisfied with the approach to provisioning and disclosure.
- Received a presentation from the Group Treasurer which enhanced the Committee's understanding of current risks in relation to treasury matters and provided a better understanding of the depth of finance capability employed in the Group as well as providing different perspectives and insights.

- Reviewed the summary provided by management detailing the distributable reserves position of Croda International Plc to support the payment of the interim dividend and approval of the final dividend.
- Received a presentation from the Group Tax Director on a transfer pricing strategy refresh exercise to ensure internal transfer prices remain compliant with the arm's length principles, are aligned with the Group's strategy, and comply with international regulations.
- Considered the quality of earnings and reviewed the costs reported as exceptional items. Challenged management on the costs to deliver the multi-year growth and business transformation programme, to ensure these costs were one-off in nature, were directly attributable to the programme, and therefore met the criteria to be reported as exceptional. The Committee was satisfied that the exceptional items' classification and the disclosures were appropriate.
- Reviewed a letter from the FRC following its thematic review of the Company's pension accounting surplus disclosures in the 2024 Annual Reports, as well as a separate review of reporting against certain principles and provisions on the 2018 UK Corporate Governance Code. These reviews formed part of the FRC's routine monitoring of corporate reporting. The FRC confirmed that it had no questions or queries it wished to raise with the Company. The FRC's role is to consider compliance with reporting standards and not to verify the information provided. The FRC review is limited to the 2024 Annual Report and it does not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into. Accordingly the review and comments received from the FRC provide no assurance that the Annual Report is correct in all material respects.

Governance

The Committee:

- Reviewed the effectiveness of the Group's anti-bribery, fraud, and whistleblowing procedures. The Committee received reports on independent investigations into concerns raised under these policies and was satisfied with the conclusions and follow-up actions. Remedial measures taken included disciplinary action, and in one case dismissal, and operational

improvements such as updates to policies, procedures, and training to address identified weaknesses. The Committee also reviewed a summary of the controls in place to mitigate the risk of fraud in the Group, along with a bottom-up fraud risk assessment prepared by management. The Committee was satisfied that the ethics and fraud programmes continued to be effective in light of the new corporate offence of failure to prevent fraud contained within the Economic Crime and Corporate Transparency Act 2023.

- Undertook a performance review of the Committee's effectiveness. Information on the performance review process can be found on page 76. The results of the review concluded that the Committee continued to be effective.
- Reviewed and approved changes to the Committee's terms of reference. These are available at www.croda.com.
- Undertook its annual legal and compliance review of the corporate governance and regulatory requirements of the Committee, concluding that it was in full compliance with the 2024 UK Corporate Governance Code and other corporate governance requirements.
- Completed its annual review of the Group's tax compliance policy and risks relating thereto. No significant updates were required. The policy is available at www.croda.com.
- Continued to consider management's plans to respond to the requirements of Provision 29 of the Corporate Governance Code 2024, which requires the Board to provide a declaration on the effectiveness of material controls. In 2025 following the review of the financial controls framework and the implementation of the risk and controls matrix, an assessment was undertaken of the design and operational effectiveness of the Group's key financial controls. Throughout the year, developments concerning the definition of material controls over principal risks, consolidation and financial reporting, and non-financial reporting were reviewed and discussed by the Committee.

External audit

The Committee:

- Discussed and approved the external audit plan, including the assessment of significant audit risks; the engagement risk profile; the use of data analytics; the scope of the audit in terms of coverage, the materiality level and the de minimis reporting threshold; the co-ordination of external audits; and the key members of the engagement team. The Committee monitored the progress made by the statutory audit team against the agreed plan and discussed issues as they arose.
- The Committee supported and encouraged the auditor to ensure that there was robust challenge of management on their assumptions and judgements in preparing the Financial Statements.
- Discussed and approved the external audit fee. Information on the audit fees can be found in note 3 on page 144.
- Met with the auditor without management present. The Committee considered the auditor's views. There were no significant issues to report.
- Considered the independence and objectivity of the auditor. The Committee confirmed the independence of the auditor as further described on page 76.
- Considered the effectiveness of the external audit process, including an in-depth review of a range of indicators to judge the overall audit quality, including AQR ratings, as described in the auditor effectiveness considerations on page 76. The Committee concluded that the audit was effective (see page 76) and a recommendation was made to the Board on the re-appointment of KPMG as auditor at the AGM.

Internal audit and risk management

The Committee:

- Reviewed the internal audit planning approach, ensuring alignment with the Company's strategic objectives and priorities. The Committee received regular reports from the VP Risk and Assurance and monitored compliance with the Group's risk assurance programme. The internal audit plan was approved, along with management's implementation of resulting actions.

- Discussed the outcomes of the 2025 controls assurance internal audits delivered by the co-source partner, PwC. The Committee assessed the adequacy of management's responses and challenged management to ensure timely resolution of outstanding findings, despite resource constraints.
- Conducted its annual review of the effectiveness of the internal audit function, including audit planning, risk assessment, communication with the business and the Committee, and coordination with the external auditor. Feedback from senior management at audited sites was gathered via questionnaires to support this review. The Committee concluded that the internal audit team, supported by PwC, was effective and agreed to retain PwC as co-source partner.
- Received updates on the anticipated implementation of CSRD regulations implementation and reviewed management's plans for compliance including the "no regret" actions progressed during the year.
- Continued to receive updates on IT security from the Chief Information Officer particularly in relation to the Operations Technology control environment. The Committee also received quarterly updates, including progress against agreed KPIs. It reviewed the findings of third-party audits and considered the Group's tactical and strategic response. An externally facilitated crisis simulation exercise was held to enhance the preparedness of the business and from which the lessons learnt were developed into follow-up risk based actions.
- Assisted the Board in its assessment of the Group's emerging and principal risks. The Committee reviewed and approved the 2026 internal audit plan and scope of the peer reviews.
- Met with the internal auditors without management present. No significant issues were identified.

Specific focus areas for 2025

Cyber security remained a priority and a key focus was on the tactical and strategic responses to the findings of third-party audits. The CFO initiated a project to oversee enhancement of the cyber security programme, which included key initiatives such as an internal communication campaign to increase cyber awareness and the enhancement of an advanced cyber security plan. Regular updates were provided by the Chief Information Officer, and PwC's information security partner attended a session to brief the Committee on internal audit outcomes and associated risks.

The Committee maintained its focus on monitoring the impact of major business change programmes on the risk and control environment. This included oversight of the establishment of a transformation office to strengthen governance and provide enhanced oversight. The transformation office also supports the early identification of potential risks and informs the prioritisation of internal audit activities.

The Committee received regular updates regarding progress in addressing any gaps related to Provision 29 of the new Corporate Governance Code. Throughout the year, developments concerning the definition of material controls over principal risks, consolidation and financial reporting, and non-financial reporting were discussed. The Committee continued its oversight of the development of internal controls over the production and disclosure of non-financial information and the provision of external assurance. The Committee reviewed and approved the 2025 assurance plan for non-financial KPIs and examined the list of KPIs subject to limited assurance for the full year 2025.

Looking ahead to 2026, the Committee identified several key areas of focus in addition to its core responsibilities. It will continue to drive the strengthening of internal control processes, with particular emphasis on cyber controls, general IT controls, and compliance measures. Supporting the Group's growth and efficiency transformation programme will remain a priority alongside ongoing oversight of the IT strategy to optimise organisational design, enhance data quality, and reinforce cyber resilience measures. The Committee is committed to applying the same rigour to non-financial KPIs

as to financial metrics to ensure robust reporting, supported by second and third line, including external assurance where appropriate.

Internal audit and risk management

Throughout the year, I held several discussions with the VP Risk and Assurance outside of formal meetings to review the performance and output of the internal audit function, as well as aspects of the Group's risk management. The VP Risk and Assurance attended each Committee meeting and presented an internal audit report, which was reviewed and discussed in detail. These reports highlighted any significant deviations from the annual audit plan agreed with the Committee.

At each meeting, the Committee considered the findings of completed audits and assessed the adequacy of management's responses, including the timeliness of issue resolution. Particular attention was given to areas where there was material divergence between audit outcomes and expected control standards. In such cases, the Committee challenged management on the actions being taken to prevent future recurrences.

In January 2026, the Committee undertook its annual review of the internal audit function. This included an evaluation of its audit planning and risk assessment approach, communication with both the Business and the Committee, and its relationship with the external auditor. Feedback from senior management at sites was gathered via questionnaires to support this review. In conclusion, the Committee confirmed its support for the approach, acknowledged the rigour and performance demonstrated, and recommended continuing with the co-sourced model. Further details on the Group's monitoring of risk and implementation of its risk management framework are provided on pages 33 to 34.

Committee performance review

As part of the annual Board performance review process (see page 63), the Committee's performance was assessed, and the findings were reviewed and considered by the Committee. The Committee's management, including its composition, meeting effectiveness and quality of information, was rated highly. Looking ahead, key focus areas were identified for the coming year, including strengthening assurance over non-financial information, enhancing financial oversight and forecasting processes, and maintaining robust risk management practices. Cyber security will remain a priority, reflecting its critical role in the Group's resilience and control environment.

The Committee also set multi-year objectives aimed at supporting long-term stability, including improvements to business continuity planning and ensuring the Finance function remains well-resourced and fit for purpose. In reviewing its workplan, the Committee sought to maintain an appropriate balance between governance responsibilities and addressing key business risks, while allowing flexibility for thematic deep dives and emerging issues. The Committee remains committed to supporting the Board in safeguarding the integrity of reporting, risk management and operational resilience across the Group.

External auditor's effectiveness

During the year, the Committee assessed the effectiveness of KPMG as Group external auditor. To assist in the assessment, the Committee considered the quality of reports from KPMG and the additional insights provided by the audit team, particularly at partner level. It took account of the views of the CFO and Group Financial Controller, who had discussed subsidiary component audits with local audit partners, to gauge the quality of the team and knowledge and understanding of the business. The Committee also considered how well the auditor assessed key accounting and audit judgements and the way it applied constructive challenge and professional scepticism in dealing with management.

The Committee reviewed the output from a questionnaire completed by senior members of the finance team across the business to obtain their views on KPMG's effectiveness in carrying out the audit. The questionnaire covered:

- Structure of the external audit team and their quality and approach.
- The planning, delivery and execution of the audit.
- The effectiveness of their reporting.
- Effectiveness of communications between management and the audit team.
- Robustness of the audit, including the independence of the external audit team and their ability to challenge management as well as demonstrate professional scepticism and independence.
- The external audit team's judgement.

The Committee reviewed the year-on-year scores to understand trends and highlight areas of improvement. Independence, lead partner engagement and the technical expertise of the audit team continued to be assessed positively. The senior audit team had provided robust challenge, responded proactively to complex issues and had been constructive in providing feedback on disclosures and technical issues. Regional close-out meetings had been succinct and clear, resulting in limited follow-on requests.

The Committee recognised the importance of continuing to explore opportunities for increased automation within the audit process to support productivity benefits. The importance of maintaining a pragmatic approach to the audit, with an appropriate balance of materiality and in-depth assurance was noted. Quality interventions, including the use of specialists, audit consultations, a technical review, a second line in-flight review and, finally, an independent audit partner review had contributed to the overall audit quality and had helped ensure independent challenge.

The Committee also reviewed the results of the Lead Audit Partner's internal Quality Performance review.

External auditor's independence

The Committee and the Board place strong emphasis on the objectivity of the Group's external auditor, KPMG, in reporting to shareholders. The Group's policy on the provision of non-audit services by external auditors, available on our website www.croda.com, clearly outlines the services that are permitted and prohibited. It also sets out the controls in place for awarding non-audit assignments to the external auditor, ensuring that

audit independence is maintained and that the provision of such services does not compromise the auditor's objectivity.

In 2025, non-audit fees were £0.2m, significantly less than the total audit fees of £2.9m; the non-audit to audit fees ratio stands at 0.1:1. The non-audit fees include the approved fees for carrying out ESG/sustainability assurance services.

The Committee conducted its annual review of the Group's policies relating to external audit, including the policy governing the employment of current and former employees of the Group's auditor. No amendments were deemed necessary. The Committee also reviewed and accepted KPMG's independence letter, which confirms their compliance with the FRC's ethical standard. In conclusion, the Committee concluded that KPMG remained independent.

Croda is in compliance with the Statutory Audit Services Order 2014. We undertook an audit tender in 2017, and the Board appointed KPMG as external auditor. The first year to be audited by KPMG was the year ended 31 December 2018. KPMG has a detailed knowledge of our business, an understanding of our industry, and continues to demonstrate that it has the necessary expertise and capability to undertake the audit. The current Lead Audit Partner, Ian Griffiths, was first appointed for the year ended 31 December 2021 and will continue as signing partner for the 2025 year, at which point Lourens De Villiers will take over as Lead Audit Partner. We plan to complete an audit re-tender process ahead of the 2028 year-end.

External auditor's reappointment

As noted above, the Committee recommended to the Board that KPMG be offered for re-election at the forthcoming AGM. I will be available at the AGM to respond to any questions shareholders may raise on the Committee's activities in the year.



Ian Bull
Chair of the Audit Committee

Significant financial statement reporting items

The Committee, with support from the external auditor, reviewed those items in the Group's and Parent Company's financial statements that have the potential to significantly impact reporting and challenged management on their assumptions and judgements relating to these key accounting matters. These are set out below.

Goodwill impairment: Goodwill represents a significant asset value on the balance sheet of £918.4m out of total net assets of £2,202.1m at 31 December 2025. The Committee completed its annual impairment review of the carrying value of goodwill as prepared by management, including the detailed sensitivity analysis to a number of underlying assumptions, including the current macroeconomic outlook and the broader consequences on the markets in which the Group operates. The Committee assessed the methodologies used and the adequacy of the management disclosures. After challenge, the Committee was satisfied that the assumptions were reasonable and that no impairment to goodwill was necessary.

Asset impairment: Management identified several areas of asset impairment during the year where decisions made in the year have resulted in the requirement for impairment. The Committee considered the impairments identified by management and the processes performed to ensure the assessment was complete and appropriate. The Committee considered the determination of the impairment value and

reviewed the events and conditions resulting in the conclusion that impairment was required, alongside the disclosures made. Following detailed consideration, the Committee was satisfied that the impairments recorded were appropriate and complete.

Pensions: The Committee monitored the Group's pension arrangements, in particular the funding of the defined benefit plan in the UK, which are sensitive to assumptions made in respect of discount rates, salary increases and inflation.

The Group engages external actuarial specialists. The Committee reviewed the actuarial assumptions used and compared them with those used by other companies.

The external auditor also challenged the benchmark assumptions applied and conducted sensitivity analysis. Following their review, the Committee found the assumptions to be reasonable.

Parent Company's carrying value of investments in subsidiaries and intercompany receivables:

The Committee considered the carrying amount of the Parent Company's investments in subsidiaries and intercompany debtors, held at cost less impairment, representing 99% of the Parent Company's total assets (2024: 98%).

The recoverability of these balances is not considered judgemental; however, they are the most significant component of the Parent Company balance sheet and therefore require additional consideration as part of preparing the financial statements. This included comparing the carrying amount with the respective subsidiary's net asset value, profitability and cash generation. After review, the Committee was satisfied that the recoverability of these balances was acceptable, and no impairments were necessary.

Report of the Remuneration Committee

The Committee approves the company's remuneration policy and framework, and determines the remuneration packages for members of senior management. Policies and practices support company strategy and promote long-term sustainable success, ensuring senior management have appropriate incentives to encourage enhanced performance and are rewarded in a fair and responsible way.



“This year’s Policy review has enabled us to strengthen focus on performance, returns and sustainable growth.”

Contents

A Chair’s letter	79
B 2025 Remuneration at a glance	82
C Summary of Remuneration Policy and implementation for the year ending 31 December 2026	84
D Directors’ remuneration report for the year ended 31 December 2025	87
E Remuneration Policy for shareholder approval	102

On behalf of the Board and the Remuneration Committee, I am pleased to present the Directors’ Remuneration Report for the year ended 31 December 2025.

Key responsibilities

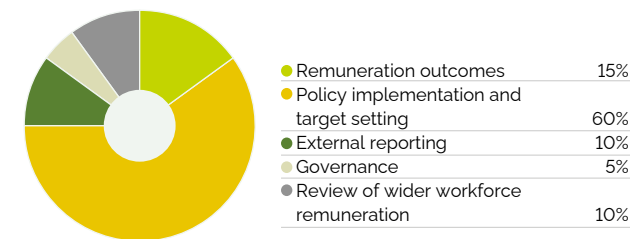
- Determine and agree with the Board the framework or broad policy for the remuneration of the Company’s Chair, the Group Chief Executive, the Executive Directors, the Company Secretary and other members of senior management.
- Ensure that the remuneration framework is aligned with the Company’s strategy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

Detailed responsibilities are set out in the Committee’s terms of reference, which can be found at www.croda.com/en-gb/about-us/governance.

Key focus areas

- Review of the Remuneration Policy’s alignment to the Company’s strategy and comprehensive consultation process.
- Determine the outcome for the 2025 senior annual Bonus Plan.
- Determine the outcome for the 2023 Performance Share Plan (PSP).
- Setting appropriate targets for the senior annual Bonus Plan and Performance Share Plan for 2026.
- Determine the salary approach for 2026 including the Executive Directors’ and Executive Committee guided by the salary increase budget set for the workforce.

Time allocation



Chair's letter

2025 was a year of transition and transformation at Croda, with the launch of our growth and efficiency transformation programme to strengthen performance, returns and sustainable growth. Despite a challenging external environment, we were encouraged by the early progress seen in 2025. It is in this context that the Committee considered remuneration decisions in the year.

Remuneration Policy Review

Our Directors' Remuneration Policy (Policy) is subject to shareholder approval at the 2026 Annual General Meeting (AGM) in line with the normal three-year cycle in the UK.

The Committee undertook a thorough review of the Policy and its implementation. This gave us the opportunity to engage with shareholders and ensure alignment to Croda's strategy and ambition going forward. We are grateful to shareholders who gave their time as part of the consultation, with their feedback a key input in finalising our proposals.

In addition to strategic alignment, we were mindful of governance expectations, shareholder sentiment, and the wider workforce dynamics. This included discussion of the evolving executive remuneration environment in the UK.

Our approach however was grounded in ensuring the Policy continues to enable the Group's strategic objectives given the current challenges facing the business. We are not proposing any material changes to the overall structure or quantum of the current Policy. We believe that the current structure, being an annual bonus and long-term performance share plan (PSP), is the appropriate incentive vehicle to incentivise management.

The Committee's discussions focused on the performance framework and its alignment with the Group's growth strategy and the interests of our stakeholders. As a result of the review, in the PSP, we have introduced a new ROIC measure, and modestly rebalanced other measures within the long-term framework. In the annual bonus, we have replaced Bonusable Profit with Adjusted Operating Profit and introduced a customer measure as a key differentiator in our strategy. TSR and EPS, alongside Innovation and Sustainability, are retained in the performance framework. As a Committee, our view is that

this evolution of our performance measures framework supports strategy and performance. More context for our approach is provided below.

Performance framework for 2026

To support our strategy, we focused on growth, maximising returns, and customer experience, whilst also maintaining innovation and sustainability as key features of our performance framework.

- Focus on growth and maximising returns – alongside existing financial measures we are introducing ROIC into the PSP. This will support a focus on improved returns and ensuring recent investments are contributing fully to accelerating future growth, as well as aligning with the shareholder experience. ROIC will be defined in line with our APMs (see page 197).
- Improving customer experience – our priority is to deepen our customer relationships through best-in-class service and playing to our strengths in product quality and trust. Therefore, for 2026, we have introduced a customer measure into the bonus (weighted at 10%). This will include Customer NPS and an ingredient transparency measure, focused on sustainability, which looks to address a critical customer demand around reliable and timely technical product information.
- Innovation – Croda has always had a strong and clear focus on innovation. Innovating sustainably remains central to Croda's differentiation and long-term success. We are therefore retaining NPP as a measure within the PSP. NPP being a metric which focuses on revenue from those products that are driven by innovation and will underpin our future growth.
- Sustainability – we are committed to being the most sustainable supplier of innovative ingredients and becoming Climate, Nature and People Positive by 2030. We are therefore retaining sustainability targets within the PSP. We have diversified the specific metrics included to focus on those areas where we can drive a deeper impact. Our refreshed sustainability strategy is more focused, prioritising areas that customers value most and where we can have the greatest impact, and our measures align to this refreshed strategy.

For 2026, therefore, the senior annual Bonus Plan will be based on adjusted operating profit (in constant currency) (90% of the total award) and customer metrics (10% of the total award). Adjusted operating profit will replace Bonusable Profit providing greater external transparency, internal relevance and strategic alignment. Safety will also continue to be a specific underpin in our senior annual Bonus Plan.

To allow for the new ROIC measure (25% weighting) we have modestly rebalanced the other measures within the PSP. In the context of our transformation plan, we have increased the proportion linked to financial performance.

Previous approach	→	New approach
EPS (35%)		EPS (25%)
Relative TSR (35%)		Relative TSR (25%)
NPP (15%)		ROIC (25%) NEW
Sustainability (15%)		NPP (12.5%)
		Sustainability (12.5%)
ROIC underpin		

The Committee very carefully considered the approach to target-setting for the above performance measures taking into account the Group's growth and transformation aspirations, mindful of shareholder expectations in this area. Last year, we increased our EPS targets to reflect the lower base year. This year, when considering targets, the Committee has looked to balance setting sufficiently stretching targets with ensuring they remain incentivising to management and broader talent considerations.

Performance is always considered holistically; each year the Committee also 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.

Response to shareholder consultation

Following our review of the Policy, we wrote to our largest shareholders in September 2025. In total, we contacted over two-thirds of Croda's issued share capital as well as the Investment Association, ISS and Glass Lewis.

Whilst not proposing any material change to the overall structure or quantum of the Policy, we were keen to engage on our performance framework and the alignment of our incentives with our strategy and stakeholder interests.

Of those shareholders we wrote to, we held meetings with over a third and received written feedback from a further third.

One of the original proposals we consulted on, in line with emerging market practice, was that where an Executive Director had met their share ownership guideline, they would not be required to defer a proportion of their bonus. Some shareholders were supportive of this provided alignment with shareholder interests was maintained. Others expressed concerns and were more in favour of a reduction in deferral rather than full removal. Reflecting on this feedback as well as our approach to the overall Policy review, we concluded that now was not the right time to move forward with this proposal. The Committee will revisit deferral arrangements as part of the next Policy review.

On the performance framework, many shareholders welcomed the introduction of ROIC to the PSP, viewing it as a necessary step to align management incentives with shareholder interests, drive improved operational performance and overall quality of earnings.

The inclusion of a customer-focused metric in the annual bonus, was also welcomed. Shareholders recognised its potential to drive increased customer-centric behaviours and reinforce non-financial priorities.

We also heard feedback on other potential performance measures, including some shareholders who expressed a preference for a cash flow metric. Whilst considering this feedback, the Committee was mindful of introducing too many new measures at this time. Notwithstanding this, Croda will report externally on a free cash flow-to-sales ratio for the first time this year and the Committee considers broader performance factors as part of its Discretion Framework when reviewing outcomes. We also retain the flexibility to review and adjust our performance framework year-on-year in line with normal market practice.

Remuneration out-turn for 2025

Whilst encouraging progress was made in the year, it remained a challenging external environment. Group sales were up 7% at constant currency, and whilst margins are still significantly below their medium-term potential, they improved in our two core businesses, contributing to an 8% increase in Group adjusted operating profit.

In line with prior years, the senior annual Bonus Plan was based on year-on-year Bonusable Profit growth (90% weighting) and an ESG metric (10% weighting). Bonusable Profit is focused on operational profitability based on adjusted EBITDA and, for 2025, the maximum payout trigger was set at 15% (rather than 10%) growth, recognising the lower baseline in 2024. An adjusted profit before tax underpin was also included whereby no bonus was payable unless adjusted profit before tax (in constant currency) was accretive year-on-year. Overall, the adjusted profit before tax underpin was met and Bonusable Profit grew by 8.2% in 2025.

For 2025, the ESG metric was based on two independent metrics focused on the increasing customer demand for higher-quality, readily available product-level sustainability-related data. These metrics were partially met.

The Committee also assessed the Group's safety performance over the year against the safety underpin and noted that although our TRIR had increased to 0.61 (2024: 0.47) this remained below historic trends, see page 26 for further information. The Committee also noted that there were no significant safety, health, or environmental incidents across our operations.

Overall, the Committee determined that 54.8% of the senior annual Bonus Plan was payable.

2025 was the year in which PSP grants made in 2023 concluded their three-year cycle. Over the period, TSR performance (35% weighting) was below median compared to our bespoke comparator group, EPS growth (35% weighting) was (14.1)% p.a. falling short of the threshold target, and NPP growth (15% weighting) did not meet the vesting target. The 2023 PSP cycle also included sustainability metrics (15% weighting) split equally between Climate Positive and People Positive targets. These sustainability targets were partially met resulting in an overall formulaic PSP outcome of 6.25% of maximum.

The 2023 PSP award was subject to a discretionary underpin based on ROIC with vesting subject to satisfactory ROIC performance over the performance period. ROIC at the end of 2025 was 8.2% and average ROIC across the three-year performance period was at a similar level. The Committee considered that the underpin had not been achieved and therefore considered an appropriate reduction. The Committee determined that an adjustment of 10% would be made under the PSP. The resultant overall PSP vesting was 5.625% of the total award.

In considering the outturns for the annual bonus and the PSP the Committee also took into account the Discretion Framework and made no further adjustment.

Salaries and fees for 2025

For 2026, there will be a general increase to salaries for UK employees of 2.5%. The Committee reviewed the salary of our Group Chief Executive and Chief Financial Officer and determined that an increase of 2.5% would be awarded in line with that of the UK workforce.

The fees for the Chair of the Board and Non-Executive Directors were also reviewed and increased by 2.5%.

Consideration of wider workforce and alignment of reward across the organisation

Our approach to workforce reward forms an important part of Croda's philosophy and culture. One of the principles of Croda's culture is to drive 'One Croda', and therefore many of the remuneration structures that apply to the Executive Directors also apply further in the global organisation. The key difference being that remuneration for Executive Directors is more heavily weighted towards variable pay and share ownership. Highlights of our approach to workforce pay include:

- Our commitment to paying a Global Living Wage – in 2021 Croda established a Living Wage in each of the countries in which it operates and ensured that all employees receive this as a minimum. In 2025 we received certification from the Fair Wage Network (FWN) guaranteeing that all employees of the Group are paid at or above the Living Wage threshold as defined by the Fair Wage Network.
- Sharing of success with employees – achieved through the operation of various all-employee share plans, including our Free Share Plan which was introduced in 2021, and which will payout for 2025 in full. We are pleased that workforce participation in these plans remains consistently strong year-on-year and allows our employees to become shareholders in the business.
- Generous and inclusive benefits – our holistic health and wellbeing benefit offering is highly valued across the workforce. In spite of significant cost inflation in-year, we continued to provide private medical insurance to all of our UK employees and discounted access for their families. In addition, our CARE pension, which applies across our entire UK workforce, represents our commitment to the financial wellbeing of our people.

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 520 employees participate in the senior annual Bonus Plan and 55 of these are also in the PSP. We believe that this focuses our leadership on working together globally to deliver the best overall outcome for our customers and, in turn, our shareholders and other stakeholders.

Workforce engagement

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

In 2025, we launched YourVoice which replaced and expanded on our Purpose and Sustainability Commitment (PSC) survey. Through YourVoice we have more regular touchpoints with our people and therefore have richer quantitative and qualitative data to help us better understand how our people feel and to equip our leaders to feel empowered to take meaningful actions that positively impact their teams from the feedback they receive, fostering our high-performing, inclusive culture through an approach that focuses on continuous listening and response. More details can be found in the culture section of the report on page 9.

Looking ahead

Our Remuneration Policy will be voted on by our shareholders at our 2026 AGM. We have listened to the views of many of our shareholders through the consultation process and hope you will support.

We remain committed to ensuring that our remuneration framework reflects the needs of all of our stakeholders and the communities in which we operate.



Jacqui Ferguson

Remuneration Committee Chair

Report of the Remuneration Committee

B. 2025 Remuneration at a glance

How we performed in 2025

Adjusted operating profit

+5.6%
to £295.3m

NPP (constant currency)

35.1%
of Group sales

Adjusted basic EPS

+2.5%
to 146.2p

Return on invested capital (ROIC)

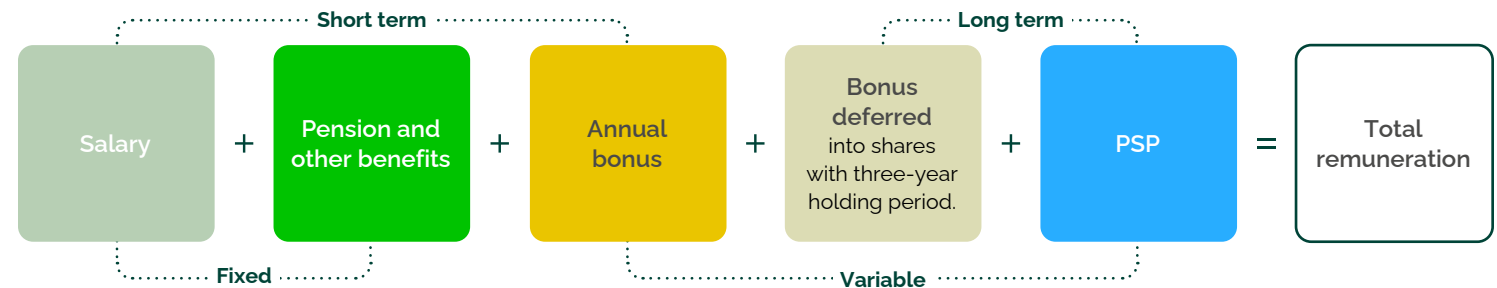
8.2%

Total Shareholder Return

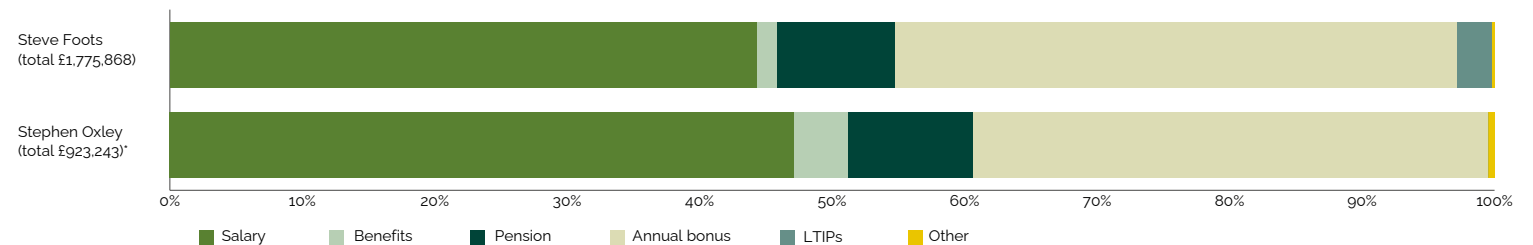
(55)%

over the three-year PSP performance period
(1 January 2023 to 31 December 2025)

Elements of our Executive Directors' remuneration



Single figure remuneration



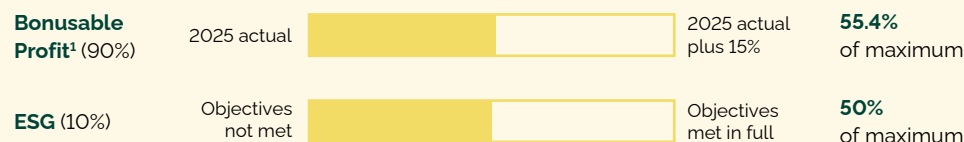
* Excludes buy-out arrangements

Operation of our policy in 2025

Key component	Group Chief Executive (CEO) Steve Foots	Chief Financial Officer (CFO) Stephen Oxley ¹
Basic salary Competitive package to attract and retain high calibre executives.	£786,656	£435,000
Pension To provide competitive long-term retirement benefits to act as a retention mechanism and reward service.	£157,331	£87,000
	Cash supplement of 20% of salary in line with UK workforce	
Benefits To provide competitive benefits to act as a retention mechanism and reward service.	£26,972	£37,453
	Benefits include company car or cash allowance, private medical insurance and private fuel and travel allowances	
Annual bonus Incentivise delivery of strategic plan, targets set in line with Group KPIs.	£754,403 54.8% of maximum	£359,203
PSP Incentivise execution of the business strategy over the long term, measuring profit, shareholder value, innovation and sustainability.	£45,934 5.625% of maximum	—
Shareholding requirements Share ownership guideline to ensure material personal stake in business.	Greater than 250% of salary	Less than 200% of salary

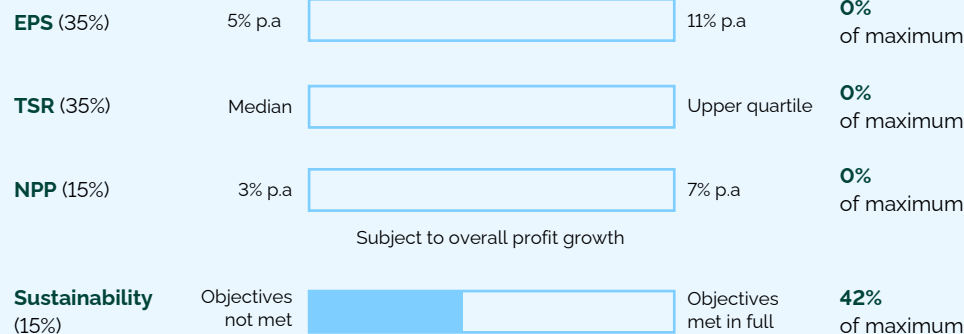
Performance outcomes

Annual bonus



1. Adjusted PBT underpin applied such that adjusted PBT (in constant currency) must be accretive year-on-year. Underpin was met.

PSP



The 2023 PSP award was subject to a discretionary underpin based on ROIC with vesting subject to satisfactory ROIC performance over the performance period. The Committee determined that the underpin had not been achieved and therefore considered an appropriate reduction from 6.25% to 5.625% of maximum.

1. Stephen Oxley was appointed as a Director of the Company on 1 April 2025.

C. Summary of Remuneration Policy and implementation for the year ending 31 December 2026

Key component	CEO	CFO																						
Basic salary To assist in the recruitment and retention of high-calibre Executives.	£806,323 Increase of 2.5% in line with general increase for UK employees.	£594,500	Pension 20% of salary as pension supplement aligned to UK workforce																					
			Benefits Other benefits such as company cars or car allowances, fuel and travel allowances and health benefits are made available to Executive Directors.																					
Annual Bonus Incentivise delivery of strategic plan, targets set in line with Group KPIs.	Maximum of 175% of salary	Maximum of 150% of salary	Operation 2/3 paid in cash 1/3 deferred into shares with three-year holding period. Performance measure (weighting) Adjusted Operating Profit 90% of total Customer metric 10% of total See page 85 for details																					
PSP Incentivise execution of the business strategy over the long term measuring profit, shareholder value, innovation and sustainability.	Maximum of 250% of salary	Maximum of 200% of salary	Operation 3 year Performance period 2 year holding period <table border="1"> <thead> <tr> <th>Performance measure (weighting)</th> <th>Threshold</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>EPS (25%)</td> <td>5% p.a.</td> <td>11% p.a.</td> </tr> <tr> <td>TSR (25%)</td> <td>Median</td> <td>Upper quartile</td> </tr> <tr> <td>ROIC (25%)</td> <td>10%</td> <td>14%</td> </tr> <tr> <td>NPP (12.5%)</td> <td>3% p.a.</td> <td>7% p.a.</td> </tr> <tr> <td colspan="3" style="text-align: center;">Subject to overall positive Group profit growth</td> </tr> <tr> <td colspan="3" style="text-align: center;">See page 85 for details</td> </tr> </tbody> </table> Sustainability (12.5%)	Performance measure (weighting)	Threshold	Maximum	EPS (25%)	5% p.a.	11% p.a.	TSR (25%)	Median	Upper quartile	ROIC (25%)	10%	14%	NPP (12.5%)	3% p.a.	7% p.a.	Subject to overall positive Group profit growth			See page 85 for details		
Performance measure (weighting)	Threshold	Maximum																						
EPS (25%)	5% p.a.	11% p.a.																						
TSR (25%)	Median	Upper quartile																						
ROIC (25%)	10%	14%																						
NPP (12.5%)	3% p.a.	7% p.a.																						
Subject to overall positive Group profit growth																								
See page 85 for details																								
Shareholding guidelines Share ownership guidelines to ensure material personal stake in business.	250% of salary	200% of salary	Post-employment shareholding guidelines also apply for two years after leaving employment.																					

Please note that a minor correction was made to this page on 23 March 2026 following an error being identified as a duplicated section heading relating to a PSP performance sub-measure (2% weighting). There is no impact on the underlying disclosures, remuneration outcomes, or remuneration policy.

Further detail on implementation for 2026

Annual bonus

Operation:

Performance measure (weighting)

Adjusted Operating Profit (90% of total) Based on adjusted operating profit.

Customer measure (10% of total) Includes Customer NPS and an ingredient transparency measure, focused on sustainability, which looks to address a critical customer demand around reliable and timely technical product information.

Safety underpin:

- Awards will be subject to a safety underpin such that the Committee will actively consider safety performance over the year, and in particular shall consider whether to reduce (including potentially to zero) the amount of any payment made to any individual member under the scheme if it considers performance to be unsatisfactory.

Commentary:

- When determining bonus outcomes, the Committee applies the Discretion Framework which includes a range of factors, see page 87.
- The Committee remains comfortable that the structure of the senior annual Bonus Plan does not encourage inappropriate risk-taking and that the mandatory deferral of one third of bonus into shares for a three-year period provides clear alignment with shareholders and fosters a longer-term link between annual performance and reward.
- Malus and clawback provisions apply.

PSP

Operation:

Performance measure (weighting)

	Threshold	Maximum
EPS (25%)	5% p.a.	11% p.a.
TSR¹ (25%)	Median	Upper quartile
ROIC² (25%)	10%	14%
NPP (12.5%)	3% p.a.	7% p.a.
	Subject to overall positive Group profit growth	
Sustainability (12.5%)³	Scope 3 GHG emissions (6.5%)	65,195 MT CO ₂ e reduction (4.9%)
Four discrete measures:	Scope 1&2 GHG emissions (2%)	12,366 MT CO ₂ e reduction (10.6%)
	Water withdrawal volume at critical sites (9 sites) (2%)	145 Mega Litres reduction (7.5%)
	Renewable carbon (2%)	8.5 ppt increase
		130,390 MT CO ₂ e reduction (9.8%)
		24,732 MT CO ₂ e reduction (21.2%)
		289 Mega Litres reduction (15.0%)
		9.6 ppt increase

Commentary:

- Performance period 1 January 2026 to 31 December 2028.
- Malus and clawback provisions apply.
- When assessing outcomes, the Committee applies the Discretion Framework which considers, for example, the management of ROIC and EVA, sales, profit growth, sustainability and health and safety and may adjust awards if it considers appropriate.
- The Committee have a framework in place to review awards upon vesting to consider whether windfall gains have arisen.
- Threshold performance for all financial metrics and NPP results in 25% vesting. For the sustainability targets, given the different nature of these objectives, achievement of threshold in each category results in a 50% outcome.

1. TSR group: Akzo Nobel, Ashland, Azelis, BASF, Brenntag, Clariant, DSM-Firmenich, Elementis, Evonik, Givaudan, IFF, IMCD, Johnson Matthey, Lonza, Merck, Novonesis, Stepan, Syensqo, Symrise, Synthomer and Victrex

2. Return on invested capital (ROIC): this is adjusted operating profit net of tax divided by the average adjusted invested capital. Adjusted invested capital represents net assets adjusted for net debt and net retirement

3. Percentage numbers given after sustainability targets represent the % change vs 2025 baseline for each metric and threshold.

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

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

Element of reward	Link to strategy	Sustainability	Innovation	Growth	Long-term shareholder value
Senior annual Bonus Plan					
Profit	Clear and simple measure that supports our strategic objective of consistent bottom-line growth. One third of awards are deferred, further protecting shareholder value.			↑	£
Customer	Introduction of customer measures for 2026 as a key differentiator in our strategy.	♻️	💡	↑	£
Performance Share Plan					
Earnings per share (EPS)	A measure of earnings growth over a three-year period recognising that sustained growth can only come through relentless innovation.		💡	↑	£
Total Shareholder Return (TSR)	Measured against our peers, a key indicator of long-term growth and shareholder value.		💡	↑	£
Return on Invested Capital (ROIC)	Measure focused on maximising returns from investments and ensuring these are contributing to future growth as well as aligning to long-term shareholder value.			↑	£
New & Protected Products (NPP)	An established measure of innovation, the metric is growth of NPP, those products rewarding growth that is driven by innovation.	♻️	💡	↑	£
Sustainability	Since 2020 we have incorporated sustainability metrics directly linked to our ambitions to be Climate, Land and People Positive by 2030.	♻️	💡	↑	£
Underpins & Discretion Framework					
Safety, health and environment (SHE)	The SHE underpins ensure that rewards are not made at the expense of the safety, health and environment of our employees or the communities that we serve.	♻️			£
Financial underpins	The financial underpins and our broader Discretion Framework, ensure that reward reflects the overall financial health of the business.			↑	£
Culture and ethics	The culture and ethics underpin ensures that reward reflects strong governance and the experience of all our stakeholders.	♻️			£
Other features					
Holding periods	Extends the period to five years before shares are released, further protecting shareholder value.				£
Shareholding requirements	Ensures that our Executives' interests are aligned to shareholders.				£
Malus and clawback	Allows incentive awards to be clawed back or reduced in the event of significant financial or personal misconduct.				£

D. Directors' remuneration report for the year ended 31 December 2025 – Audited information

Directors' single figure table for the year ended 31 December 2025 (audited)

	Steve Foots		Stephen Oxley ¹	
	2025	2024	2025	2024
Salaries	£786,656	£767,469	£435,000	-
Benefits ²	£26,972	£26,634	£37,453	-
Pension supplement ³	£157,331	£153,494	£87,000	-
Total fixed pay	£970,959	£947,597	£559,453	-
Annual bonus	£754,403	-	£359,203	-
Long-term incentives ^{4A-B}	£45,934	£58,775	-	-
Other ⁵	£4,572	£3,618	£4,587	-
Total variable pay	£804,909	£62,393	£363,790	-
Sub-total	£1,775,868	£1,009,990	£923,243	-
Buy-out ⁶	-	-	£822,734	-
Single total figure of remuneration	£1,775,868	£1,009,990	£1,745,977	-

1. Stephen Oxley was appointed on 1 April 2025.
2. Benefits include company car or cash allowance, private medical insurance and private fuel and travel allowances.
3. This represents the 20% of salary supplement.
4. A. The PSP awards granted in March 2023 reached the end of their performance period on 31 December 2025. The awards will vest at 5.625% of maximum (see page 89). The values included in the table above are based on the three-month average price to 31 December 2025 of 2782.21p. This is lower than the share price at grant, and therefore no value is attributable to share price growth. These values will be updated in next year's Annual Report based on the share price at vesting which will take place on 17 March 2026.
B. The PSP award included in the 2024 single figure (the 2022-24 PSP award) has been updated to reflect the actual share price at vesting of 2896.75p. This is lower than the share price at grant, and therefore no value is attributable to share price growth.
5. Represents the value received in the year from participation in all-employee share schemes. Steve Foots received 63 matching shares as part of the Share Incentive Plan (SIP) with a transaction value of £1,821. Both Steve Foots and Stephen Oxley participated in the 2025 Sharesave Scheme and were granted 541 shares and 902 shares respectively, at a discounted rate of 2034p. The share price on the date of grant was 2543p representing a 20% discount.
6. The value included for Stephen Oxley also relates to buy-out awards made in the year to compensate him for incentives forfeited upon joining Croda. Further details are provided on page 93.

Performance outcomes for 2025

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.



Annual bonus for 2025 (audited)

The annual bonus for Executive Directors in 2025 was calculated by reference to profit and ESG performance. In line with past practice profit targets were set based on the amount by which the profit for the year exceeded the profit for 2024 (the 'Bonusable Profit'). Bonusable Profit is focused on operational profitability based on adjusted EBITDA.

Measure (Weighting)	Threshold	Maximum	Actual performance	Out-turn (% of max element)
Bonusable Profit (90%)	£327.3m	£376.4m	£354.5m	55.4%
ESG metric – Ingredient Transparency (5%)	Successfully migrate products at six target manufacturing sites into the Product Information Management system, such that a minimum of 80% of products with sustainability-related information demanded by customers at each site are migrated with at least 80% of the critical datapoints completed. <ul style="list-style-type: none"> • 100% payout (5%) achieved if a minimum of 80% of products at six target manufacturing sites are successfully migrated with at least 80% of the critical datapoints completed. • 50% payout (2.5%) achieved if a minimum of 50% of products from at least four out of six target manufacturing sites are successfully migrated with at least 80% of the critical datapoints completed, with no payout below this. 		>50% of products at all 6 target manufacturing sites were successfully migrated, however with <50% of the critical datapoints completed at each site resulting in a pay-out of 0% under this metric.	
ESG metric – Product Carbon Footprint (PCF) data (5%)	80% of products with Product Carbon Footprint data currently available to customers are updated with the required additional information to comply with the published Together for Sustainability standard on PCF data and reissued to customers by 31 December 2025. <ul style="list-style-type: none"> • 100% payout (5%) achieved if 80% of products are updated with the required additional information and issued to customers by 31 December 2025. • 50% payout (2.5%) achieved if 50% of products are updated with the required additional information, and issued to customers by 31 December 2025, with no payout below this 		89% of products were updated with the required additional information and issued to customers by 31 December 2025 resulting in a pay-out of 100% under this metric.	
Adjusted Profit Before Tax (PBT) growth Underpin	For 2025 the senior annual Bonus Plan was subject to an adjusted profit before tax growth underpin such that no bonus could accrue if the profit before tax (in constant currency) was not accretive year on year. Our 2025 adjusted profit before tax was £281.9m, which exceeded 2024 adjusted profit before tax of £260.0m and therefore the underpin was met.			
Final outcome for 2025				54.8%

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 87).

PSP awards vesting in March 2026 (audited)

The PSP awards granted in March 2023 reached the end of their three-year performance period on 31 December 2025.

Measure	Weighting	Threshold	Maximum	Actual performance	Out-turn (% of max element)
Relative TSR versus bespoke peer group¹	35%	Median (50 th percentile)	Upper quartile (75 th percentile)	Below median	0%
Adjusted annual average EPS growth over three years²	35%	5% p.a.	11% p.a.	(14.1)% p.a.	0%
NPP	15%	Subject to overall positive Group profit growth and a minimum average of 3% NPP growth per year (25% vesting), with payments being made on a sliding scale up to 7% growth per year (maximum vesting).		Decline in NPP sales and Group profit	0%
Sustainability Climate Positive metric	7.5%	Completion of net zero roadmaps to 2050 for technology platforms covering 90% of our Scope 1, 2 and upstream Scope 3 emissions. In addition: <ol style="list-style-type: none"> All actions arising from the sector 2030 decarbonisation roadmap work with completion dates aligned with the end of 2025 to be completed and; Croda to have submitted and received formal approval from SBTi for its corporate net zero target, so meeting the strict external criteria from SBTi, considered industry best practice. Achievement of the above and roadmaps completed covering 90% of Croda's GHG emissions would result in maximum vesting. Achievement of the above and roadmaps completed covering 75% of Croda's GHG emissions would result in a 50% vesting, with no vesting below this.		1. and 2. achieved and roadmaps completed covering 80% of Croda's GHG emissions.	50%
Sustainability People Positive metric	7.5%	A target aimed at improving employee engagement, with graduated vesting based on an increase in Croda's (i) Purpose and Sustainability Commitment (PSC) score for 2023 and 2024 ³ , and (ii) eNPS score for 2025. This measurement approach reflects the transition during the three-year performance period from PSC to the new YourVoice engagement platform ⁴ . The increase in employee engagement is underpinned by a continued high response rate by employees, set at 65% of global headcount ⁵ .		PSC score of 68% and 67% in 2023 and 2024 respectively. Increase in eNPS of 6.33 over 2025.	33%
Overall outturn before consideration of ROIC underpin and Discretion Framework					6.25%
Adjustment – ROIC underpin – see commentary on the following page					(10)%
Final out-turn					5.625%

- TSR peer group constituents: Akzo Nobel, Ashland, Avantor, BASF, Clariant, Elementis, Evonik, Givaudan, IFF, Johnson Matthey, Kerry, Lonza, Merck, Novozymes, Solvay, Symrise, Synthomer, Tate & Lyle, and Victrex. Catalent, Chr. Hansen and Koninklijke DSM has been excluded as they delisted during the performance period.
- EPS growth p.a. is calculated on a simple average basis over the three-year period.
- The PSC score used a five-point scoring methodology. Croda's PSC score for 2022 was 68% or 3.5 with an average participation rate of 77%. The original targets was set to increase this by 8ppts to achieve a Croda Employee Satisfaction (ESAT) score of 4.0 (Good) by the end of the performance period. This would result in maximum vesting of this element, with 25% vesting for an increase of 2ppts, 50% vesting for an increase of 4ppts and 75% vesting for an increase by 8ppts.
- The new YourVoice platform was introduced in 2025 replacing the PSC employee survey. To reflect this, the Remuneration Committee determined to adjust this 'People Positive' target such that the PSC score would be used to assess performance in the first two years of the performance period, and eNPS as measured by the YourVoice survey would be used to assess performance in the final year of the performance period. The original targets were pro-rated and adjusted on a like-for-like basis to take account of the change in methodology.
- The response rate also matters, and therefore, an underpin for vesting to occur was set at 65% of global headcount having responded to the relevant survey. Global headcount to be calculated based on the in-quarter figures at the point that a survey is first deployed and should aim to include any new acquisitions, with discretion given for initial integration period into organisation defined as 12 months.

The PSP awards granted in March 2023 were subject to a ROIC underpin such that vesting was subject to satisfactory ROIC performance over the three-year performance period, as determined by the Committee. In determining whether the underpin has been met, the Committee considered a range of factors including, but not limited to, the intended time horizons for returns on capital deployed, and the achievement of Croda's long-term ROIC objective. In circumstances where the Committee determines that the underpin has not been achieved, the underpin operates such that the Committee considers an appropriate reduction to the vesting of awards. In certain circumstances, the Committee retains the right not to apply discretion.

ROIC in 2025 was 8.2% which despite representing a year-on-year increase, remains below the Group's cost of capital. Average ROIC across the three-year performance period was at a similar level. The Committee determined that the underpin had not been achieved and considered the appropriate level of reduction to apply to the PSP vesting outcome. In relation to the ROIC underpin, the Committee took into account the following:

- Consideration of the various factors which had impacted ROIC performance over the period, including the market environment and volatile demand post the COVID-19 pandemic and the heightened investment made by the business over the last few years which has positioned Croda for growth but increased the invested capital base.
- The degree to which the overall PSP vesting outcome had already been impacted, in particular through the TSR and EPS metrics which align to shareholder value and profitability. Both the TSR and EPS outcomes were zero. These measures together comprised 70% of the award, and therefore overall vesting had already been significantly impacted by the downturn in performance in the final year of the performance period.

Taking into account these factors, it was considered that a downwards adjustment of 10% was appropriate, reducing the overall PSP vesting outcome from 6.25% to 5.625% of maximum.

As part of its deliberations the Committee also took into account the Discretion Framework where a range of factors are considered to ensure payout is consistent with and reflective of overall performance over the period. Our PSP performance framework includes consideration of both financial performance, as well as innovation and sustainability, which are key drivers to Croda's long term strategic success. Overall, the Committee is satisfied that incentive outcomes are reflective of overall performance.

The forecast vesting value of the awards made in March 2023 is included in the 2025 single figure table on page 87. Any shares vesting will be subject to a two-year holding period.

Pension (audited)

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 31.12.25 (p.a.)	Single remuneration pension figure 2025	Single remuneration pension figure 2024	Single remuneration pension figure 2025 excluding supplement
Steve Foots	14 September 2033	£156,052	£157,331	£153,494	–
Stephen Oxley	n/a	–	£87,000	–	–

* Neither Steve Foots nor Stephen Oxley were active members of the Croda Pension Scheme in 2025 or 2024.

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 2026 will be £84,924. Employees who earn in excess of the pension cap or who cannot be members of the plan due to tax limitations receive a pension supplement. For Executive Directors this supplement is up to 20% of salary in line with the wider UK workforce.

Steve Foots' historic pension provision

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

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

Stephen Oxley's pension provision

Stephen Oxley elected not to join the Croda Pension Scheme and therefore receives a pension supplement of 20% of salary. He is entitled to death-in-service benefits from an Excepted Life Policy.

Payments for cessation of office and payments to past Directors (audited)

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

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

Share interests (audited)

The interests of the Directors who held office at 31 December 2025 are set out in the table below:

	Legally owned ¹		SIP							% of salary held under shareholding guideline
	31.12.24	31.12.25	PSP (unvested)	DBSP (unvested)	Sharesave (unvested)	BOSP ² (unvested)	Restricted	Unrestricted	Total 31.12.25	
Executive Director										
Steve Foots	210,231	217,685	133,331	6,178	777	–	374	5,794	364,139	>250% target
Stephen Oxley ³	–	8,638	39,611	–	902	59,658	–	–	108,809	<200% target
Non-Executive Director										
Ian Bull	1,600	3,500	–	–	–	–	–	–	3,500	–
Roberto Cirillo	–	–	–	–	–	–	–	–	–	–
Jacqui Ferguson	76	624	–	–	–	–	–	–	624	–
Chris Good	–	1,000	–	–	–	–	–	–	1,000	–
Danuta Gray	2,050	4,445	–	–	–	–	–	–	4,445	–
Julie Kim ⁴	60	60	–	–	–	–	–	–	60	–
Keith Layden	60,339	60,339	–	–	–	–	–	–	60,339	–
Nawal Ouzren	–	–	–	–	–	–	–	–	–	–
John Ramsay ⁵	2,836	–	–	–	–	–	–	–	–	–

1. Including connecting persons.

2. BOSP relates to shares awarded under the Buyout Share Plan for Stephen Oxley made in the year to compensate him for incentives forfeited upon joining Croda. Further details are provided on page 93.

3. Stephen Oxley was appointed to the Board on 1 April 2025 and held nil shares on appointment.

4. Julie Kim retired from the Board on 26 July 2025.

5. John Ramsay retired from the Board on 1 March 2025.

Post-employment shareholding requirements also apply for Executive Directors. They will be required to retain 100% of their shareholding guideline (or the actual shareholding of relevant shares on leaving, if lower) for two years after leaving employment. This policy will apply only to awards that vest in 2020 and beyond. A structure is in place to ensure that post-employment shareholding requirements are adhered to, via a restricted share dealing third-party nominee account.

Gains made on exercise of share options and PSP (audited)

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	24 March 2025	2,029	PSP	0p	2896.75p	£58,775
Stephen Oxley	01 August 2025	2,763	BOSP	0p	2598p	£71,783
	30 September 2025	2,051	BOSP	0p	2650p	£54,352

PSP awards granted in 2025

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	65,348	250%	£1,966,612	25% (100%)	01.01.25 – 31.12.27
Stephen Oxley	39,611	200%	£1,159,984	25% (100%)	01.01.25 – 31.12.27

1. Face value/maximum value is calculated based on a share price of £30.09445 and £29.28438, being the average mid-market share price of the three dealing days prior to the date of the grants.

The 2025 PSP award for Steve Foots was made on 24 March 2025 at the same time as awards for other employees. The award for Stephen Oxley, was made on 2 April 2025 following his appointment on 1 April 2025.

The 2025 PSP awards are subject to a performance condition which is split 35% EPS, 35% TSR, 15% NPP and 15% sustainability metrics. Performance targets were disclosed in full last year, see page 81 of our Annual Report & Accounts 2024. Vesting will take place on a sliding scale. A ROIC underpin applies across the entire award, also detailed on page 81 of our Annual Report & Accounts 2024.

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

All-employee share plans (audited)

Executive Directors are invited to participate in the HM Revenue & Customs (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.

Share Incentive Plan

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 169.

Executive Director	SIP shares held 01.01.25	Partnership shares acquired in year	Matching shares awarded in year	Total shares 31.12.25	SIP shares that became unrestricted in the year	Total unrestricted SIP shares held at 31.12.25
Steve Foots	6,042	63	63	6,168	66	5,728

There have been no changes in the interests of any Director between 31 December 2025 and the date of this report, except for the purchase of 10 SIP shares and the award of 10 matching shares by Steve Foots during January and February 2026. Stephen Oxley is not yet eligible for the SIP.

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 01.01.25	Granted in year	Exercised in year	Cancelled in year	Number at 31.12.25
Steve Foots									
16 September 2021	01 November 2024	30 April 2025	£8,975	7327p	98	-	-	98	-
15 September 2022	01 November 2025	30 April 2026	£6,748	5509p	98	-	-	98	-
14 September 2023	01 November 2026	30 April 2027	£6,909	3977p	139	-	-	139	-
11 September 2024	01 November 2027	30 April 2028	£9,236	3131p	236	-	-	-	236
10 September 2025	01 November 2028	30 April 2029	£13,755	2034p	-	541	-	-	541
					571	541	-	335	777
Stephen Oxley									
10 September 2025	01 November 2028	30 April 2029	£22,933	2034p	-	902	-	-	902
					-	902	-	-	902

During 2025, the highest mid-market price of the Company's shares was 3388p and the lowest was 2459p. The year-end closing price was 2695p. The year-end mid-market price was 2722p.

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

Malus and clawback

Annual bonus and PSP awards are subject to malus and clawback provisions as set out in the Remuneration Policy. The time periods within which these provisions can be applied have been set considering the nature and risk profile of the business and are in line with UK market practice in this area. There has been no application of malus and clawback provisions in respect of the Executive Directors in the reporting period.

Chief Financial Officer Transition

As disclosed last year, Stephen Oxley joined Croda as Chief Financial Officer on 1 April 2025. Following his appointment, Stephen was granted buy-out awards to compensate him for incentives that he forfeited upon joining Croda. In line with the Remuneration Policy, the awards were made on a 'like-for-like' basis, aligning to the form, timing and performance conditions of the remuneration being forfeited.

The following non-pensionable share awards were granted on 2 April 2025:

Award ¹	Forfeited remuneration	Number of shares ²	Vesting date	End of holding period	Performance condition
Buy-Out Award 1	2022-25 PSP	20,728	1 August 2025	1 August 2027	Performance conditions applicable to forfeited award.
Buy-Out Award 2	2023-26 PSP	25,224	1 August 2026	1 August 2028	Performance conditions applicable to forfeited award.
Buy-Out Award 3	2024-27 PSP	23,790	1 August 2027	1 August 2029	Performance conditions applicable to Croda's 2024 PSP as disclosed on page 81 of our Annual Report & Accounts 2024.

- Share awards were granted under the rules of the Buy-Out Share Plan 2025 which were introduced specifically to provide for the grant of awards to be made in accordance with UK Listing Rule 9.3.2 to the extent that such awards could not be made under the 2014 PSP rules. The rules of the Buy-Out Share Plan 2025 effectively mirror in all material respects the 2014 PSP rules (which were last approved by shareholders on 24 April 2024), save that they preclude the ability to use new issue or treasury shares to satisfy awards.
- The number of shares were calculated using the average of the Company's share price over the six-month period immediately preceding the grant date.

The performance period in respect of Buy-Out Award 1 ended on 1 August 2025. The vesting out-turn was 13.33% of maximum, equivalent to 2,763 shares.

Stephen also received a buy-out in respect of his forfeited Johnson Matthey bonus for the financial year ended 31 March 2025. There was no overlap between the period of this bonus and Stephen's participation in Croda's 2025 bonus, which has been prorated with effect from his start date of 1 April 2025. The value of this buy-out was based on the extent to which the Johnson Matthey performance conditions applicable to the 2024/25 bonus for executive directors were satisfied. The buy-out was paid 50% in cash with 50% deferred into Croda shares for three years. Stephen received a cash amount of £323,876 and on 25 July 2025, was granted 10,644 Croda

shares. The number of shares was calculated using the average of the Company's share price over the six-month period immediately preceding the grant date.

Buy-out Awards 1, 2 and 3 and the bonus buy-out are subject to forfeiture provisions such that if Stephen gives notice or has his employment terminated for a conduct related reason all unvested awards will lapse. If this occurs prior to 1 April 2026, he must repay 100% of the net of tax value of any awards that have vested and if it occurs after 1 April 2026 but prior to 1 April 2027, he must repay 50% of the net of tax value of any awards that have vested.

On joining Croda Stephen also forfeited a portion of a legacy KPMG long-term deferred cash award relating to a capital allocation in respect of his tenure as a KPMG LLP partner. This allocation was forfeitable due to Stephen being appointed to a role at a company which is audited by KPMG LLP. The value of the buy-out was £55,000 per annum, vesting on each of 30 September 2025, 2026 and 2027, equivalent to the amount and payment dates of the payments forgone. Each tranche will be converted into Croda shares at vesting. The number of shares is calculated using the average of the Company's share price over the three dealing days immediately preceding the vesting date. Accordingly, 2,051 shares were granted on 1 October 2025 in respect of the first tranche. The Company will also cover any associated tax liability arising in connection with this arrangement on the basis the capital allocation at KPMG was net of tax. The amount attributable to this in 2025 is £48,198.

Non-Executive Directors' remuneration (audited)

Board Chair and other Non-Executive Directors' fees 2025 and 2026 (unaudited information)

The fees paid to the Non-Executive Directors (including chairing of Committees) and to the Senior Independent Director were reviewed in December 2025 and increased by 2.5%, in line with the Executive Directors and the general increase for our UK employees. These changes took effect from 1 January 2026. The revised fee structure for the Board Chair and other Non-Executive Directors for 2026 is detailed below.

Position	2025 fee £	2026 fee £
Board Chair (all-inclusive fee)	435,625	446,516
Non-Executive Director base fee	73,637	75,478
Additional fees		
Senior Independent Director	12,234	12,540
Committee Chairs (Audit, Remuneration and Sustainability Oversight)	17,816	18,261

Non-Executive Directors' remuneration

The remuneration of Non-Executive Directors for the year ended 31 December 2025 payable by Group companies is detailed below; this table reflects actual payments in 2025.

		Director fees Non-Executive £	Benefits ¹ £	Total £
Danuta Gray	2025	435,625	13,964	449,589
	2024	308,085	12,065	320,150
Jacqui Ferguson	2025	103,688	5,069	108,757
	2024	101,159	1,368	102,527
Roberto Cirillo	2025	73,638	4,878	78,516
	2024	71,842	–	71,842
Keith Layden	2025	73,638	807	74,445
	2024	71,842	1,368	73,210
John Ramsay ²	2025	12,273	913	13,186
	2024	87,774	327	88,101
Julie Kim ³	2025	42,200	15,137	57,337
	2024	71,842	–	71,842
Nawal Ouzren	2025	73,656	5,080	78,736
	2024	71,842	1,380	73,222
Chris Good	2025	91,454	9,055	100,509
	2024	89,223	694	89,917
Ian Bull	2025	91,454	4,366	95,820
	2024	38,474	1,490	39,964

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. John Ramsay retired from the Board on 1 March 2025.

3. Julie Kim retired from the Board on 26 July 2025.

Non-Executive Directors' appointment

The effective dates of the letters of appointment for the Board Chair and each Non-Executive Director who served during 2025 are shown in the table below:

Non-Executive Director	Original appointment date	Expiry date of current term
Danuta Gray	01 February 2024	01 February 2027
Roberto Cirillo	26 April 2018	26 April 2026
Jacqui Ferguson	01 September 2018	01 September 2026
Julie Kim ¹	01 September 2021	26 July 2025
Keith Layden	01 May 2017	01 May 2026
Nawal Ouzren	01 February 2022	01 February 2028
John Ramsay ²	01 January 2020	01 March 2025
Chris Good	27 April 2023	27 April 2026
Ian Bull	25 June 2024	25 June 2027

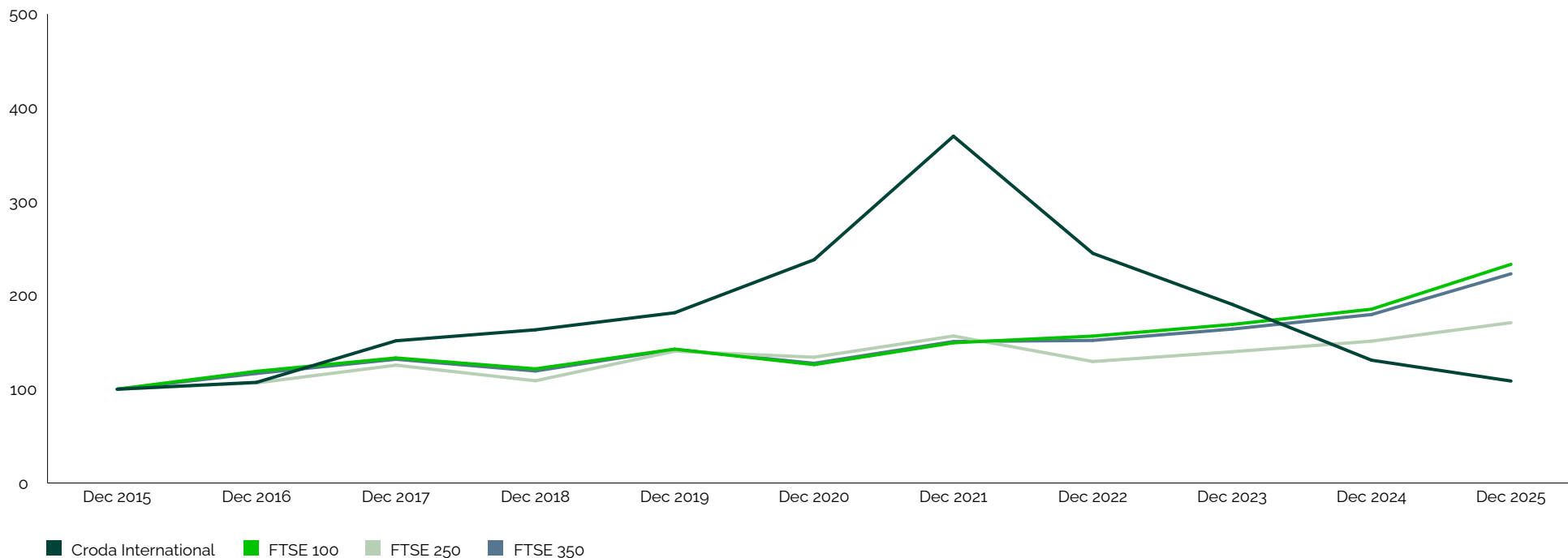
1. Julie Kim retired from the Board on 26 July 2025.

2. John Ramsay retired from the Board on 1 March 2025.

Other disclosures (unaudited information)

Performance graph (unaudited information)

10-year Total Shareholder Return chart



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

The total remuneration figure includes the annual bonus and long-term incentive awards which vested based on performance in those years.

The annual bonus and long-term incentive award percentages show the payout for each year as a percentage of the maximum.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total remuneration (£)	2,404,441	3,570,251	3,311,700	1,693,242	1,543,377	3,719,864	4,155,280	1,378,156	£1,009,990	£1,775,868
Annual bonus (%)	100%	78.4%	36.2%	0%	0%	100%	100%	0%	0%*	54.8%
Long-term incentives vesting (%)	43%	100%	100%	56.2%	40%	97.4%	100%	37.1%	9.375%	5.625%

* The Annual bonus out-turn for 2024 was 43.75%. However, Steve Foots requested to forgo his annual bonus.

The 2024 total remuneration figure has been updated to reflect the value of the 2024 PSP award at vesting.

Service contracts and outside interests

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
Stephen Oxley	01 April 2025	by the Company 12 months, by the Director 12 months

External directorships

Executive Directors are permitted to accept external appointments with the prior approval of the Board. It is normal practice for Executive Directors to retain fees provided for non-executive roles.

Remuneration Committee membership and advisers

The following Directors served as members of the Committee during 2025:

- Jacqui Ferguson (Chair)
- Roberto Cirillo
- John Ramsay (until he stepped down from the Board on 1 March 2025)
- Julie Kim (until she stepped down from the Board on 26 July 2025)
- Nawal Ouzren
- Chris Good
- Ian Bull

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 2025, invitees included other Directors and employees of the Group and the Committee's advisers, including Danuta Gray (Chair), Steve Foots (Group Chief Executive), Stephen Oxley (Chief Financial Officer), Keith Layden (Non-Executive Director), Michelle Lydon (President – Human Resources), Tom Brophy (Group General Counsel, Company Secretary and President Sustainability), Chris Laughlin (Group Reward Director) and Laura Dobson (Deputy Company Secretary).

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

See page 61 for details of attendance at meetings during the year.

Remuneration Committee advisers

Deloitte LLP was retained as the appointed adviser to the Committee for the whole of 2025 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 provides advice to the Group in relation to global employer services, global business tax services, indirect tax, technology 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 £158,075 (excluding VAT). The Committee regularly reviews the external adviser's relationship and is comfortable that the advice it is receiving remains objective and independent.

Relative importance of the spend on pay

The chart below shows the movement in spend on employee 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 148. 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.

Statement of voting

	Remuneration Policy 2023 AGM		Annual Report on Remuneration 2025 AGM	
	number of votes	% of votes	number of votes	% of votes
Votes cast in favour	108,740,593	94.16%	105,200,917	97.90%
Votes cast against	6,741,782	5.84%	2,252,352	2.10%
Total votes cast	115,482,375	100%	107,453,269	100%
Withheld	42,225		539,468	

Workforce remuneration at Croda

Highlights of our approach

'One Croda' culture

Alignment to our 'One Croda' culture is clearly established in our Remuneration Policy. Our senior annual Bonus Plan has the same metrics for all participants

Sharing of success with employees

Under the Free Share Plan, all eligible employees are gifted an award of Croda shares when the senior annual Bonus Plan pays out

Continued high participation in all employee share plans

In 2025, 79% of our UK employees and 54% of our non-UK employees participated in one of our all-employee share plans

Living Wage employer

Croda pays a 'Living Wage' globally. In 2025 we received certification from the Fair Wage Network recognising our work in this area

Holistic financial, health and wellbeing benefit offering

CARE pension and enhanced healthcare – applies across entire UK workforce and are generous and inclusive benefits

Recognition programmes

Regionally tailored to recognise employees going above and beyond for Croda

Workforce engagement

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

Employee listening and insights	<p>In March 2025, we launched YourVoice, our continuous employee listening and insight tool. It strengthens engagement by capturing authentic, ongoing feedback and provides a safe, consistent way for our people to share their experiences. The platform gives leaders clear, actionable insights into what matters most to their teams.</p> <p>Moving from periodic surveys to continuous listening enables us to spot trends earlier, address issues proactively, and make more informed decisions that support a positive, inclusive workplace culture.</p>
Dedicated email to Chair of Committee	A dedicated email address is in operation for employees to send comments or questions to the Chair of the Remuneration Committee.
Overview of pay and policy decisions	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.
Board-employee interaction	The Board engage with our people during site visits, participating in listening groups, town halls and other events to foster open dialogue and strengthen connections.

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

When making decisions about executive remuneration the Committee considers the pay and reward structures across the business. Annually, the President Human Resources provides the Committee with a review of workforce remuneration, and the Committee is updated periodically on any feedback received on remuneration practices across the Group. One of the principles of Croda's culture is to drive 'One Croda', therefore, many of the remuneration structures that apply to Executives also apply further in the global organisation, as set out in the table below. The key difference between the policy for Executive Directors compared to other employees is that remuneration for Executive Directors is more heavily weighted towards variable pay and share ownership.

Base salary	All employees	Pay is set in line with the market and closely monitored. Any comparator group used as a reference point is country and/or industry specific. We pay a 'Living Wage' globally.
Annual bonus	Executive Directors, Executive Committee, senior leaders and senior managers (c.520 employees globally)	Consistent senior annual Bonus Plan based on profit and strategic priorities. Operates across the most senior global grades on a tiered basis from 175% of salary to 22% of salary. Deferral applies for Executive Directors and members of the Executive Committee.
	All other employees	Local schemes apply in many locations.
Free Share Plan	All employees who do not participate in the senior annual Bonus Plan (c.5,400 employees globally)	An award of free shares or the cash equivalent if the senior annual Bonus Plan pays out.
Performance Share Plan	Executive Directors, Executive Committee and senior leaders (c.55 employees globally)	Consistent PSP based on EPS, TSR, ROIC, NPP and sustainability metrics. Operates across the most senior global grades on a tiered basis from 250% of salary to 30% of salary.
Restricted Share Plan (RSP)	Selected employees generally not eligible for PSP	Discretionary awards can be granted annually to selected employees to reward exemplary performance.
All-employee share plans¹	All employees	Employees can participate in our global Sharesave Scheme, subject to qualifying service, allowing everyone to save monthly and purchase discounted shares.
Pension (UK only)²	All employees	Defined benefit plan based on career average salary plus 20% cash supplement paid for salaries above the cap or to employees who are tax limited and have opted out of the pension scheme.
Healthcare (UK only)³	All employees	All UK-based employees benefit from membership of Bupa private healthcare provided free of charge for employees and subsidised for family members. In addition, employees are provided with triennial health assessments also with Bupa.

1. Sharesave or similar schemes are provided where local social security laws allow.
2. Other pension arrangements, aligned to local practice and legislation, are available in many of our locations.
3. A range of healthcare benefits are also available in many of our locations globally.

Sharing success across the business

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

Free Share Plan

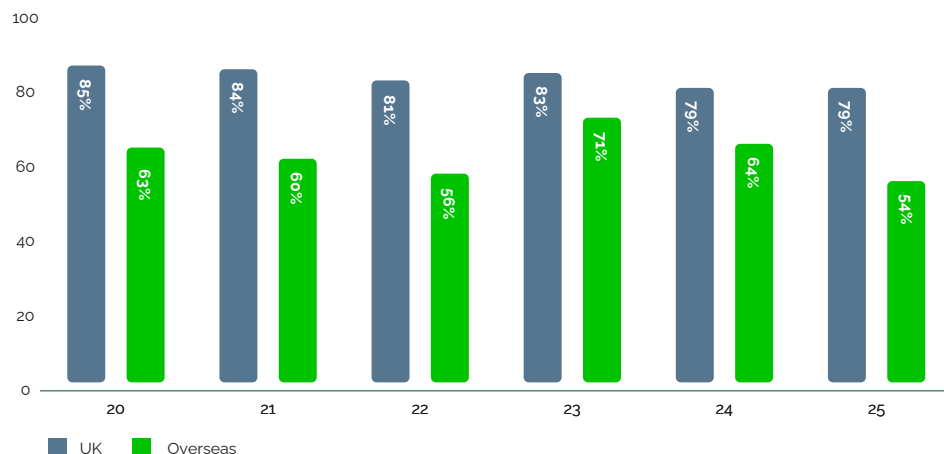
In 2021 we launched the 'Free Share Plan'. Under this plan, all employees globally who are not eligible for the senior annual Bonus Plan are gifted Croda shares (or the cash equivalent) if the senior annual Bonus Plan pays out. Unlike other elements of remuneration this award is not set as a multiple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

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

As the senior annual Bonus Plan paid out for 2025, an award was made under the Free Share Plan.

All-employee share plans

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



Living Wage

Croda gained accreditation in the UK as a Living Wage Employer from the Living Wage Foundation in 2018. Since 2021, Croda has paid a Living Wage globally as per our partner Fair Wage Network's (FWN) independent and economically rigorous methodology. In March 2025 we gained certification from the FWN guaranteeing that all employees of the company are paid at or above the Living Wage threshold as defined by the FWN.

More than just pay

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

- We are proud of the training and development that we provide for employees. In 2025, our employees undertook over 125,000 hours of training with the average number of hours an employee completed being 17 hours.
- In 2025 we ran our inclusion-based global leadership programme, Phoenix Rising.
- We provide a minimum level of parental leave for the primary carer and full pay for 16 weeks leave.
- We offer Employee Assistance Programmes in many of our countries.

See page 9 for further information on our culture including details on how we approach the recruitment, development and training of our workforce.

Other disclosures

UK gender pay gap

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

	2021	2022	2023	2024	2025
Mean pay gap	17.7%	7.2%	7.9%	4.1%	2.6%
Median pay gap	21.1%	15.7%	12.1%	8.5%	10.8%
Mean bonus gap	62.6%	23.3%	3.2%	3.4%	(16.8)%
Median bonus gap*	0%	29.9%	17.3%	0%	26.3%

* The senior annual Bonus Plan and Croda Europe Discretionary Bonus Scheme did not pay out for 2020 (payable in 2021) or 2023 (payable in 2024). 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 under representation of women at senior levels and particularly in production roles which represent the bulk of the workforce between the 25th and 75th percentile.

As at 31 December 2025, the gender balance of the Executive Committee and their direct reports stood at 36% female, with the percentage of women across leadership positions now at 42% (2024: 41%).

Other actions taken to address the gender pay gap include:

- Promoting balanced shortlists for all appointments.
- Further improving our talent and succession planning processes to help identify and nurture talent early in their career.
- Developing career paths to help our people identify opportunities for growth across the organisation.
- Ensuring that our global talent development programmes continue to have a gender-balanced mix of participants.
- Supporting female leaders in their development, offering attendance on programmes such as Solaris, a women's executive leadership development programme for women specifically of Black heritage.
- Finding ways to reduce shift work (especially night work) and to examine the feasibility of part-time and job share arrangements in our production facilities.
- Continuing to invest in our Science, Technology, Engineering and Mathematics (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 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 2025 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.

	FY 2025	FY 2024	FY 2023*	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018**
Methodology	A	A	A	A	A	A	A	C
25 th percentile	44:1	27:1	37:1	121:1	103:1	48:1	57:1	85:1
50 th percentile	33:1	20:1	28:1	90:1	81:1	37:1	44:1	67:1
75 th percentile	26:1	16:1	23:1	73:1	67:1	31:1	37:1	57:1

* The ratio for 2024 has been restated. This is to reflect the updated CEO 'single figure' total remuneration for 2024, which was due to the PSP award being updated to reflect the actual share price at vesting. Where relevant, PSP calculations for the workforce have also been updated on the same basis. Bonus amounts for the workforce have also been updated to reflect the actual amounts paid in March 2025.

** 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.

- Calculations for the workforce exclude severance pay, notice pay, SIP repayments, fractional share payments, SAR payments and relocation expenses
- The calculations for the workforce exclude the value of the defined benefit pension plan due to the difficulty of calculating these figures for our complex historical pension arrangements
- Calculations of annual bonus for the workforce reflect an estimate at the time of the calculation of the ratio. The actual amounts paid to these employees will be finalised in March 2026 and the ratio will be updated in next year's report to reflect the actual amounts paid
- Calculations for the workforce include amounts granted under the Restricted Share Plan and Free Share Plan. Unlike the PSP these figures will not be restated at vesting
- Excludes Non-Executive Directors, contractors and employees who left during the relevant year
- New starters, part-time employees and employees on long-term sick and maternity are included; their salary has been amended to reflect a full-time and full-year salary.

Employee total remuneration

	Actual base salary 2025	Total remuneration 2025
75 th percentile	£62,004	£67,166
50 th percentile	£50,849	£53,586
25 th percentile	£35,385	£40,403

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 2025 figures, the increase in the ratio stems from Steve Fooks having waived his 2024 senior annual bonus alongside the senior annual bonus paying out at 54.8% in 2025.

Percentage change in remuneration levels (unaudited information)

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

	% change in salary/fees					% change in benefits ¹					% change in bonus ^{2,3}				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Average employee of the Group's Parent Company ⁴	4.65%	5.15%	1.55%	6.46%	(5.12)%	5.39%	(4.94)%	(11.28)%	27.95%	(25.04)%	45.71%	-	(100.00)%	5.46%	-
Average UK employee ⁴	4.84%	2.82%	8.34%	5.54%	0.68%	24.30%	(2.41)%	29.32%	46.21%	(8.63)%	18.93%	-	(99.78)%	17.32%	-
Executive Directors															
Steve Foots	2.50%	3.00%	4.00%	5.00%	1.00%	1.27%	2.56%	15.92%	(10.17)%	(25.87)%	-	-	(100.00)%	5.00%	-
Stephen Oxley ⁵	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors															
Keith Layden	2.50%	3.00%	4.00%	5.00%	1.00%	(41.01)%	313.07%	(92.32)%	-	-	-	-	-	-	-
Roberto Cirillo	2.50%	3.00%	4.00%	5.00%	1.00%	-	(100.00)%	(58.08)%	-	-	-	-	-	-	-
Jacqui Ferguson ⁶	2.50%	7.07%	30.37%	13.47%	1.00%	270.54%	(46.86)%	(16.69)%	-	-	-	-	-	-	-
John Ramsay ⁷	(86.02)%	1.33%	4.00%	5.00%	7.50%	179.20%	(39.62)%	(91.74)%	-	-	-	-	-	-	-
Julie Kim ⁸	(41.26)%	3.00%	13.45%	-	-	-	(100.00)%	(75.03)%	-	-	-	-	-	-	-
Nawal Ouzren ⁹	2.53%	3.00%	13.45%	-	-	268.12%	168.70%	(75.78)%	-	-	-	-	-	-	-
Chris Good ¹⁰	2.50%	89.69%	-	-	-	1204.76%	(47.58)%	-	-	-	-	-	-	-	-
Danuta Gray ¹¹	41.4%	-	-	-	-	15.74%	-	-	-	-	-	-	-	-	-
Ian Bull ¹²	137.70%	-	-	-	-	193.02%	-	-	-	-	-	-	-	-	-

- The benefits for Non-Executive Directors relate to the undertaking of business travel on behalf of Croda and ensuring the Directors are not out of pocket for related tax. No taxable business travel expenses were claimed by Non-Executive Directors in 2020 due to the Covid-19 pandemic and therefore there are no comparable figures to give a % change in 2021. In 2022, Non-Executive Directors' travel returned to pre-pandemic levels, however, reflective of the low levels of travel in the prior year, the % change figures are not meaningful. These are 471% for Roberto Cirillo, 1,726% for Jacqui Ferguson, 4,744% for Keith Layden, 727% for John Ramsay and (73)% for Julie Kim. For a full breakdown of the benefits for Non-Executive Directors see page 94.
- Bonus including annual bonus, Deferred Bonus Share Plan (DBSP) and sales bonus.
- The senior annual Bonus Plan and Croda Europe Discretionary Bonus Scheme did not pay out for 2020 or 2023 and therefore there is no comparable figure to give a % change in 2021 or 2024 for Executive Directors or the average employee of the Group's Parent Company. For the average UK employee, the % change in 2023 relates to only a small number of employees who received a sales bonus. As the senior annual Bonus Plan and Croda Europe Discretionary Bonus Scheme paid out for 2021 and 2024, the bonus received by the average UK employee for 2021 and 2024 is significantly higher than the prior year and as such the % change is not meaningful. As Steve Foots opted to forego his bonus for 2024 there are no comparable figures to give a % change in 2025.
- Excluding Executive Directors and Non-Executive Directors.
- Stephen Oxley was appointed on 1 April 2025 and therefore has no comparable remuneration figures for 2024.
- Jacqui Ferguson was appointed as the Chair of the Remuneration Committee on 1 September 2022 and as Senior Independent Director on 26 April 2023. Her fees were pro-rated accordingly.
- John Ramsay retired from the Board on 1 March 2025.
- Julie Kim was appointed to the Board on 1 September 2021 and voluntarily decided to waive her fees for 2021 and January 2022. She therefore has no comparable remuneration figures for 2021. Julie Kim retired from the Board on 26 July 2025.
- Nawal Ouzren was appointed to the Board on 1 February 2022 and therefore has no comparable remuneration figures for 2021.
- Chris Good was appointed to the Board on 27 April 2023 and therefore has no comparable remuneration figures for 2022.
- Danuta Gray was appointed to the Board on 1 February 2024 and appointed as Chair on 24 April 2024 and therefore has no comparable remuneration figures for 2023.
- Ian Bull was appointed to the Board on 25 June 2024 and therefore has no comparable remuneration figures for 2023. Ian Bull was appointed as the Chair of the Audit Committee on 1 December 2024 and his fees were pro-rated accordingly.

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



Jacqui Ferguson

Chair of the Remuneration Committee

E. Remuneration Policy for shareholder approval

This section sets out our Remuneration Policy for 2026 to 2029 which will be subject to shareholder approval at the 2026 Annual General Meeting (AGM) on 22 April 2026 and if approved will take effect from the date of the AGM. Minor changes have been made to the Policy to facilitate its operation.

The Policy was developed over the course of 2025 and early 2026. The Committee undertook a thorough review of arrangements with a particular focus on alignment to Croda's forward strategy and aspirations. Input was received from the Chair and management while ensuring that conflicts of interest were suitably mitigated. The Committee also considered carefully corporate governance developments. Input was provided by the Committee's appointed independent advisers throughout the process. Overall no material changes are proposed to the structure of the Policy, with the Committee's discussion instead focusing on the performance framework, as detailed on pages 79 and 80.

Extensive shareholder consultation was undertaken during the second half of the year in good time for shareholder input to feed into the finalisation of proposals in early 2026.

Remuneration Policy table

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

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
Basic salary – to assist in the recruitment and retention of high-calibre Executives		
<p>Normally reviewed annually with increases effective from 1 January. Base salaries will be set by the Committee, considering:</p> <ul style="list-style-type: none"> • The performance and experience of the individual concerned • Any change in scope, role and/or responsibilities • Pay and employment conditions elsewhere in the Group • Rates of inflation and market-wide wage increases across international locations • The geographical location of the Executive Director • Rates of pay in relevant sector and pan-sector companies of a comparable size and complexity. 	<ul style="list-style-type: none"> • The Committee will normally 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 or as a result of changes to market practice. • The Committee retains the flexibility to set the salary of a new hire at a discount to the market level initially, and to implement a series of planned increases in subsequent years, in order to bring the salary to the desired positioning, subject to individual performance. 	<ul style="list-style-type: none"> • The Committee considers individual salaries taking due account of the relevant factors set out in this policy, which includes individual performance.

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
Benefits – to provide competitive benefits to act as a retention mechanism and reward service		
<p>The Group typically provides the following benefits:</p> <ul style="list-style-type: none"> • Company car (or cash allowance) • Private fuel allowance • Private health insurance, life assurance and other insured benefits • Other ancillary benefits (including tax thereon), including travel reimbursement, relocation expenses/arrangements 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>	<p>The cost of benefits is not pre-determined and may vary from year to year based on the cost to the Group.</p>	<p>None.</p>
Performance-related senior annual Bonus Plan – to incentivise and reward delivery of the Group's key annual objectives and to contribute to longer-term alignment with shareholders		
<p>The senior annual Bonus Plan provides for payment of an annual bonus to Executive Directors and other senior employees of the Group, subject to certain performance conditions.</p> <p>Normally one third of any bonus payable is compulsorily deferred into shares for three years through the DBSP.</p> <p>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: 175% of salary.</p> <p>Other Executive Director: 150% of salary.</p> <p>In exceptional circumstances, and only in connection with recruitment, annual awards may be made up to 200% of salary per annum. This maximum does not apply to the incumbent Executive Directors at the time the Policy is approved.</p>	<ul style="list-style-type: none"> • The majority of the bonus will typically be based on challenging financial targets. • For a minority of the bonus, targets related to other Group measures, such as strategy or sustainability, may be included where this is considered appropriate by the Committee. • For a profit measure, bonus normally starts to accrue once the threshold target is met, from 0% payable rising on a graduated scale to 100% for outperformance. Were an additional financial metric to be introduced, the amount payable for threshold performance would not exceed 25% of maximum. • In relation to any sustainability or strategic measure, the structure of the target will vary based on the nature of the target set. • The Committee applies a Discretion Framework, which includes health, safety and environmental performance, when determining the actual overall level of individual bonus payments and it may adjust the bonus awards (including potentially reducing to zero) if it considers it appropriate to do so. • Bonuses paid are subject to provisions that enable the Committee to recover value overpaid through the withholding of variable pay previously earned or granted (malus) or through requesting a payment from an individual (clawback) in the event of a misstatement of results, an error in assessing the performance conditions, serious misconduct, serious reputational damage or material corporate failure. The provisions will operate for a three-year period following the date on which the bonus is paid.

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
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		
<p>The PSP provides for awards of free shares (that is, 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.</p> <p>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: 250% of salary • Other Executive Director: 200% of salary. <p>In exceptional circumstances (for example, recruitment), awards may be granted up to 300% of salary.</p>	<ul style="list-style-type: none"> • Granted subject to a blend of challenging financial (for example, EPS), shareholder return (for example, relative TSR) and strategic (for example, sustainability) targets. • Targets will normally be tested over three years. • In relation to financial targets (for example, 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 the target set (for example, for milestone strategic targets it may not always be practicable to set such targets using a graduated scale and so vesting may take place in full for strategic targets if the criteria are met in full). • Vesting is also dependent on application of the Discretion Framework, including satisfactory underlying financial performance of the Group over the performance period, and the Committee may adjust outcomes (including potentially reducing to zero) if it considers it appropriate to do so. • There are also provisions that enable the Committee to recover value overpaid through the withholding of variable pay previously earned or granted (malus) or through requesting a payment from an individual (clawback) in the event of a misstatement of results, an error in assessing the performance conditions, serious misconduct, serious reputational damage or material corporate failure. The provisions will operate for a three-year period following the date on which the PSP awards vest.
All-employee share plans – to encourage retention and long-term shareholding in the Company and to provide all employees with the opportunity to become shareholders in the Company on similar terms		
<p>Periodic invitations are made to participate in the Group's Sharesave Scheme and Share Incentive Plan.</p> <p>Shares acquired through these arrangements have significant tax benefits in the UK, subject to satisfying certain HMRC requirements.</p> <p>The plans can only operate on an all-employee basis.</p> <p>The plans operate on similar terms but on a non-tax favoured basis outside the UK as appropriate.</p> <p>In the event that Croda were to introduce an all-employee plan similar in nature to the current Sharesave and Share Incentive Plan, or where an Executive Director is located overseas, the Committee retains the discretion to allow Executive Directors to participate in all-employee share plans on the same basis as other employees.</p>	<ul style="list-style-type: none"> • In relation to HMRC plans (or equivalent) the maximum participation level is as per HMRC limits. • For any other all-employee plan the maximum opportunity available to Executive Directors will be equivalent to the maximum applying to all employees. 	<ul style="list-style-type: none"> • There are no post-grant targets currently applicable to the Group's Sharesave and Share Incentive Plan.

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
Pension – to provide competitive long-term retirement benefits and to act as a retention mechanism and reward service		
<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; and/or (ii) a cash supplement provided in lieu of pension.</p> <p>In the event an Executive Director is located overseas, the Committee retains the discretion to offer pension benefits in line with local practice. Only basic salary is pensionable.</p>	<p>In line with current pension benefits provided to all UK employees. Currently, CARE scheme 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.</p> <p>Pension benefits for an overseas Executive Director would be aligned with workforce rates.</p>	<p>None.</p>
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>		

Remuneration Committee discretion

The Committee will operate the senior annual Bonus Plan, DBSP, PSP and all-employee plans according to their respective rules and in accordance with the Listing Rules and HMRC rules where relevant. The Committee retains discretion, consistent with market practice, in a number of regards to the operation and administration of these plans. These include the following:

- Who participates in the plans
- The timing of grant of award and/or payment
- The size of an award and/or payment
- The determination of vesting
- Dealing with a change of control (for example, the timing and basis of testing performance targets), restructuring, or other corporate event
- Determination of a good/bad leaver for incentive plan purposes based on the rules of each plan and the appropriate treatment chosen
- Adjustments required in certain circumstances (for example, rights issues, corporate restructuring and special dividends)
- The annual review of performance conditions for the senior annual Bonus Plan and PSP
- For DBSP, the extension of the length of the deferral period.

All discretions available under share plan rules will be available under this Policy, except where explicitly limited under this Policy.

The Committee retains the ability to adjust the targets and/or set different measures and alter weightings for the senior annual Bonus Plan and for the PSP if events occur (for example, material divestment of a Group business or changes to accounting standards) which cause it to determine that an adjustment or amendment is appropriate.

The Committee may make minor amendments to the Remuneration Policy to aid its operation or implementation without seeking shareholder approvals (for example, for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation).

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before the 2014 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before this Policy came into effect, provided that the terms of the payment were consistent with the shareholder approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Choice of performance measures and approach to target setting

Under the senior annual Bonus Plan, an underlying profit-based objective will be used as the primary performance metric. Such a measure will be used as it aligns to growth in underlying profitability of the Group. Other strategic metrics, including sustainability, may be used where it is considered that they provide clear alignment with the evolving strategy of the Group.

In terms of long-term performance targets, PSP awards vest subject to:

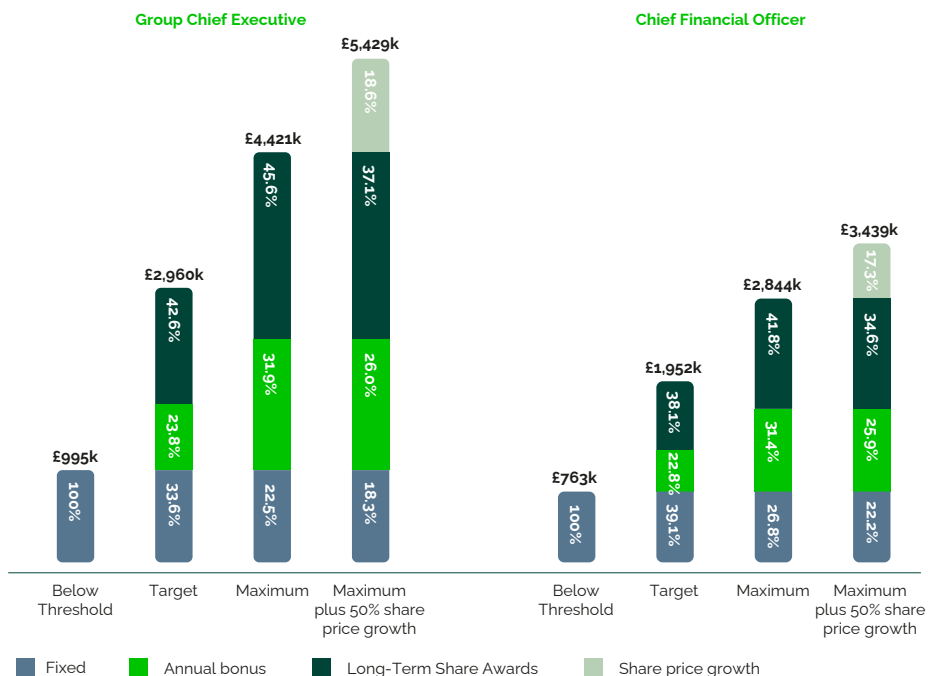
- financial targets (for example, EPS or ROIC) that are informed by the Group's long-term financial ambitions;
- shareholder return targets (for example, relative TSR) which provide clear alignment of interests between shareholders and Executives; and
- strategic targets (for example, New and Protected Products (NPP) and sustainability targets) that align to our long-term strategic ambitions (for example, commitment to being sustainability leaders, and to grow through innovation).

The Committee retains the discretion to adjust both the measures and weightings (including to 0%) for each PSP award, subject to the broad framework in the Policy table above.

Financial and shareholder return targets (for example, profit growth for the senior annual Bonus Plan and EPS growth, relative TSR and ROIC for the PSP) are set based on sliding scales that take account of internal planning and external market expectations for the Group. In relation to strategic targets or underpin targets, the structure of the target will vary based on the nature of the target set. Targets and underpins may be set which provide for Committee judgement in assessing the extent to which they have been met.

In addition, prior to the determination of final outcomes, the Committee will apply its Discretion Framework to enhance the rigour and consistency of any payments and to ensure they truly align to overall Group performance and the wider stakeholder experience. While the Committee anticipates that any such discretion would normally result in a reduction, the Committee reserves the right to make an upwards adjustment if considered appropriate.

Remuneration scenarios for Executive Directors



Assumptions:

- Below threshold = fixed pay only (base salary, benefits and pension)
- On-target = 50% payable of the 2026 annual bonus and 62.5% vesting of the 2026 PSP awards
- Maximum = 100% payable of the 2026 annual bonus, 100% vesting of the 2026 PSP awards
- Maximum plus 50% share price growth = as per maximum but including 50% share price growth of the PSP award.

Salary levels (on which elements of the package are calculated) are based on those applying on 1 January 2026. The value of taxable benefits is based on an estimate of the cost of supplying those benefits for the year ended 31 December 2025, as Stephen Oxley was appointed from 1 April 2025 this figure has been amended to reflect a full-year. Pension is 20% of salary. The Executive Directors can participate in the all-employee share plans on the same basis as other employees. The value that may be received from participating in these schemes has been excluded from the graph above.

Recruitment and Promotion Policy

For Executive Director recruitment and/or promotion situations, the Committee will follow the guidelines below:

Remuneration element	Policy
Base salary	Base salary levels will be set in accordance with the Group's Remuneration Policy, taking into account the experience and calibre of the individual. 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 increases in subsequent years, in order to bring the salary to the desired positioning, subject to the individual's performance. Above market salaries may also be offered if the experience and calibre of the candidate is considered to justify such an approach being taken by the Committee.
Benefits	Benefits in accordance with the Remuneration Policy table. In addition, where necessary, the Committee may approve the payment of additional benefits to facilitate recruitment (for example, relocation expenses).
Pension	Pension in accordance with the current policy. For an internal promotion, any legacy defined benefit pension arrangements would be considered on a case by case basis.
Annual bonus	The annual bonus would operate in accordance with the current policy, with a maximum opportunity no greater than the 200% of salary exceptional limit set out in the Policy table. For the first year the annual bonus would be pro-rated for the period of employment as appropriate.
Long-term incentives	Share awards will be granted in accordance with the current policy in terms of maximum opportunity and performance targets. An award may be made shortly after an appointment (subject to the Company not being in a prohibited period). For an internal hire, existing awards would continue over their original vesting period and remain subject to their terms as at the date of grant.
Buy-out awards	In the case of an external hire it may be necessary to buy-out incentive pay, benefit or other contractual arrangements (including in relation to the forfeiture of such amounts on leaving the previous employer). Any such buy-out would be provided for taking into account the form (cash or shares), timing and performance conditions of the remuneration being forfeited. Replacement share awards, if used, will be granted using the Company's existing share plans within the limits detailed in the Remuneration Policy table. Awards may also be granted outside of these schemes if necessary and as permitted under the Listing Rules.

Directors' service contracts and payments for loss of office

Executive Directors' service contracts are permanent and terminable by the Company on at least 12 months' notice and by the Director on at least six months' notice, save on retirement where the Director must give at least 12 months' notice to the Company.

In respect of termination, the Committee's policy is to deal with each case on its merits, in accordance with the law and any further policy adopted by the Committee at the time. In the event of early termination, other than for cause, the relevant Director's current salary and contractual benefits would be taken into account in calculating any liability of the Company.

The principal contractual benefits provided in addition to salary are the provision of a car or car allowance, private fuel allowance, pension, medical insurance, life assurance and travel allowance (where paid). Annual bonuses and long-term incentives are non-contractual and are dealt with in accordance with the rules of the relevant schemes.

The Committee's policy is for contracts to contain provisions which enable the Company to terminate contracts at any time with immediate effect. The Executive Director would be entitled to receive compensation equivalent to up to 12 months' salary plus the value of their pension benefits (currently valued at 20% of basic salary) and the value of other benefits, payable in a lump sum or in equal monthly instalments over the full notice period or, if less, the remainder of any notice period not yet completed. Such payments would normally discontinue or reduce to the extent that alternative employment is obtained.

An Executive Director's service contract may be terminated without notice for certain events such as gross misconduct. No payment or compensation beyond sums accrued up to the date of termination will be made if such an event occurs.

Payments may be made in respect of the Director's legal and/or professional advice fees in connection with their cessation of office or employment and/or fees for outplacement assistance. Payments may be made in respect of accrued but untaken holiday.

Other than in the event of a good leaver circumstance, at the discretion of the Committee, no bonus may be payable unless the individual remains employed and is not under notice at the payment date. In the event that an individual does cease employment as a good leaver, bonuses would become payable subject to performance assessment, and time pro-rating. A portion of any bonus payable will normally be deferred into shares in line with normal policy, although the Committee retains the discretion to allow awards to be delivered wholly in cash. Good leaver circumstances include circumstances such as death, injury, ill-health or disability, redundancy, transfer or sale of the employing company or business, retirement with the Company's agreement or other circumstances at the discretion of the Committee (reflecting the circumstances that prevail at the time).

The treatment for DBSP awards previously granted to an Executive Director will be determined based on the plan rules. DBSP awards will normally subsist, except in the circumstance where an

individual is summarily dismissed. The default treatment is that deferred shares will be delivered at the normal time, although the Committee may permit the awards to vest earlier.

The treatment for PSP awards previously granted to an Executive Director will be determined based on the plan rules. The default treatment will be for outstanding awards to lapse on cessation of employment. In relation to awards granted under the PSP, in certain prescribed circumstances, such as death, injury, ill-health or disability, redundancy, transfer or sale of the employing company or business, retirement with the Company's agreement or other circumstances at the discretion of the Committee (reflecting the circumstances that prevail at the time) 'good leaver' status applies. If treated as a good leaver, awards will be eligible to vest subject to performance conditions, which will be measured over the performance period (unless the Committee permits the award to vest at an earlier date) and will be reduced pro-rata (unless the Committee considers it appropriate not to do so) to reflect the proportion of the period between grant and normal vesting date actually served. Awards are released at the end of the holding period unless the Committee decides to release the shares earlier.

Treatment of shares awarded under HMRC all-employee plans or equivalent will be in line with the share plan rules.

Treatment of incentive awards in the event of a change of control or similar corporate event will be in line with the relevant plan rules.

Shareholding guidelines

The Committee operates share ownership guidelines which apply to all Executive Directors and the Group Executive Committee. The Group Chief Executive is subject to a share ownership guideline of 250% of salary and the other Executive Directors to 200% of salary.

It is expected that the guideline will be met within a five-year time period from its adoption (or date of joining for new appointments) through a combination of share purchases and the retention of incentive shares. On the exercise of Sharesave options or the vesting of awards from the Company's long-term incentive plans, Executives are required to retain shares awarded representing 50% of the net of tax gain until the ownership target is met or exceeded. The Committee retains discretion to determine shares which count towards the share ownership guidelines.

Executive Directors will also normally be required to retain a shareholding for two years after leaving the Company. They will be required to retain 100% of their shareholding guideline (or the actual shareholding of relevant shares on leaving, if lower) for two years after leaving employment. The Committee has the discretion to waive this requirement in certain circumstances (for example, compassionate circumstances).

External appointments

Executive Directors may accept external non-executive appointments with the prior approval of the Board. It is normal practice for Executive Directors to retain fees provided for non-executive director appointments.

Non-Executive Directors' letters of appointment

The Chair and Non-Executive Directors have letters of appointment for an initial fixed term of three years subject to earlier termination by either party on written notice. In each case, this term can be extended by mutual agreement. Non-Executive Directors have no entitlement to contractual termination payments. While not anticipated, the Policy allows flexibility to pay a notice payment if considered appropriate. The dates of the initial appointments of the Non-Executive Directors are set out in the Annual Report on Remuneration.

Non-Executive Directors' fees

The policy on Non-Executive Directors' fees is:

Operation	Maximum opportunity	Framework used to assess performance and for the recovery of sums paid
<p>To provide a competitive fee which will attract those high-calibre individuals who, through their experience, can further the interests of the Group through their stewardship and contribution to strategic development</p>		
<p>Fee levels are set by reference to the expected time commitments and responsibilities, and are periodically benchmarked against relevant market comparators, as appropriate, reflecting the size and nature of the role.</p> <p>The Chair and Non-Executive Directors are paid an annual fee and do not participate in any of the Company's incentive arrangements or receive any pension provision.</p> <p>The Policy provides flexibility for a portion of fees to be delivered as shares.</p> <p>The Non-Executive Directors receive a basic Board fee, with additional fees payable for chairmanship of the Company's key Committees and for performing the Senior Independent Director role. Additional fees may be payable for other additional responsibilities and/or additional time commitment.</p> <p>All Non-Executive Directors are reimbursed for travel and related business expenses reasonably incurred in performing their duties (and associated tax on these expenses).</p>	<p>Fee levels will be eligible for increases during the period that the Remuneration Policy operates to ensure they continue to appropriately recognise the time commitment of the role, increases to fee levels for Non-Executive Directors in general and fee levels in companies of a similar size and complexity.</p>	<p>None.</p>

How the Executive Directors' Remuneration Policy relates to the wider Group

The Executive Directors' Remuneration Policy provides an overview of the structure that operates for the Group Executive Directors and those senior Executives forming the Group Executive Committee (noting, however, that there are some differences in PSP participation and application of holding periods and shareholding requirement, within this group).

The Committee is made aware of pay structures across the Group when setting the Remuneration Policy for Executive Directors. The key difference is that, overall, the Remuneration Policy for Executive Directors is more heavily weighted towards variable pay and share ownership, than for other employees.

Base salaries are operated under the same policy as detailed in the Remuneration Policy table with any comparator groups used as a reference point, being country and/or industry specific. The Committee considers the general basic salary increase for the broader Group and, in particular the UK-based employees when determining the annual salary review for the Executive Directors. The performance related bonus scheme operates on a tiered basis from 175% of salary down to 22% of salary across the most senior global grades. Outside of the most senior tiers of Executives, the PSP is not operated as this arrangement is reserved for those anticipated as having the greatest potential to influence Group level performance.

However, the Committee believes in wider employee share ownership and promotes this through the operation of the HMRC tax approved all-employee share schemes which are open to all UK employees. Other similar share schemes are offered in other jurisdictions where local securities laws allow. The Company also operates a Free Share Plan which provides awards of free shares or the cash equivalent to eligible employees, with awards vesting where a bonus payment is paid under the terms of the Company's Group Profit Incentive Bonus Scheme in respect of the financial year concerned.

Executive Director pensions are aligned with the UK workforce and 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. The UK workforce defined benefit pension plan is a generous and inclusive benefit for our UK workforce.

How the views of employees are taken into account

The Group has a diverse workforce operating globally in 36 different countries, with various local pay practices. The President Human Resources updates the Committee periodically on feedback received on remuneration practices across the Group. In developing this Remuneration Policy, the Committee devoted time at the outset in considering the principles which apply to remuneration across the workforce. This included consideration of the 'One Croda' culture, as well as Croda's values and purpose. While the views of the global workforce were not explicitly sought during the process, alignment across the workforce was a key theme of the review.

How the views of shareholders are taken into account

In developing this Remuneration Policy, the Committee undertook an extensive shareholder consultation exercise, and the Chair of the Committee met with key shareholders to discuss the principles for the review and initial proposals. The Committee also considered emerging shareholder views in key governance areas. Feedback received during the consultation period was taken into account when developing the final Remuneration Policy and modifications were made to the proposed Policy. An overview of the shareholder consultation process is outlined on pages 79 and 80.

Directors' report

Other disclosures

Pages 49 to 113 inclusive, together with the sections of the Annual Report and Accounts incorporated by reference, constitute a Directors' Report that has been drawn up and presented in accordance with applicable English company law; the liabilities of the Directors in connection with that report are subject to the limitations and restrictions provided by that law.

Research and development

Research and development activities are undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

Dividends

The Directors are recommending a final dividend of 63.0p per share (2024: 63.0p). If approved by shareholders, total dividends for the year will amount to 111.0p per share (2024: 110.0p). Details of dividends are shown in note 8 on page 148; details of the Company's Dividend Reinvestment Plan can be found on page 192. The Company has established various Employee Benefit Trusts (EBTs) in connection with the obligation to satisfy future share awards under employee share incentive schemes. The trustees of the EBTs have waived their rights to receive dividends on certain Ordinary Shares of the Company held in the EBTs. Such waivers represent less than 1% of the total dividend payable on the Company's Ordinary Shares. Further details of the EBTs can be found in note 24 on page 169.

In response to a rise in the number of uncashed dividend cheques, dividend payments will now only be made by electronic means. Further details on how you can register your bank account details, so you can have dividends paid directly to your account, can be found in the shareholder information section on page 192.

Directors

The Company's Articles of Association (Articles) give the Directors power to appoint and replace Directors. Under the terms of reference of the Nomination Committee, any appointment must be recommended by the Nomination Committee for approval by the Board of Directors. The present Directors of the Company are shown on pages 51 to 53.

In line with the 2024 UK Corporate Governance Code, each Director will be standing for election or re-election at the AGM. Details of the Directors' service contracts are given in the Directors' Remuneration Report on page 96.

Apart from the share option schemes, long-term incentive schemes and service contracts, no Director had any beneficial interest in any contract to which the Company or a subsidiary was a party during the year. A statement indicating the beneficial and non-beneficial interests of the Directors in the share capital of the Company, including share options, is shown in the Directors' Remuneration Report on page 91.

The Directors are responsible for managing the business of the Company and may exercise all the powers of the Company subject to the provisions of relevant statutes, the Company's Articles and any directions given by special resolution.

Directors' indemnities

The Company maintains Directors' and Officers' liability insurance that gives appropriate cover for any legal action brought against its Directors. The Company has also granted indemnities to each of its Directors, members of the Executive Committee and the Company Secretary, which represent 'qualifying third party indemnity provisions' (as defined by Section 234 of the Companies Act 2006), in relation to certain losses and liabilities that the Directors, Executive Committee members or the Company Secretary may incur to third parties in the course of acting as Directors or the Company Secretary or as employees of the Company or of any associated company. In addition, such indemnities have been granted to other officers of the Company who are Directors of subsidiary companies within the Group. Such indemnities were in place during 2025 and at the date of approval of the Group financial statements.

Share capital

At the date of this report, 142,536,884 Ordinary Shares of 10.609756p each have been issued and are fully paid up and quoted on the London Stock Exchange. At the date of this Report, the Company has issued and fully paid up 21,900 7.5% Cumulative Preference Shares, 498,434 6.6% Cumulative Preference Shares and 615,562 5.9% Cumulative Preference Shares, all of £1 each (the Preference Shares). The rights and obligations attached to the Company's Ordinary Shares and Preference Shares are set out in the Articles. The Articles are available on the Company's website www.croda.com or copies can be obtained from Companies House in the UK or by writing to the Company Secretary. There are no restrictions on the voting rights attached to the Company's Ordinary Shares or on the transfer of securities in the Company. The 7.5% Cumulative Preference Shares do not confer on the holders any right to receive notice of or to be present or to vote at any general meeting of the Company unless the cumulative preferential dividend on such shares is more than 12 calendar months in arrears. The 6.6% and 5.9% Cumulative Preference Shares do not confer on the holders any right to receive notice of or to be present or to vote at any general meeting of the Company, unless the cumulative preferential dividend on such shares is more than six calendar months in arrears or the business of the general meeting includes the consideration of a resolution for reducing the share capital of the Company, to sell the undertaking of the Company or to alter the Articles. No person holds securities in the Company that carry special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

Power to issue or buy back shares

At the 2025 AGM, authority was given to the Directors to allot unissued shares in the Company up to a maximum amount equivalent to approximately one third of the issued share capital, excluding shares held in treasury, for general purposes, plus up to a further one third of the Company's issued share capital, excluding shares held in treasury, but only in the case of a rights issue.

A further special resolution passed at that meeting granted authority to the Directors to allot equity securities in the Company for cash, without regard to the pre-emption provisions of the Companies Act 2006. Both of these authorities expire on the date of the 2026 AGM, that is 22 April 2026, and so the Directors propose to renew them for a further year.

Substantial shareholdings

As at 31 December 2025, in accordance with DTR 5, the holders of notifiable interests in the Company's share capital are shown in the table below.

	Number of shares	% of issued capital
Norges Bank	12,932,851	9.26%
Standard Latitude Master Fund Ltd	7,649,471	5.48%
Massachusetts Financial Services Company	7,360,000	5.27%

Employees

Diversity: We are committed to the principle of equal opportunity in employment and to ensuring that no applicant or employee receives less favourable treatment on the grounds of any protected characteristic or is disadvantaged by conditions or requirements that cannot be shown to be justified. Group human resources policies are clearly communicated to all of our employees and are available through the Company intranet.

Recruitment and progression: It is established policy throughout the Business that decisions on recruitment, career development, promotion and other employment-related issues are made solely on the grounds of individual ability, achievement, expertise and conduct.

We give full and fair consideration to applications for employment from people with disabilities, having regard to their particular aptitudes and abilities. Should an employee become disabled during their employment with the Company, they are fully supported by our Occupational Health provision. Efforts are made to continue their employment with reasonable adjustments being made to the workplace and role where feasible. Retraining is provided if necessary.

Development and learning: The Company recognises that the key to future success lies in the skills and abilities of its dedicated global workforce. The continuous development of all of our employees is key to meeting the future demands of our customers, especially in relation to enhanced creativity, innovation and customer service.

Involvement: We are committed to ensuring that employees share in the success of the Group. Owning shares in the Company is an important way of strengthening involvement in the development of the Business and bringing together employees' and shareholders' interests. In 2025, 78.53% of our UK employees and 53.55% of our non-UK employees participated in one of our all-employee share plans, indicating employees' continued desire to be involved in the Company.

Our people are kept informed of matters of interest to them in a variety of ways, including the Company magazine, Croda Way; quarterly updates; the Company intranet, SharePoint; team briefings; podcasts; webinars; Viva Engage; and Croda Now all company email messages. These communications help achieve a common awareness of the financial and economic factors affecting the performance of Croda and of changes within the business. We are committed to providing employees with opportunities to share their views and provide feedback on issues that are important to them. Our employee listening and engagement platform, YourVoice, launched in March, enabling a data-led insights approach that is the foundation of how we receive and act upon feedback from our people. The Directors maintain oversight of employee matters through the Board and Committee meeting processes and information flows, including regular updates on employee matters and employee feedback received through the YourVoice platform. How the Directors engaged with employees and considered their interests when taking key decisions is further detailed on pages 57 to 60.

Non-financial reporting directive

The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations) require companies to disclose non-financial information necessary to provide investors and other stakeholders with a better understanding of a company's development, performance, position and impact of its activity. Throughout this Annual Report the Directors have disclosed a mix of financial and non-financial KPIs which they believe best reflect the Group's strategic priorities, and which will help to convey an understanding of the culture of the Business and the drivers which contribute to the ongoing success of the Company. Please see the non-financial and sustainability information statement on page 48 which sets out where stakeholders can find information relating to non-financial matters.

Mandatory XBRL tagging

The Board reviewed the process that had been developed to ensure that the primary financial statements and the notes to the financial statements had been tagged in line with required taxonomy.

Other disclosures

Certain information that is required to be included in the Directors' Report can be found elsewhere in this document as referred to below, and is incorporated by reference into the Directors' Report:

- Information on greenhouse gas emissions can be found on page 181.
- Information on energy consumption can be found on page 183.
- Information on energy efficiency can be found on page 183.
- Information on gas emissions, energy consumption and energy efficiency – other disclosures can be found on page 183.
- For the purposes of UK Listing Rule (UKLR) 6.6.6R(8) the information on climate-related financial disclosures consistent with the TCFD recommendation and the TCFD recommended disclosure can be found on pages 41 to 47.

- Further details of the actions which the Group is taking to reduce emissions can also be found on pages 178 to 184.
- An indication of likely future developments in the Group's business can be found throughout the Strategic Report, starting on page 1.
- The long-term viability statement can be found on page 40.
- Information on the appropriateness of adopting the going concern basis of the accounts can be found on page 134.
- Our approach to risk management can be found on pages 33 to 34.
- Details of the services provided to shareholders can be found on pages 192 to 193 and on the Company's website.
- An indication of the Company's overseas branches is on pages 189 to 191.
- The Company's compliance with the 2024 UK Corporate Governance Code is stated on page 49.

There have been no events affecting the Company since the financial year end to report to shareholders in accordance with the Accounts Regulations and Disclosure Guidance and Transparency Rules.

For the purposes of UK Listing Rule (UKLR) 6.6.1, the information required to be disclosed by UKLR 6.6.1 can be found in the adjacent table.

All the information cross referenced above is incorporated by reference into the Directors' Report.

References in this document to other documents on the Company's website are included as an aid to their location and are not incorporated by reference into any section of the Annual Report and Accounts.

Independent auditor

Our auditor, KPMG, have indicated their willingness to continue in office and, on the recommendation of the Audit Committee, a resolution regarding their re-appointment and remuneration will be submitted to the AGM on 22 April 2026.

Audit information

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that they have each taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Articles of Association

Unless expressly specified to the contrary in the Articles, the Company's Articles may be amended by a special resolution of the Company's shareholders.

A copy of the Articles is available at www.croda.com.

Significant contracts and change of control

The Group has borrowing facilities which may require the immediate repayment of all outstanding loans together with accrued interest in the event of a change of control. The rules of the Company's employee share plans set out the consequences of a change in control of the Company on participants' rights under the plans. Generally, such rights will vest and become exercisable on a change of control subject to the satisfaction of performance conditions. None of the Executive Directors' service contracts contain provisions that are affected by a change of control and there are no other agreements that the Company is party to that take effect, alter or terminate in the event of a change of control of the Company, which are considered to be significant in terms of their potential impact on the Group. The Company does not have any contractual or other arrangements that are essential to the business of the Group.

Political donations

No donations were made for political purposes during the year (2024: £nil).

Financial risk management

The Group's exposure to and management of capital, liquidity, credit, interest rate and foreign currency risks are contained in note 20 on pages 161 to 164.

UK Listing Rule 6.6.1 information

Section	Topic	Page reference
(1)	Capitalised interest	Not applicable
(2)	Publication of unaudited financial information	Not applicable
(3)	Details of long-term incentive schemes established specifically to recruit or retain a Director	Page 93
(4) (5)	Waiver of emoluments by a Director	Page 95
(6) (7)	Allotments of equity securities for cash	Not applicable
(8)	Participation in a placing of equity securities	Not applicable
(9)	Contracts of significance	Page 112
(9) (10)	Controlling shareholder disclosures	Not applicable
(11) (12)	Dividend waiver	Page 110
(13)	Independence from controlling shareholder	Not applicable

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- for the parent Company financial statements, make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;

- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under Disclosure Guidance and Transparency Rule ("DTR") 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

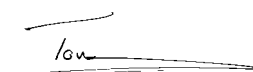
Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the Business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors' Report and the Strategic Report, including the sections of the Annual Report and Accounts incorporated by reference, is the 'management report' for the purposes of the Financial Conduct Authority Disclosure Guidance and Transparency Rules (DTR 4.1.8R). It was approved by the Board on 23 February 2026 and is signed on its behalf by



Tom Brophy,
Group General Counsel, Company Secretary
and President Sustainability

23 February 2026

KPMG LLP's Independent Auditor's Report

To the members of Croda International Plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of Croda International Plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Croda International Plc ('the Company') for the year ended 31 December 2025 ('FY25') included in the Annual Report and Accounts, which comprise:

Group (Croda International Plc and its subsidiaries)	Parent Company (Croda International Plc)
Group Income Statement; Group Statement of Comprehensive Income; Group Balance Sheet; Group Statement of Cash Flows; Group Statement of Changes in Equity; and Notes 1 to 28 to the Group financial statements, including the accounting policies on pages 134 to 142.	Company Balance Sheet; Company Statement of Changes in Equity; and Notes A to O to the Parent Company financial statements, including the accounting policies on page 174.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ('AC').

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Our risk assessment considers the Group's operations, the macro-economic environment and other relevant external factors which impact the results of the Group. Having considered these external factors, we have identified the below key audit matters.

We have identified the valuation of the UK defined benefit pension scheme liabilities as a key audit matter given the scheme remains open to future accrual and new members, and small changes in the assumptions and estimates with respect to the obligation may have a significant effect on the financial position of the Group.

We have identified the carrying amount of the Parent Company's investments in subsidiaries as the key audit matter for the Parent Company. We do not consider the recoverable amount of these amounts to be at high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to their materiality in the context of the Parent Company financial statements as a whole, this is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our company audit.

We have also considered the impacts of the business transformation programme which includes asset impairments throughout our risk assessment and concluded these do not give rise to a key audit matter nor a significant risk.

Key Audit Matters ('KAM')

	Vs FY24	Item
Valuation of UK defined benefit pension scheme liabilities	◀▶	4.1
Recoverability of Parent Company's investments in subsidiaries	◀▶	4.2
Key		
No change	◀▶	

Audit Committee interaction

During the year, the AC met five times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 4, including matters that required particular judgement for each.

The matters included in the Audit Committee Chair's report on page 77 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31 December 2018. The period of total uninterrupted engagement is for the 8 financial years ended 31 December 2025.

The Group engagement partner is required to rotate every 5 years. As these are the fifth set of the Group's financial statements signed by Ian Griffiths, he will be required to rotate off after the FY25 audit.

The average tenure of component engagement partners is 3.9 years, with the shortest being 1 and the longest being 7.

Total audit fee	£2.9m
Audit related fees (including interim review)	£0.2m
Other services	-
Non-audit fee as a % of total audit and audit related fee %	-
Date first appointed	25 April 2018
Uninterrupted audit tenure	8 years
Next financial period which requires a tender	2028
Tenure of Group engagement partner	5 years
Average tenure of component engagement partners	3.9 years

Materiality (item 6 below)

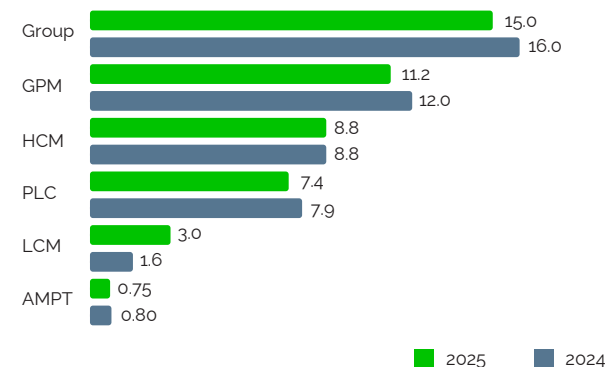
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £15.0m (FY24: £16.0m) and for the Parent Company financial statements as a whole at £7.4m (FY24: £7.9m).

Consistent with FY24, we determined Group materiality with reference to a benchmark of normalised Group profit before tax from continuing operations ('PBTCO') of £240.5m (2024: £222.8m) as Croda is a profit-making trading business. We normalised PBTCO by adding back adjustments that do not represent the normal, continuing operations of the Group. We further adjusted this normalised Group PBTCO by averaging over 5 years. The items we adjusted for were various asset impairments, recognition of an onerous contract provision and business transformation costs (2024: restructuring costs, business transformation costs, and movements in environmental provisions). We selected 5 years (2024: 5 years) to average PBTCO to account for the fluctuations in the business Group's performance due to events such as the Group's PTIC disposal, acquisitions, and revenue generated from the Group's involvement in the Covid-19 vaccination programme. As such, we based our Group materiality on normalised and adjusted PBTCO, of which it represents 4.7% (FY24: 4.9%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.3% (FY24: 0.3%).

Materiality levels used in our audit



- Group** Group Materiality
- GPM** Group Performance Materiality
- HCM** Highest Component Materiality
- PLC** Parent Company Materiality
- LCM** Lowest Component Materiality
- AMPT** Audit Misstatement Posting Threshold

Group scope (item 7 below)

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, what audit procedures to perform at these components and the extent of involvement required from our component auditors around the world.

Of the Group's 82 (FY24: 83) reporting components, we performed audit procedures over 13 (FY24: 13) components based on both their individual financial significance for specific captions and to ensure the remaining financial information was of an appropriate level.

In addition, for the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

The impact of climate change on our audit

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group is monitoring Climate Positive targets and Science Based targets in line with limiting global warming to 1.5°C by 2030, and to be climate net zero by 2050. Climate change initiatives impact the Group in a variety of ways including opportunities and risks relating to bio-based raw material supply, operational and supply chain decarbonisation and emerging regulatory requirements such as carbon taxes. Further information is provided on pages 41 to 47.

The Group considered the impact of climate change and the Group's targets in the preparation of the financial statements, including an evaluation of critical accounting estimates and judgements. The Group concluded that this did not have a material effect on the consolidated financial statements, as described on page 134.

We performed a risk assessment, taking into account climate change risks and commitments made by the Group, considering how climate change may impact the financial statements and our audit. This included enquiries of management, consideration of the Group's processes for assessing the potential impact of climate change risk on the consolidated financial statements and assessing the TCFD scenario analysis performed by the Group, including their assessment of critical accounting estimates and judgements, and the effect on our audit. Our risk assessment considered in particular the potential impact on the recoverable amount of goodwill and intangible assets, the estimates made regarding useful economic lives of property, plant and equipment, going concern and the valuation of certain unquoted pension assets. Based on our risk assessment we determined that the climate related risks to the Group's business, strategy and financial planning do not have a significant impact on balances in the consolidated financial statements or on our key audit matters.

We have read the Group's disclosure of climate related information in the front half of the Annual Report as set out on pages 41 to 47 and considered consistency with the financial statements and our audit knowledge.

Coverage of Group financial statements

Our audit procedures covered 71% (FY24: 68%) of Group revenue.

We performed audit procedures at the components that accounted for 53% (FY24: 57%) of Group profit before tax and 48% (FY24: 51%) of Group total assets. In addition, at the Group level, we performed audit procedures over goodwill and deferred tax assets that together accounted for a further 24% (FY24: 23%) of the Group total assets.

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources and metrics relevant to debt covenants over this period were:

- Weaker demand which could have an adverse impact on the Group's future cashflows, forecasts and overall profitability as seen through 2024.
- Geopolitical tensions introducing uncertainty for both demand and supply across the industry.

We also considered less predictable but realistic second order impacts, such as regulatory incidents, site incidents and impact of product quality issues leading to a product recall or loss of revenue which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test). We also assessed the completeness of the going concern disclosure on page 134.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement on page 134 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure on page 134 to be acceptable; and
- The related statement under the UK Listing Rules set out on page 40 is materially consistent with the financial statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the long-term viability statement on page 40 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the long-term viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the long-term viability statement set out on page 40 under the UK Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Valuation of UK defined benefit pension scheme liabilities (Group)

Financial Statement Elements		Our assessment of risk vs FY24		Our results
	FY25	FY24		
Gross defined benefit obligations £763.0m (FY24: £781.4m); although this specific risk is only associated with the UK scheme £641.5m (FY24: £653.9m)	£641.5m	£653.9m	◀ ▶ Our assessment is that the risk is similar to FY24	FY25: Acceptable FY24: Acceptable

Description of the Key Audit Matter

Our response to the risk

Subjective valuation

- The Group has a defined benefit pension scheme in the UK that is material in the context of the overall balance sheet and the results of the Group.
- Significant assumptions, including the discount rate, the inflation rate and the mortality rate, are made in valuing the Group's defined benefit pension obligations (before deducting the scheme assets). The UK scheme is also open to future accrual and new members, and small changes in the assumptions and estimates with respect to the obligation may have a significant effect on the financial position of the Group. The Group engages external actuarial specialists to assist them in selecting appropriate assumptions and calculate the liabilities.
- The effect of these matters is that, as part of our risk assessment, we determined that the valuation of the defined benefit obligations has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.

Our procedures to address the risk included:

- **Benchmarking assumptions:** we challenged key assumptions applied (discount rate, inflation rate and mortality rate) with the support of our own actuarial specialists, including a comparison of key assumptions against market data.
- **Actuary's credentials:** we assessed the competence, capabilities, and objectivity of the Group's actuarial expert.
- **Sensitivity analysis:** we assessed the sensitivity of the defined benefit obligation to changes in key assumptions.
- **Assessing transparency:** we considered adequacy of the Group's disclosures in respect of the sensitivity of the gross obligation to changes in key assumptions.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

The financial statements (note 11) disclose the sensitivity estimated by the Group.

Communications with the Croda International Plc Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of UK defined benefit pension scheme obligations, including the involvement of our actuarial specialists.
- Our conclusions on the appropriateness of key assumptions used.
- The adequacy of the disclosures, particularly as it relates to the sensitivity of the key assumptions.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- The appropriateness of the valuation of UK defined benefit pension scheme liabilities and in particular, the selection of key assumptions used in the valuation (the discount rate, the inflation rate and the mortality rate).

Our results

We found the valuation of the pension obligation to be acceptable (2024 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 77 for details on how the Audit Committee considered this key audit matter area as an area of significant attention, page 135 for the significant accounting judgements and estimates, and page 149/note 11 for the financial disclosures.

4.2 Recoverability of Parent Company's investments in subsidiaries (Parent Company)

Financial Statement Elements		Our assessment of risk vs FY24	Our results
	FY25	FY24	
Investments in subsidiaries	£1,522.3	£1,521.4m	◀ ▶ Our assessment is that the risk is similar to FY24. FY25: Acceptable FY24: Acceptable

Description of the Key Audit Matter

Low risk, high value

- The carrying amount of the Parent Company's value of investments in subsidiaries represents 55% (FY24: 53%) of the Parent Company's total assets.
- We do not consider the recoverable amount of these amounts to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to their materiality in the context of the Parent Company financial statements as a whole, this is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our Parent Company audit.

Our response to the risk

Our procedures to address the risk included:

- Test of detail: we compared the carrying amount of 100% of investments to the net assets of the relevant subsidiaries included within the Group consolidation, to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making.

We performed the tests above rather than seeking to rely on any of the Parent Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Croda International Plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the recoverability of the Parent Company's investments in subsidiaries including details of our planned substantive procedures.
- Our conclusions on the appropriateness of the carrying value of the Parent Company's investments in subsidiaries and accounting policies.

Areas of particular auditor judgement

We do not consider there were any areas of particular auditor judgement exercised in responding to this key audit matter.

Our results

We found the Parent Company's conclusion that there is no impairment in subsidiaries to be acceptable (2024: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 77 for details on how the Audit Committee considered the Parent Company's carrying value of investments in subsidiaries as an area of significant attention, page 174 for the accounting policy on Parent Company's carrying value of investments in subsidiaries, and page 175/note F for the financial disclosures.

5. Our ability to detect irregularities, and our response

Fraud – Identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment	<p>To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.</p> <p>Our risk assessment procedures included:</p> <ul style="list-style-type: none"> • Enquiring of Directors, the Audit Committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud. • Reading Board, Nomination Committee, Remuneration Committee and Audit Committee minutes, and whistleblowing logs. • Considering remuneration incentive schemes (annual Bonus Plan and Performance Share Plan) and performance targets for the Directors and key management personnel.
Risk communications	<p>We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.</p>
Fraud risks	<p>As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.</p> <p>We do not believe there is a fraud risk related to revenue recognition because revenue transactions have low individual value with high volume, are routine and process driven and do not involve judgement or estimation. This reduces the opportunities for fraudulent activity.</p> <p>We did not identify any additional fraud risks.</p>
Procedures to address fraud risks	<p>We performed procedures including:</p> <ul style="list-style-type: none"> • Identifying journal entries to test at the Group level and for selected components based on risk criteria identified by the Group audit team. These included those posted by senior finance management or other high-risk users, those posted to unusual account combinations, those posted with round sum amounts at year end and those posted with specific high-risk descriptions. • Assessing whether the judgements made in making accounting estimates and related accounting treatment are indicative of a potential bias.

Laws and regulations – Identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussions with the Directors and other management of the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Risk communications

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component audit teams of relevant laws and regulations identified at the Group level, and a request for these component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

Direct laws context and link to audit

The potential effect of these laws and regulations on the financial statements varies considerably. The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, pensions legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Most significant indirect law/regulation areas

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: GDPR compliance, health and safety and product liability, competition, anti-bribery and corruption, intellectual property, employment law, tax, trade compliance laws and environmental legislation, Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), recognising the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

£15.0m (FY24: £16.0m) Materiality for the Group financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group financial statements as a whole was set at £15.0m (FY24: £16.0m). This was determined with reference to a benchmark of normalised Group profit before tax from continuing operations ('PBTCO'), averaged over 5 years.

Consistent with FY24, we determined Group materiality with reference to a benchmark of normalised Group profit before tax ('PBTCO') of £240.5m (2024: £222.8m) as Croda is a profit-making trading business. We normalised PBTCO by adding back adjustments that do not represent the normal, continuing operations of the Group. We further adjusted this normalised Group PBTCO by averaging over 5 years. The items we adjusted for were various asset impairments, recognition of an onerous contract provision and business transformation costs (2024: restructuring costs, business transformation costs, and movements in environmental provisions). We selected 5 years (2024: 5 years) to average PBTCO to account for the fluctuations in the business Group's performance due to events such as the Group's PTIC disposal, acquisitions, and revenue generated from the Group's involvement in the Covid-19 vaccination programme. As such, we based our Group materiality on normalised and adjusted PBTCO, of which it represents 4.7% (FY24: 4.9%).

Our Group materiality of £15.0m (FY24: £16.0m) was determined by applying a percentage to the Group normalised PBTCO. When using a benchmark of normalised PBTCO to determine overall materiality, KPMG's approach for public interest entities considers a guideline range 3% – 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.7% (FY24: 4.9%) to the benchmark.

Materiality for the Parent Company financial statements as a whole was set at £7.4m (FY24: £7.9m), which is the component materiality for the Parent Company determined by the Group auditor. This is lower than the materiality we would otherwise have determined with reference to a benchmark of Parent Company total assets, of which it represents 0.3% (FY24: 0.3%).

£11.2m (FY24: £12.0m) Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY24: 75%) of materiality for Croda International Plc Group financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £5.6m (FY24: £5.9m), which equates to 75% (FY24: 75%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

£0.75m (FY24: £0.8m) Audit misstatement posting threshold

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to Croda International Plc's Audit Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY24: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £15.0m (FY24: £16.0m) compares as follows to the main financial statement caption amounts:

	Total Group revenue		Group profit before tax		Total Group assets	
	FY25	FY24	FY25	FY24	FY25	FY24
Financial statement caption	£1,699.4m	£1,628.1m	£91.0m	£207.8m	£3,411.0m	£3,509.3m
Group materiality as % of caption	0.9%	1.0%	16.5%	7.7%	0.4%	0.5%

7. The scope of our audit

Group scope

What we mean

How the Group auditor determined the procedures to be performed across the Group.

The Group has 82 (FY24: 83) reporting components. We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 13 components, having considered our evaluation of both the Group's legal structure and geographical locations and our ability to perform audit procedures centrally.

Of those, we identified 3 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Additionally, having considered qualitative and quantitative factors, we selected 10 components with accounts contributing to the specific risk of material misstatements (RMMs) of the Group financial statements.

Accordingly, we performed audit procedures on 13 components, of which we involved component auditors in performing the audit work on 9 components. We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality. This includes the audit of the Parent Company, which is also performed by the Group team. We set the component materialities, ranging from £3.0m to £8.8m, having regard to the mix of size and risk profile of the Group across the components.

Our audit procedures covered 71% (FY24: 68%) of Group revenue. We performed audit procedures at the components that accounted for 53% (FY24: 57%) of Group profit before tax and 48% (FY24: 51%) of Group total assets. In addition, at the Group level, we performed audit procedures over goodwill and deferred tax assets that together accounted for a further 24% (FY24: 23%) of the Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 3% (FY24: 3%) of Group total revenue, 9% (FY24: 4%) of Group profit before tax or 3% (FY24: 3%) of Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Impact of controls on our Group audit

We identified the main centralised finance IT system, which primarily relies on a single core ERP system, along with a range of ancillary specific supporting applications and tools, which we assess as being key to the audit of the Group (together 'the core IT platform'), as being relevant to the audit of the 12 of the 13 components within scope of the Group audit. These systems are managed from the UK. The other in scope components are acquisitions where full IT integration has not yet occurred in the Group and therefore they currently use other finance systems, ahead of planned integration into the Group's core systems. For all components where we performed audit procedures we, with the assistance of our IT auditors, obtained an understanding of the relevant IT systems for the purposes of our audit work.

Having considered the efficiency and effectiveness of approaches to gain the appropriate audit evidence, we took a predominantly substantive approach to the audit. This included a data-oriented approach to testing revenue and journals using analytical routines, by performing data and analytics routines for the 11 components on the single core ERP system. For the other component, we planned and performed additional substantive testing rather than relying on controls. The Group team assessed the outputs of these routines before sending outputs to component auditors and instructing them to test transactions meeting certain criteria. For one other component, the component auditor also used data and analytic routines. Given that we did not plan to rely on IT controls in our audit, a direct testing approach was used over the completeness and reliability of data used in substantive procedures, including in relation to our testing of automated and manual journals.

Group auditor oversight

What we mean

The extent of the Group auditor's involvement in work performed by component auditors.

In working with component auditors, we:

- Included the component auditors' engagement partners and managers in the Group planning discussions to facilitate input from component auditors in the identification of matters relevant to the Group audit.
- Issued Group audit instructions to component auditors on the scope of their work.
- Visited four components in-person including the UK, the USA and Spain. Where component auditors were engaged, this aided with our understanding of progress, to challenge the audit approach and to evaluate their work. Organised regular video conferences with the Partners and Directors of the Group and component audit teams. At these visits and video conferences, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component audit teams.
- Inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.
- Performed data and analytics routines on the 11 components on the single core ERP system and instructed the component teams to test transactions within the output based on specific criteria.

8. Other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic Report and Directors' Report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Our reporting

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 113, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

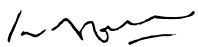
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken 'on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

23 February 2026

Group Consolidated Statements

Group Income Statement

for the year ended 31 December 2025

	Note	2025 Adjusted £m	2025 Adjustments £m	2025 Reported Total £m	2024 Adjusted £m	2024 Adjustments £m	2024 Reported Total £m
Revenue	1	1,699.4	–	1,699.4	1,628.1	–	1,628.1
Cost of sales		(953.7)	–	(953.7)	(894.2)	–	(894.2)
Gross profit		745.7	–	745.7	733.9	–	733.9
Operating costs	2	(450.4)	(185.2)	(635.6)	(454.2)	(52.2)	(506.4)
Operating profit	3	295.3	(185.2)	110.1	279.7	(52.2)	227.5
Financial costs	4	(28.3)	–	(28.3)	(31.0)	–	(31.0)
Financial income	4	9.2	–	9.2	11.3	–	11.3
Profit before tax		276.2	(185.2)	91.0	260.0	(52.2)	207.8
Tax	5	(69.5)	43.2	(26.3)	(59.8)	11.6	(48.2)
Profit after tax for the year		206.7	(142.0)	64.7	200.2	(40.6)	159.6
Attributable to:							
Non-controlling interests		2.7	–	2.7	11	–	11
Owners of the parent		204.0	(142.0)	62.0	199.1	(40.6)	158.5
		206.7	(142.0)	64.7	200.2	(40.6)	159.6

Adjustments relate to exceptional items, amortisation of intangible assets arising on acquisition and the tax thereon. Details are disclosed in note 3.

Earnings per 10.61p ordinary share		Pence	Pence	Pence	Pence
Basic	7	146.2	44.4	142.6	113.5
Diluted	7	146.1	44.4	142.5	113.5

Group Statement of Comprehensive Income

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Profit after tax for the year		64.7	159.6
Other comprehensive income/(expense):			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of post-retirement benefit obligations	11	2.5	15.5
Tax on items that will not be reclassified	5	(0.5)	(3.9)
		2.0	11.6
Items that have been or may be reclassified subsequently to profit or loss:			
Currency translation		(2.8)	(90.3)
		(2.8)	(90.3)
Other comprehensive expense for the year		(0.8)	(78.7)
Total comprehensive income for the year		63.9	80.9
Attributable to:			
Non-controlling interests		2.2	0.9
Owners of the parent		61.7	80.0
		63.9	80.9
Arising from:			
Continuing operations		63.9	80.9

Group Balance Sheet

at 31 December 2025

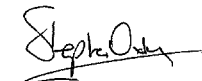
	Note	2025 £m	2024 £m
Assets			
<i>Non-current assets</i>			
Intangible assets	12	1,284.2	1,310.6
Property, plant and equipment	13	985.8	1,082.9
Right of use assets	14	63.3	85.0
Investments	16	1.9	1.9
Deferred tax assets	6	31.0	14.7
Retirement benefit assets	11	137.7	130.0
		2,503.9	2,625.1
<i>Current assets</i>			
Inventories	17	370.5	367.9
Trade and other receivables	18	363.8	349.5
Cash and cash equivalents	20	172.8	166.8
		907.1	884.2
Total assets		3,411.0	3,509.3

	Note	2025 £m	2024 £m
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	19	(280.5)	(274.0)
Borrowings and other financial liabilities	20	(148.1)	(35.0)
Lease liabilities	14	(14.5)	(13.2)
Provisions	21	(6.8)	(6.5)
Current tax liabilities		(6.7)	(7.8)
		(456.6)	(336.5)
Net current assets		450.5	547.7
<i>Non-current liabilities</i>			
Borrowings and other financial liabilities	20	(470.3)	(580.2)
Lease liabilities	14	(63.7)	(70.7)
Other payables	19	(1.0)	(1.1)
Retirement benefit liabilities	11	(23.4)	(25.7)
Provisions	21	(29.4)	(17.3)
Deferred tax liabilities	6	(164.5)	(180.9)
		(752.3)	(875.9)
Net assets		2,202.1	2,296.9
Equity			
Ordinary share capital	22	15.1	15.1
Share premium account		707.7	707.7
Reserves		1,464.3	1,559.7
Equity attributable to owners of the parent		2,187.1	2,282.5
Non-controlling interests in equity	25	15.0	14.4
Total equity		2,202.1	2,296.9

The financial statements on pages 129 to 171 were signed on behalf of the Board who approved the accounts on 23 February 2026.



Danuta Gray
Chair



Stephen Oxley
Chief Financial Officer

Group Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Cash generated from operating activities			
Cash generated by operations	i	367.6	403.8
Interest paid		(25.3)	(28.5)
Tax paid		(55.8)	(55.9)
Net cash generated from operating activities		286.5	319.4
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(117.7)	(178.4)
Receipt of government grants		11.4	43.0
Purchase of other intangible assets	12	(2.2)	(3.4)
Proceeds from sale of property, plant and equipment		0.3	0.9
Tax paid on business disposals		–	(6.8)
Cash paid against non-operating provisions	21	(1.6)	(1.3)
Interest received		3.0	6.9
Net cash used in investing activities		(106.8)	(139.1)

	Note	2025 £m	2024 £m
Cash flows from financing activities			
New borrowings		181.8	440.4
Repayment of borrowings		(152.5)	(449.4)
Payment of lease liabilities	14	(18.1)	(17.5)
Net transactions in own shares		(7.3)	(1.8)
Dividends paid to equity shareholders	8	(154.9)	(152.2)
Dividends paid to non-controlling interests		(1.6)	(2.1)
Net cash used in financing activities		(152.6)	(182.6)
Net movement in cash and cash equivalents			
	ii, iii	27.1	(2.3)
Cash and cash equivalents brought forward		141.7	150.2
Exchange differences	iii	(0.2)	(6.2)
Cash and cash equivalents carried forward		168.6	141.7
Cash and cash equivalents carried forward comprise:			
Cash at bank and in hand		172.8	166.8
Bank overdrafts		(4.2)	(25.1)
		168.6	141.7

Group Cash Flow Notes

for the year ended 31 December 2025

(i) Cash generated by operations

	Note	2025 £m	2024 £m
Adjusted operating profit		295.3	279.7
Exceptional items	iv	(149.5)	(15.0)
Amortisation of intangible assets arising on acquisition		(35.7)	(37.2)
Operating profit		110.1	227.5
Adjustments for:			
Depreciation and amortisation		137.0	135.8
Impairments on intangible assets and property, plant and equipment		107.3	-
Loss on disposal and write-offs of intangible assets and property, plant and equipment		-	0.6
Net provisions charged	21	24.6	13.4
Share-based payments		5.0	5.0
Non-cash pension expense		(1.0)	2.9
Net-monetary adjustment		1.5	5.0
Cash paid against operating provisions	21	(9.2)	(7.3)
Movement in inventories		(7.3)	(39.3)
Movement in receivables		(16.6)	21.3
Movement in payables		16.2	38.9
Cash generated by operations		367.6	403.8

(ii) Reconciliation to net debt

	Note	2025 £m	2024 £m
Net movement in cash and cash equivalents	iii	27.1	(2.3)
Net movement in borrowings and other financial liabilities	iii	(11.2)	26.5
Change in net debt from cash flows		15.9	24.2
Non-cash movement in lease liabilities		(14.1)	(18.2)
Exchange differences		6.7	(0.7)
		8.5	5.3
Net debt brought forward		(532.3)	(537.6)
Net debt carried forward	iii	(523.8)	(532.3)

(iii) Analysis of net debt

	2025 £m	Cash flow £m	Exchange movements £m	Other non-cash £m	2024 £m
Cash and cash equivalents	172.8	5.9	0.1	-	166.8
Bank overdrafts	(4.2)	21.2	(0.3)	-	(25.1)
Movement in cash and cash equivalents		27.1	(0.2)	-	
Borrowings repayable within one year	(143.9)	(3.7)	(2.4)	(127.9)	(9.9)
Borrowings repayable after more than one year	(470.3)	(25.6)	7.6	127.9	(580.2)
Lease liabilities	(78.2)	18.1	1.7	(14.1)	(83.9)
Movement in borrowings and other financial liabilities		(11.2)	6.9	(14.1)	
Total net debt	(523.8)	15.9	6.7	(14.1)	(532.3)

Included within other non-cash movements are £9.5m of lease liabilities recognised in the year.

(iv) Cash flow on exceptional items

The total cash outflow during the year in respect of exceptional items, including those recognised in prior years' income statements, was £26.1m (2024: £10.2m). Details of exceptional items can be found in note 3 on page 144.

Group Statement of Changes in Equity

for the year ended 31 December 2025

	Note	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non-controlling interests £m	Total equity £m
At 1 January 2024		15.1	707.7	(10.3)	1,640.0	15.6	2,368.1
Profit after tax for the year		-	-	-	158.5	11	159.6
Other comprehensive (expense)/income		-	-	(90.1)	11.6	(0.2)	(78.7)
Total comprehensive (expense)/income for the year		-	-	(90.1)	170.1	0.9	80.9
Transactions with owners:							
Dividends on equity shares	8	-	-	-	(152.2)	-	(152.2)
Share-based payments		-	-	-	4.0	-	4.0
Transactions in own shares		-	-	-	(1.8)	-	(1.8)
Total transactions with owners		-	-	-	(150.0)	-	(150.0)
Changes in ownership interests:							
Dividends paid to non-controlling interests	25	-	-	-	-	(2.1)	(2.1)
Total changes in ownership interests		-	-	-	-	(2.1)	(2.1)
Total equity at 31 December 2024		15.1	707.7	(100.4)	1,660.1	14.4	2,296.9
At 1 January 2025		15.1	707.7	(100.4)	1,660.1	14.4	2,296.9
Profit after tax for the year		-	-	-	62.0	2.7	64.7
Other comprehensive (expense)/income		-	-	(2.3)	2.0	(0.5)	(0.8)
Total comprehensive (expense)/income for the year		-	-	(2.3)	64.0	2.2	63.9
Transactions with owners:							
Dividends on equity shares	8	-	-	-	(154.9)	-	(154.9)
Share-based payments		-	-	-	5.1	-	5.1
Transactions in own shares		-	-	-	(7.3)	-	(7.3)
Total transactions with owners		-	-	-	(157.1)	-	(157.1)
Changes in ownership interests:							
Dividends paid to non-controlling interests	25	-	-	-	-	(1.6)	(1.6)
Total changes in ownership interests		-	-	-	-	(1.6)	(1.6)
Total equity at 31 December 2025		15.1	707.7	(102.7)	1,567.0	15.0	2,202.1

Other reserves include the Capital Redemption Reserve of £0.9m (2024: £0.9m) and the Translation Reserve of £(103.6)m (2024: £(101.3)m).

Group Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, in accordance with applicable law and UK-adopted international accounting standards. A summary of the more important Group accounting policies is set out below.

Going concern

The consolidated financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

At 31 December 2025 the Group had £1,066.6m of committed debt facilities available from its banking group, USPP bondholders and lease providers, with principal maturities between 2026 and 2030, of which £400.9m (2024: £418.0m) was undrawn, together with cash balances of £172.8m (2024: £166.8m). The Group's debt facilities have funding covenant requirements, principally the leverage covenant with a maximum level of 3.5x net debt to covenant EBITDA, and interest cover. USPP debt of £131.0m is due to mature in June 2026 which has been assumed to be renewed as part of the Group's going concern assessment, however sufficient headroom exists within the revolving credit facility throughout the forecast period were this debt not to be refinanced.

The Directors have reviewed the liquidity and covenant forecasts for the Group's going concern assessment period covering at least 12 months from the date of approval of the financial statements. Given the time horizon of these forecasts, the risk of climate change is not expected to have a material impact on these forecasts. Based on these forecasts, the Group continues to have significant liquidity headroom and strong financial covenant headroom under its debt facilities.

A reverse stress testing scenario has been performed which assesses that adjusted operating profit would need to fall by almost 80% to trigger an event of default prior to 30 June 2027. This scenario includes some mitigating actions to conserve cash, including reducing dividends and capital expenditure. Throughout this scenario, the Group continues to have significant liquidity headroom. The Directors do not consider this a plausible scenario. This is consistent with the bottom-up risk scenario modelling for the long-term viability statement which considered severe but plausible, individual, and combined scenarios, none of which trigger an event of default. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Climate change

The Group has long recognised the scale of the climate emergency and considers this to offer both opportunities and risks in the future. The Group's current climate change strategy focuses on reducing its carbon footprint and increasing its use of bio-based raw materials, whilst the benefits in using its ingredients will enable more carbon to be saved than is emitted through operations and supply chain.

The impact of climate change has been considered in the preparation of these financial statements, including the risks identified as part of the Task Force on Climate-related Financial Disclosures (TCFD) on pages 41 to 47. None of these risks had a material effect on the consolidated financial statements of the Group. In particular, the Directors have considered the impact of climate change in respect of the following areas.

- Going concern and viability of the Group over the next three years;
- Post-retirement benefit obligations;
- Carrying value and useful economic lives of property, plant and equipment; and
- The discounted cash flows included in the value in use calculation used in the annual goodwill impairment testing.

Whilst there is currently no material impact expected from climate change, the Group is aware of the ever-changing risks related to climate change and will continue to develop its assessment of the impact on the financial statements.

Significant accounting judgements and estimates

The Group's significant accounting policies under UK-adopted international accounting standards have been set by management with the approval of the Audit Committee. The application of these policies requires estimates and assumptions to be made concerning the future and judgements to be made on the applicability of policies to particular situations. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Under UK-adopted international accounting standards an estimate or judgement may be considered significant if it has a significant effect on the amounts recognised in the financial statements or if the estimates have a risk of material adjustment to assets and liabilities within the next financial year.

There were no significant accounting judgements required when preparing the Group's accounts.

In the prior year, significant judgement was required in relation to the determination of CGUs for goodwill impairment purposes due to a change in the way the Group monitors strategy and financial performance. There have been no such changes in the way the Group monitors strategy and financial performance in the period.

The significant accounting estimates required when preparing the Group's accounts in both the current and prior year are as follows:

- (i) Post-retirement benefits – As disclosed in note 11, the Group's principal retirement benefit schemes are of the defined benefit type. Year end recognition of the liabilities under these schemes require a number of significant assumptions to be made. These assumptions are made by the Group in conjunction with the schemes' actuaries and the Directors are of the view that any estimation should be appropriate and in line with consensus opinion.

The critical accounting estimate specifically relates to the Group's UK scheme, given the size of the liabilities and their sensitivity to underlying assumptions. Small changes in these assumptions could result in a material adjustment to carrying values in the next financial year. Sensitivities of key defined benefit obligation assumptions, including those related to the Group's UK defined benefit obligations, are included in note 11.

The Group's accounts include other areas of estimation. While these areas do not meet the definition of significant accounting estimates, the recognition and measurement of certain material assets and liabilities are based on assumptions. The other areas of accounting estimates in both the current and prior year are:

- (i) Goodwill impairment review of the Fragrances & Flavours CGU (note 12) – the recoverable amount, and therefore level of headroom, is predominantly dependent upon estimates used in arriving at the cash flow projections, terminal value growth rate, and the discount rate.

Changes in accounting policy

- (i) The Group adopted the following new accounting policies on 1 January 2025 to comply with amendments to International Financial Reporting Standards (IFRS). The accounting pronouncements, none of which had a material impact on the Group's financial reporting on adoption, are:
 - Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' (Lack of Exchangeability).
- (ii) The IASB has issued the following pronouncements for annual periods beginning on or after 1 January 2026 or 1 January 2027:
 - IFRS 18, 'Presentation and Disclosure in Financial Statements';
 - Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures' (Amendments to the Classification and Measurement of Financial Instruments);
 - Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures' (Nature-dependent Electricity Contracts);
 - Annual Improvements to IFRS Accounting Standards – Amendments to:
 - IFRS 7, 'Financial Instruments: Disclosures' and its accompanying guidance on implementing IFRS 7;
 - IFRS 9, 'Financial Instruments';
 - IFRS 10, 'Consolidated Financial Statements'; and
 - IAS 7, 'Statement of Cash Flows'.

The Group is assessing the impact of these new standards and the Group's financial reporting will be presented in accordance with these standards from 1 January 2026 or 1 January 2027 as applicable. The impact of changes to the Group's financial results is expected to be immaterial, with the changes primarily presentational.

Group accounts

General information

Croda International Plc is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. It is registered in England and Wales and the address of its registered office can be found on page 193.

Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred.

Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the Group's share of identifiable net assets acquired is recorded as goodwill.

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with the equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded as equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Intangible assets

Goodwill

On acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds such net assets. Goodwill arising on acquisitions is capitalised and carried at cost less accumulated impairment losses. Goodwill is subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets and where financial performance and strategy are monitored by the Group, known as CGUs. Goodwill is allocated to the CGU that is expected to benefit from the synergies of the acquisition.

If the recoverable amount of the CGU is less than the carrying value of the goodwill, an impairment loss is recognised immediately against the goodwill value. The recoverable amount of the CGU is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is measured on a market-based approach using prices and other relevant information generated by market transactions. Value in use is estimated with reference to estimated risk adjusted future post-tax cash flows in nominal terms discounted to net present value using a market participant nominal post-tax discount rate that reflects the time value of money and size risk premium specific to the CGU. Post-tax calculations, rather than pre-tax, are used as they are considered more accurate. For disclosure purposes, pre-tax discount rates are then back-solved using the equivalent pre-tax cash flows, and therefore there is no material difference between the calculations on a pre-tax or post-tax basis. Where required, specific risks associated with the CGU are adjusted through changes to the future cash flow projections. The Group uses growth estimates that track below the Group's historical growth rates unless the profile of a particular CGU warrants a different treatment.

Other intangible assets arising on acquisition

On acquisition, intangible assets other than goodwill are recognised if they can be identified through being separable from the acquired entity or arising from specific contractual or legal rights.

Once recognised, such intangible assets will be initially valued using an appropriate methodology.

Following initial recognition, the assets will be written down on a straight-line basis over their useful lives, which range from 7 to 20 years for technology processes and from 3 to 20 years for trade names, brands and customer relationships. Useful lives are regularly reviewed to ensure their continuing relevance.

Research and development

Research expenditure, undertaken with the prospect of gaining new scientific, technical or commercial knowledge and understanding, is charged to the income statement in the year in which it is incurred. Internal development expenditure, whereby research findings are applied to a plan for the production of new or substantially improved products or processes, is charged to the income statement in the year in which it is incurred unless it meets the recognition criteria of IAS 38 'Intangible Assets'. Development uncertainties typically mean that such criteria are not met, most commonly because the Group can only demonstrate the existence of a market at a late stage in the product development cycle, at which point the material element of project spend has already been incurred and charged to the income statement. This includes, for example, substantiating potential product claims for use by our customers. Until the desired outcome of such work can be proven, at an economic production cost, the market for a product cannot be said to exist. Furthermore, the Group does not have the ability to reliably measure the development expenditure attributable to all projects during development.

Where, however, the recognition criteria are met, intangible assets are capitalised and amortised over their useful economic lives from product launch.

Intangible assets relating to products in development are subject to impairment testing at each balance sheet date or earlier upon indication of impairment. Any impairment losses are written off to the income statement.

Computer software

Cloud computing arrangements are assessed and classified as either service contracts or intangible assets. Computer software licences that meet the definition of an intangible asset, covering a period of greater than a year, are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which range from 3 to 7 years.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes intra-Group sales. The Group recognises revenue on completion of contractual performance obligations, generally when it transfers control over a product or service to a customer.

Sale of goods

The principal activity from which the Group generates revenue is the supply of products to customers from its various manufacturing sites and warehouses, and in some limited instances from consignment inventory held on customer sites. Products are supplied under a variety of standard terms and conditions, and in each case, revenue is recognised when contractual performance obligations between the Group and the customer are satisfied. This will typically be on dispatch or delivery. When sales discount and rebate arrangements result in net variable consideration, appropriate adjustments are recognised as a deduction from revenue at the point of sale. The Group typically uses the expected value method for estimating rebates, reflecting

that such contracts have similar characteristics and a range of possible outcomes. The Group recognises revenue to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not be required.

Interest and dividend income

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Government grants

The Group recognises government grant income related to assets when the grant becomes receivable and deducts the income from the cost of the associated asset. Government grant income is recognised separately in the Group Statement of Cash Flows.

Segmental reporting

The Group's sales, marketing and research activities are organised into three global market sectors, being Consumer Care, Life Sciences and Industrial Specialties. These are the segments for which summary management information is presented to the Group's Executive Committee, which is deemed to be the Group's Chief Operating Decision Maker.

Employee benefits

Pension obligations

The Group accounts for pensions and similar benefits under IAS 19 'Employee Benefits' (revised). In respect of defined benefit plans (pension plans that define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation), obligations are measured at discounted present value whilst plan assets are recorded at fair value. The assets and liabilities recognised in the balance sheet in respect of defined benefit pension plans are the net of plan obligations and assets. A scheme surplus is only recognised as an asset in the balance sheet when the Group has the unconditional right to future economic benefits in the form of a refund or a reduction in future contributions. For those schemes where an accounting surplus is currently recognised, the Group expects to recover the value through reduced future contributions. No allowance is made in the past service liability in respect of either the future expenses of running the schemes or for non-service-related death in service benefits which may arise in the future. The operating costs of such plans are charged to operating profit and the finance costs are recognised as financial income or an expense as appropriate.

Service costs are spread systematically over the future working lives of employees and financing costs are recognised in the periods in which they arise. Remeasurements are recognised in the statement of comprehensive income. Payments to defined contribution schemes (pension plans under which the Group pays fixed contributions into a separate entity) are charged as an expense as they fall due.

Other post-retirement benefits

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Remeasurements are recognised in the statement of comprehensive income. These obligations are valued annually by independent qualified actuaries.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Share-based payments

The Group operates a number of cash and equity settled, share-based incentive schemes. These are accounted for in accordance with IFRS 2 'Share-based Payments', which requires an expense to be recognised in the income statement over the vesting period of the options.

For equity settled share-based incentive schemes, the expense is based on the grant date fair value of each instrument which is calculated using a Black Scholes, Monte Carlo, or Closed form valuation model as appropriate. Any expense is adjusted to reflect expected and actual levels of options vesting for non-market-based performance criteria. Market conditions are included in the grant date fair value and are not adjusted for subsequently. There is a corresponding increase in equity which matches the amount recognised in the income statement.

When an award is intended to be settled in cash, a liability is recognised from the inception of the award, based on the Group's share price. The corresponding entry to the liability is an expense in the income statement. The liability is revalued based on the Group's share price at each reporting period (until exercise) and adjusted for revised estimates of the number of awards expected to vest dependent on performance and service conditions.

Currency translations and hyperinflation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Certain subsidiaries of the Group operate in hyperinflationary economies. Where considered significant, the results of those subsidiaries are adjusted to reflect the current purchasing power of that currency at the year end, as if that rate had applied to the results of the entity for the whole period. Any gain or loss on monetary assets and liabilities is recognised within operating costs in the Group Income Statement as a net monetary gain or loss.

Transactions and balances

Monetary assets and liabilities are translated at the exchange rates ruling at the end of the financial period. Exchange profits or losses on trading transactions are included in the Group Income Statement except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency and are not considered to be hyperinflationary are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement and related cash flows for each subsidiary, are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses and cash flows are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

For subsidiaries operating in hyperinflationary economies, the results and financial position are translated into the Group's presentation currency using the closing rate for all transactions, rather than at an average rate for income and expense items.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity.

When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Taxation

The charge for taxation is based on the profit for the year and comprises current and deferred taxation. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases, except where recognition is prohibited by IAS 12 'Income Taxes'. Temporary differences arise primarily from differences in the timing of the recognition of income and expenses for accounting and tax purposes. Deferred tax is provided using the balance sheet liability method.

No deferred tax is recognised on unremitted earnings of foreign subsidiaries where the Group is able to control the timing of the reversal and it is not probable that such earnings will be remitted in the foreseeable future. Similarly, no deferred tax is recognised on temporary differences relating to investments in subsidiaries where the Group controls the timing of the reversal and it is not probable that the differences will reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The Group has determined that the global minimum top-up tax arising under Pillar Two legislation represents an income tax within the scope of IAS 12. The Group has applied the mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes and accounts for any current tax liabilities in the period in which the related profits arise.

Following the adoption of amendments to IAS 12, which remove the initial recognition exemption for leases, the Group recognises a deferred tax asset in respect of lease liabilities and a deferred tax liability in respect of right-of-use assets.

Deferred tax assets and liabilities are measured using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related temporary differences reverse.

Income statement presentation

Adjusted results are stated before exceptional items and amortisation of intangible assets arising on acquisition, and tax thereon. The Board believes that the adjusted presentation (and the columnar format adopted for the Group Income Statement) assists shareholders by providing a basis upon which to analyse business performance and make year-on-year comparisons. The same measures are used by management for planning, budgeting and reporting purposes and for the internal assessment of operating performance across the Group. The adjusted presentation is adopted on a consistent basis for each half year and full year results.

Exceptional items

Exceptional items are those items that in the Directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance or which are unusual in nature and outside the normal course of business. In the current year exceptional items relate to business transformation costs linked to the Group-wide business transformation programme, impairments to property, plant and equipment, right of use assets and intangible assets and the recognition of an onerous contract provision. Due to the size and unusual nature of these items the Directors believe it appropriate to recognise them as exceptional items. Exceptional items in the prior year related to business transformation costs, an increase to environmental provisions in the Americas and restructuring costs associated with changes to the Group's operating model. Details can be found in note 3 on page 144.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The Group's policy is to write off the difference between the cost of all property, plant and equipment, except freehold land, and their residual value on a straight-line basis over their estimated useful lives.

Reviews are made annually of the estimated remaining lives and residual values of individual productive assets, taking account of commercial and technological obsolescence, the impact of climate change, site decarbonisation road maps, as well as normal wear and tear, and adjustments are made where appropriate. Under this policy it becomes impractical to calculate average asset lives exactly. However, the total lives range from approximately 15 to 40 years for land and buildings, and 3 to 25 years for plant and equipment. All individual assets are reviewed for impairment when there are indications that the carrying value may not be recoverable. The Group's 'plant and equipment' asset class predominantly relates to the value of plant and equipment at the Group's manufacturing facilities. Consequently, the Group does not seek to analyse out of this class other items such as motor vehicles and office equipment.

The TCFD on pages 41 to 47 highlights water stress from droughts and flood risks across specific sites. The sites with significant risk of drought and flood account for Group revenue of 22% and 2% in 2025 respectively, whilst they account for 10% and 1% respectively of the Group's property, plant and equipment net book value. Due to the mitigations detailed in the TCFD, climate change does not have a material impact on the net book value or remaining useful life of property, plant and equipment at the balance sheet date.

Impairment of non-financial assets

The Group assesses at each year end whether an asset may be impaired. If any evidence exists of impairment, for example if there has been a change in the planned use of an asset during the year, the estimated recoverable amount is compared to the carrying value of the asset and an impairment loss is recognised where appropriate. The recoverable amount is the higher of an asset's value in use and fair value less costs to sell. In addition to this, goodwill is tested for impairment at least annually. Non-financial assets other than goodwill which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Leases

When entering into a new contract, the Group assesses whether it is, or contains, a lease. A lease conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the interest rate implicit in the lease or, more typically, the Group's incremental borrowing rate (when the implicit rate cannot be readily determined).

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or changes in the Group's assessment of whether a purchase, extension or termination option is reasonably certain to be exercised.

The Group adopts recognition exemptions for short-term (less than 12 months) and low value leases and elects not to separate lease components from any associated fixed non-lease components.

The Group classifies payments of lease liabilities (principal and interest portions) as part of financing activities. Payments of short-term, low value and variable lease components are classified within operating activities.

Derivative financial instruments

The Group uses derivative financial instruments where deemed appropriate to hedge its exposure to interest rates and short-term currency rate fluctuations. The Group's accounting policy is set out below.

Derivative financial instruments are recorded initially at fair value. Subsequent measurement depends on the designation of the instrument as either: (i) a hedge of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (ii) a hedge of highly probable forecast transactions (cash flow hedge).

(i) Fair value hedge

Changes in the fair value of derivatives, for example interest rate swaps and foreign exchange contracts, that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The forward elements of the forward exchange contracts are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the current amount and timing of the respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method. In these hedge relationships, the main sources of ineffectiveness are changes in the time or amount of the hedged transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables

Trade and other payables are recognised initially at fair value. With the exception of contingent consideration and forward foreign exchange contracts, trade and other payables are subsequently measured at amortised cost using the effective interest method. Forward foreign exchange contracts are initially recognised at cost and subsequently measured at fair value on a mark-to-market basis.

Inventories

Inventories are stated at the lower of cost and net realisable amount on a first in first out basis. Cost comprises all expenditure, including related production overheads, incurred in the normal course of business in bringing the inventory to its location and condition at the balance sheet date. Net realisable amount is the estimated selling price in the ordinary course of business less any applicable variable selling costs. Provision is made for obsolete, slow moving and defective inventory where appropriate. Profits arising on intra-group sales are eliminated in so far as the product remains in Group inventory at the year end.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less impairment losses. A provision for impairment of trade receivables is recognised based on lifetime expected losses, but principally comprises balances where objective evidence exists that the amount will not be collectible. Such amounts are written down to their estimated recoverable amounts, with the charge being made to operating expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and bank overdrafts are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts, there is an intention to settle on a net basis and interest is charged on a net basis.

Environmental, restructuring, site restoration, onerous contract and other provisions

The Group is exposed to certain liabilities relating to its operations. Provisions are made immediately where a legal or constructive obligation is identified, can be quantified and it is regarded as more likely than not that an outflow of resources will be required to settle or meet the Group's obligations. The Group does consider the impact of discounting when establishing provisions and provisions are discounted when the impact is material and the timing of cash flows can be estimated with reasonable certainty.

Share capital

Investment in own shares

- (i) Employee share ownership trusts – shares acquired by the trustees of the employee share ownership trust (the Trustees), funded by the Company and held for the continuing benefit of the Company are shown as a reduction in equity attributable to owners of the parent. Movements in the year arising from additional purchases by the Trustees of shares or the receipt of funds due to the exercise of options by employees are accounted for within reserves and shown as a movement in equity attributable to owners of the parent in the year. Administration expenses of the trusts are charged to the Company's income statement as incurred.
- (ii) Treasury shares – where any Group company purchases the Company's equity share capital as treasury shares, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Dividends

Dividends on ordinary share capital are recognised as a liability when the liability is irrevocable. Accordingly, final dividends are recognised when approved by shareholders and interim dividends are recognised when paid.

Investments

Investments in equity securities are measured at fair value, with movements in the fair value being recognised in the income statement or equity on an instrument-by-instrument basis. Investments are subject to impairment testing at each balance sheet date or earlier upon indication of impairment.

Alternative performance measures

The Group uses various Alternative Performance Measures (APMs) which are not defined within IFRS. The Group believes the APMs used provide a meaningful basis upon which to analyse the Group's financial performance and position, which is helpful to the reader. A reconciliation of these APMs to IFRS measures is included in note 27 on pages 170 and 171.

Notes to the Group Accounts

1. Segmental analysis

The Group's sales, marketing and research activities are organised into three global market sectors, being Consumer Care, Life Sciences and Industrial Specialties. These are the segments for which summary management information is presented to the Group's Executive Committee, which is deemed to be the Group's Chief Operating Decision Maker. A review of each sector can be found within the Strategic Report on pages 27 to 32.

There is no material trade between segments. Segmental results include items directly attributable to a specific segment as well as those that can be allocated on a reasonable basis.

	2025 £m	2024 £m
Income statement		
Revenue		
Consumer Care	972.7	920.0
Life Sciences	532.2	504.3
Industrial Specialties	194.5	203.8
Total Group revenue	1,699.4	1,628.1
Adjusted operating profit		
Consumer Care	169.8	160.2
Life Sciences	116.5	104.0
Industrial Specialties	9.0	15.5
Total Group operating profit (before exceptional items and amortisation of intangible assets arising on acquisition)	295.3	279.7
Exceptional items and amortisation of intangible assets arising on acquisition ¹	(185.2)	(52.2)
Total Group operating profit	110.1	227.5

1. Relates to Consumer Care £74.3m (2024: £31.8m), Life Sciences £100.2m (2024: £18.5m) and Industrial Specialties £10.7m (2024: £1.9m).

The Group's revenue from external customers in the UK is £38.3m (2024²: £39.5m), in France is £104.3m (2024: £90.2m), in Germany is £55.6m (2024²: £55.3m), in China is £158.6m (2024²: £154.6m), in the US is £369.8m (2024²: £359.6m) and the total revenue from external customers from other countries is £972.8m (2024²: £928.9m). No single external customer represents more than 4% of the total revenue of the Group. The total of non-current assets other than financial instruments, retirement benefit assets and deferred tax assets located in the UK is £230.3m (2024: £261.9m), in the US is £496.5m (2024: £612.3m) and in other countries is £690.0m (2024: £706.6m). Goodwill has not been split by geography as this asset is not attributable to a geographical area.

The Group manages its business segments on a global basis. The operations are based in the following geographical areas: Europe, with manufacturing sites in the UK, France, the Netherlands, Italy, Spain and Denmark; North America, with manufacturing sites in the US; Latin America, with manufacturing sites in Brazil, Argentina, Colombia and Mexico; Asia, with manufacturing sites in Singapore, Japan, India, China, Indonesia, Malaysia and Korea; Africa, with manufacturing sites in South Africa and Tunisia; and Australia.

In the following table, revenue has been disaggregated by sector and destination. This is the primary management information that is presented to the Group's Executive Committee.

	Europe, Middle East & Africa £m	North America £m	Latin America £m	Asia £m	Total £m
Revenue 2025					
Consumer Care	427.2	190.0	103.5	252.0	972.7
Life Sciences	188.8	170.3	76.0	97.1	532.2
Industrial Specialties	69.1	40.8	7.2	77.4	194.5
Total Group revenue	685.1	401.1	186.7	426.5	1,699.4
Revenue 2024					
Consumer Care	383.2	188.7	100.7	247.4	920.0
Life Sciences ²	167.8	166.8	72.5	97.2	504.3
Industrial Specialties	75.5	37.5	7.3	83.5	203.8
Total Group revenue	626.5	393.0	180.5	428.1	1,628.1

2. Group revenue of £10.7m recognised in 2024 (within the Life Sciences sector) has been reclassified from EMEA (£5.7m) and Asia (£5.0m) to North America following a review of the destination of the Group's commercial relationships for certain customers.

	2025 £m	2024 £m
Depreciation and amortisation (before amortisation of intangible assets arising on acquisition)		
Consumer Care	52.0	51.0
Life Sciences	35.1	34.6
Industrial Specialties	14.2	13.0
Total Group	101.3	98.6

2. Operating costs

	2025 £m	2024 £m
Analysis of net operating expenses by function:		
Distribution costs	80.7	79.2
Administrative expenses	554.9	427.2
	635.6	506.4

Additional information on the nature of operating expenses, including depreciation and employee costs, is provided in note 3.

3. Profit for the year

	2025 £m	2024 £m
The Group profit for the year is stated after charging/(crediting):		
Depreciation and amortisation (notes 12, 13 & 14)	137.0	135.8
Intangible asset impairments (exceptional) (note 12)	10.9	–
Property, plant and equipment impairments (exceptional) (note 13)	78.9	–
Right of use asset impairments (exceptional) (note 14)	17.5	–
Staff costs (note 9)	391.3	389.1
Redundancy costs (non-exceptional) (note 9)	0.2	0.6
Redundancy costs (exceptional) (note 9), categorised as part of business transformation costs in 2025	10.0	3.0
Business transformation costs excluding redundancy (exceptional)	16.3	3.5
Net-monetary adjustment arising from application of IAS 29 'Hyperinflation'	1.5	5.0
Inventories – cost recognised as expense in cost of sales (note 17)	953.7	894.2
Inventories – provision movement in the year	(1.3)	(6.2)
Research and development	60.2	63.6
Net foreign exchange	8.6	1.8
Bad debt charge (note 18)	3.9	2.0

	2025 £m	2024 £m
Adjustments:		
Exceptional items – operating profit		
Restructuring costs (note 21)	–	(3.0)
Business transformation costs	(26.3)	(3.5)
Environmental provision (note 21)	–	(8.5)
Onerous contract provision (note 21)	(15.9)	–
Intangible asset impairments (note 12)	(10.9)	–
Property, plant and equipment impairments (note 13)	(78.9)	–
Right of use asset impairments (note 14)	(17.5)	–
Exceptional items	(149.5)	(15.0)
Amortisation of intangible assets arising on acquisition	(35.7)	(37.2)
Total adjustments	(185.2)	(52.2)

The exceptional items in the current year relate to:

- business transformation costs as part of the Group-wide transformation programme which commenced in the prior year. The programme is expected to continue until 2027 and involves right-sizing and optimising the organisation. The costs of £26.3m include £10.0m redundancy alongside other costs such as legal and professional and project management costs;
- property, plant and equipment (£78.9m), right of use assets (£17.5m) and intangible assets (£10.9m) impairments. Further detail on these impairments is included in notes 12, 13 and 14; and
- the recognition of an onerous contract provision. Further detail is included in note 21.

The exceptional items in the prior year related to business transformation costs, restructuring costs related to changes in the Group's operating model and an increase to environmental provisions in the Americas.

	2025 £m	2024 £m
Services provided by the Group's auditor		
Audit services		
Fees payable to the Group's auditor for the audit of Parent Company and consolidated financial statements	0.6	0.6
Fees payable to the Group's auditor and its associates for the audit of the Company's subsidiaries	2.3	2.1
Other audit services		
Audit-related assurance and other services including fees payable in relation to the Group's interim review	0.2	0.3
	3.1	3.0

4. Net financial costs

	2025 £m	2024 £m
Financial costs		
US\$100m 3.75% fixed rate 10 year note	2.8	2.9
2019 Club facility due 2026	–	11.8
2024 Club facility due 2030	14.6	4.5
€70m 1.43% fixed rate 10 year note	0.8	0.8
£70m 2.80% fixed rate 10 year note	2.0	2.0
€50m 1.18% fixed rate 8 year note	0.5	0.5
£65m 2.46% fixed rate 8 year note	1.6	1.6
US\$60m 3.70% fixed rate 10 year note	1.7	1.7
Interest on lease liabilities	2.8	2.8
Other bank loans and overdrafts	1.4	2.3
Preference share dividend	0.1	0.1
	28.3	31.0
Financial income		
Bank interest receivable and similar income	(3.0)	(6.9)
Net interest on post-retirement benefits	(6.2)	(4.4)
	(9.2)	(11.3)
Net financial costs	19.1	19.7

5. Tax

	2025 £m	2024 £m
(a) Analysis of tax charge for the year		
UK current corporate tax	1.8	(0.8)
Overseas current corporate taxes	54.7	60.8
Global minimum top-up tax	0.5	1.2
Current tax	57.0	61.2
Deferred tax (note 6)	(30.7)	(13.0)
	26.3	48.2
(b) Tax on items charged/(credited) to other comprehensive income or equity		
Deferred tax on remeasurement of post-retirement benefits (OCI)	0.5	3.9
Deferred tax on share-based payments (equity)	(1.3)	0.1
Deferred tax on provisions (OCI)	0.1	0.3
	(0.7)	4.3
(c) Factors affecting the tax charge for the year		
Profit before tax	91.0	207.8
Tax at the standard rate of corporation tax in the UK, 25.0% (2024: 25.0%)	22.7	52.0
Effect of:		
Tax rate changes	0.3	(0.1)
Prior year over-provisions	(2.7)	(7.5)
Tax cost of remitting overseas income to the UK	1.7	2.1
Expenses and write-offs not deductible for tax purposes	4.8	1.9
Tax incentives	(2.3)	(4.8)
Effect of overseas tax rates	(0.4)	(1.7)
Movement in temporary differences	1.7	5.1
Global minimum top-up tax	0.5	1.2
	26.3	48.2

The effective adjusted corporate tax rate before exceptional items of 25.2% (2024: 23.0%) is in line with the UK's standard tax rate of 25.0%. The reported corporate tax rate after exceptional items is 28.9% (2024: 23.2%).

The reported corporate tax rate after exceptional items was lower in the prior year due to higher prior year over-provisions credit.

5. Tax continued

Croda operates in many tax jurisdictions other than the UK, both as a manufacturer and distributor and it is the exposure to these different tax rates that makes it difficult to forecast the Group's future tax rate with any certainty given the unpredictable nature of exchange rates, individual economies and tax legislators. The Group's non-UK profits are taxed at an average rate that is lower than the UK statutory tax rate of 25%.

Croda's effective corporate tax rate has increased as a result of incurring non-deductible expenditure. Otherwise, there are no significant adjustments between the Group's expected and reported tax charge based on its reported accounting profit. Given the global nature of the Group, and the number of associated cross-border transactions between connected parties, we are exposed to potential adjustments to the price charged for those transactions by tax authorities. However, the Group carries appropriate provisions relating to the level of risk.

The UK current and deferred tax is calculated at 25.0%. The overseas tax is calculated at the rates prevailing in the respective jurisdictions.

The Group is within the scope of the OECD Pillar Two global minimum tax rules, which require in-scope groups to pay a minimum effective tax rate of 15% on a jurisdictional basis.

The Group has exposure to Pillar Two top-up tax in respect of operations in low-tax jurisdictions. For the year ended 31 December 2025, the Group recognised a current tax expense of £0.5m (2024: £1.2m) in respect of Pillar Two top-up tax.

6. Deferred tax

	2025 £m	2024 £m
The deferred tax balances included in these accounts are attributable to the following:		
Deferred tax assets		
Retirement benefit liabilities	4.5	3.7
Tax losses	9.3	–
Provisions	64.6	49.8
Gross deferred tax asset	78.4	53.5
Offset with deferred tax liabilities	(47.4)	(38.8)
Net deferred tax asset	31.0	14.7
Deferred tax liabilities		
Accelerated capital allowances	104.6	109.3
Acquired intangibles	69.6	76.3
Retirement benefit assets	33.3	30.3
Other	4.4	3.8
Gross deferred tax liability	211.9	219.7
Offset with deferred tax assets	(47.4)	(38.8)
Net deferred tax liability	164.5	180.9
The movement on deferred tax balances during the year is summarised as follows:		
Deferred tax (charged)/credited through the income statement		
Continuing operations before adjustments	(8.9)	3.8
Adjustments and exceptional items	39.6	9.3
Deferred tax charged/(credited) directly to other comprehensive income or equity (note 5(b))	0.7	(4.3)
Exchange differences	1.3	3.4
	32.7	12.2
Net balance brought forward	(166.2)	(178.4)
Net balance carried forward	(133.5)	(166.2)
Deferred tax (charged)/credited through the income statement relates to the following:		
Retirement benefit obligations	(1.6)	(0.8)
Accelerated capital allowances	(0.9)	0.1
Tax losses	9.3	–
Provisions	15.3	7.4
Other	8.6	6.3
	30.7	13.0

Deferred tax is calculated in full on temporary differences under the balance sheet liability method at rates appropriate to each subsidiary. Deferred tax expected to reverse in the year to 31 December 2026 and beyond has been measured using the rate due to prevail in the year of reversal.

Deferred tax assets have been recognised in all material cases where such assets arise, as it is probable the assets will be recovered. At 31 December 2025, the unrecognised deferred tax asset was £16.8m in respect of losses of £68.4m (2024: unrecognised deferred tax asset of £15.4m on losses of £63.4m) across the Group, as it is not considered probable that there will be future taxable profits against which these losses can be offset.

Deferred tax is only recognised on the unremitted earnings of overseas subsidiaries to the extent that remittance is expected in the foreseeable future. If all earnings were remitted, an additional £20.4m (2024: £20.9m) of tax would be payable on unremitted earnings of £539m (2024: £500m).

All movements on deferred tax balances have been recognised in the income statement with the exception of the items shown in note 5(b).

Of the gross deferred tax assets, £1.2m are expected to reverse within 12 months of the balance sheet date. No material reversal of any of the deferred tax liability is expected within 12 months of the balance sheet date based on the Group's current capital expenditure programme.

7. Earnings per share

	2025 £m	2024 £m
Adjusted profit after tax for the year attributable to owners of the parent	204.0	199.1
Exceptional items and amortisation of intangible assets	(185.2)	(52.2)
Tax impact of exceptional items and amortisation of intangible assets	43.2	11.6
Profit after tax for the year attributable to owners of the parent	62.0	158.5
	Number m	Number m
Weighted average number of 10.61p (2024: 10.61p) ordinary shares in issue for basic calculation	139.5	139.6
Deemed issue of potentially dilutive shares	0.1	0.1
Average number of 10.61p (2024: 10.61p) ordinary shares for diluted calculation	139.6	139.7
	Pence	Pence
Basic earnings per share	44.4	113.5
Adjusted basic earnings per share	146.2	142.6
Diluted earnings per share	44.4	113.5
Adjusted diluted earnings per share	146.1	142.5

Basic earnings per share is calculated by dividing the profit after tax attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding those shares held in treasury or employee share trusts (note 24). Shares held in employee share trusts are treated as cancelled because, except for a nominal amount, dividends have been waived.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares.

Additional earnings per share calculations are included above to give a better indication of the Group's underlying performance.

8. Dividends

	Pence per share	2025 £m	Pence per share	2024 £m
Ordinary				
Interim				
2024 interim, paid October 2024	–	–	47.0	65.6
2025 interim, paid October 2025	48.0	67.0	–	–
Final				
2023 final, paid May 2024	–	–	62.0	86.6
2024 final, paid May 2025	63.0	87.9	–	–
	111.0	154.9	109.0	152.2

The Directors are recommending a final dividend of 63p per share, amounting to a total of £87.9m, in respect of the financial year ended 31 December 2025.

Subject to shareholder approval, the dividend will be paid on 27 May 2026 to shareholders registered on 10 April 2026 and has not been accrued in these financial statements. The total dividend for the year ended 31 December 2025 will be 111p per share amounting to a total of £154.9m.

9. Employees

	2025 £m	2024 (restated) £m
Group employment costs including Directors		
Wages and salaries	301.6	297.5
Share-based payment charges (note 23)	7.6	6.3
Social security costs	52.6	51.3
Post-retirement benefit costs	12.6	18.7
Other employee related costs	16.9	15.3
Redundancy costs	10.2	3.6
	401.5	392.7

The table above includes £10.0m (2024: £3.0m) charges related to exceptional items (note 3).

A new category within Group employment costs has been included in the current year called 'other employee related costs' which includes costs paid on behalf of the Group's employees, such as private healthcare schemes, but which are not payable to state or Government bodies. These costs were previously included under the 'social security costs' category. Therefore, a reclassification of £5.3m has been made in 2024 between 'other employee related costs' and 'social security costs', with a further £10.0m costs included within 'other employee related costs' for 2024 which had previously not been covered within this note.

	2025 Number	2024 Number
Average employee numbers by function		
Production	3,688	3,685
Selling and distribution	1,470	1,405
Administration	861	871
	6,019	5,961

As required by the Companies Act 2006, the figures disclosed above are the weighted averages based on the number of employees including Executive Directors. At 31 December 2025, the Group had 5,954 (2024: 6,027) employees in total.

10. Directors' and key management compensation

Detailed information concerning Directors' remuneration, interests and options is shown in section D of the Directors' Remuneration Report, which is subject to audit, on pages 87 to 101 forming part of the Annual Report and Accounts.

Aggregate compensation for key management, being the Directors and members of the Group Executive Committee, was as follows:

	2025 £m	2024 £m
Key management compensation including Directors		
Short-term employee benefits	8.1	6.7
Post-retirement benefit costs	0.1	0.1
Share-based payment charge	3.7	1.8
	11.9	8.6

11. Post-retirement benefits

The table below summarises the Group's net year end post-retirement benefits balance sheet positions and activity for the year.

	2025 £m	2024 £m
Balance sheet:		
Retirement benefit assets	137.7	130.0
Retirement benefit liabilities	(23.4)	(25.7)
Net asset in Group balance sheet	114.3	104.3
Net balance sheet assets/(liabilities) for:		
Defined pension benefits	125.0	116.2
Post-employment medical benefits	(10.7)	(11.9)
	114.3	104.3
Income statement (credit)/charge included in profit before tax for:		
Defined pension benefits	(2.5)	4.8
Post-employment medical benefits	0.8	0.9
	(1.7)	5.7
Remeasurements included in other comprehensive income for:		
Defined pension benefits	(1.7)	(13.3)
Post-employment medical benefits	(0.8)	(2.2)
	(2.5)	(15.5)

Defined benefit pension schemes

The Group operates defined benefit pension schemes in the UK, US and several other territories under broadly similar regulatory frameworks.

The UK scheme, which remains open to new members and future service accrual, is a Career Average Revalued Earnings (CARE) defined benefit scheme, with annual pensionable earnings capped and pensions in payment indexed based on CPI. The US Retirement Plan, which is closed to new members, operates a cash balance pension scheme that provides a guaranteed rate of return on pension contributions until retirement (other than for a small number of 'grandfathered' employees). The US plans also do not generally receive inflationary increases once in payment. With the exception of this difference in inflationary risk, the Group's main defined benefit pension schemes continue to face materially similar risks, as described on page 152.

All of the Group's final salary type pension schemes (which provide benefits to members in the form of a guaranteed level of pension payable for life based on salary in the final years leading up to retirement) are closed to future service accrual with the exception of a small number of 'grandfathered' employees in the US scheme.

The majority of the Group's retirement benefit asset relates to the Group's UK pension scheme. The UK pension scheme is open to future service accrual and therefore the surplus is recognised on the basis that this could be recovered through a reduction in future service contributions.

The majority of benefit payments are from trustee administered funds; however, there are also a number of unfunded plans where the relevant Group company meets the benefit payment obligation as it falls due.

Plan assets held in trusts are governed by local regulations and practice in each country, as is the nature of the relationship between the Group and the trustees (or equivalent) and their composition. Responsibility for governance of the schemes, including investment decisions and contribution schedules, predominantly lies with the particular scheme's board of trustees with appropriate input from the relevant Group company. The board of trustees must be composed of representatives in accordance with each scheme's regulations and any relevant legislation.

The amounts recognised in the balance sheet in respect of these schemes are as follows:

	2025 £m	2024 £m
Present value of funded obligations		
UK pension scheme	(641.5)	(653.9)
US pension scheme	(94.3)	(99.7)
Rest of world	(18.7)	(19.8)
	(754.5)	(773.4)
Fair value of schemes' assets		
UK pension scheme	774.8	774.9
US pension scheme	97.0	106.9
Rest of world	16.2	15.8
	888.0	897.6
Net asset in respect of funded schemes	133.5	124.2
Present value of unfunded obligations	(8.5)	(8.0)
Net asset in Group balance sheet (excluding post-employment medical benefits)	125.0	116.2

11. Post-retirement benefits *continued*

	2025 £m	2024 £m
Movement in present value of retirement benefit obligations in the year:		
Opening balance	781.4	867.3
Current service cost	7.6	9.8
Past service cost – plan amendments	(3.9)	–
Interest cost	40.6	37.5
Remeasurements		
Change in demographic assumptions	4.8	(18.3)
Change in financial assumptions	(22.2)	(72.5)
Experience gains	4.8	1.6
Contributions paid in		
Employee	3.0	2.9
Benefits paid	(46.1)	(46.9)
Exchange differences on overseas schemes	(7.0)	–
	763.0	781.4

At the end of 2025 the UK scheme introduced a Pension Increase Exchange (PIE) option, allowing eligible members the option to exchange future pension increases that the scheme offers for lower increases and a higher pension at retirement. This re-design of the scheme's retirement options represented a plan amendment and resulted in a past service cost, recognised in the income statement as a credit of £3.9m.

	2025 £m	2024 £m
Movement in fair value of schemes' assets in the year:		
Opening balance	897.6	967.1
Interest income	46.8	42.5
Remeasurements		
Return on scheme assets, excluding amounts included in financial expenses	(10.9)	(75.9)
Contributions paid in		
Employee	3.0	2.9
Employer	5.1	7.1
Benefits paid out	(46.1)	(46.9)
Exchange differences on overseas schemes	(7.5)	0.8
	888.0	897.6

As at the balance sheet date, the present value of funded and unfunded retirement benefit obligations comprised approximately £136m in respect of active employees, £186m in respect of deferred members and £441m in relation to members in retirement.

Total employer contributions to the schemes in 2026 are expected to be £1.8m.

The actuarial assumptions used to determine the present value of the defined benefit obligations were:

	2025 UK	2025 US	2024 UK	2024 US
Discount rate	5.5%	5.2%	5.5%	5.5%
Inflation rate – RPI	3.0%	3.0%	3.3%	3.0%
Inflation rate – CPI	2.5%	n/a	2.8%	n/a
Rate of increase in salaries	4.5%	4.0%	4.8%	4.0%
Rate of increase for pensions in payment	2.9%	n/a	3.1%	n/a
Duration of liabilities (i.e. life expectancy) (years)	12.8	9.1	13.3	8.7
Remaining working life	9.3	10.3	9.3	10.2

Mortality assumptions are based on country-specific mortality tables and where appropriate allow for future improvements in life expectancy. Where credible data exists, actual plan experience is taken into account. The UK mortality improvement scale has been updated to CMI 2024, in order to reflect the most recent CMI model with a long-term rate of 1.25% p.a. Applying the mortality tables adopted, the expected future average lifetime of members currently at age 65 and members at age 65 in 20 years' time is as follows:

	UK	Current age 65 US	UK	Age 65 in 20 years US
Male	20.0	21.0	21.0	22.0
Female	23.0	23.0	24.0	24.0

The sensitivity of the defined benefit obligation to changes in the significant assumptions is as follows:

	Impact on retirement benefit obligation		
	Sensitivity	Of increase	Of decrease
Discount rate	0.5%	5.7%	6.2%
Inflation rate	0.5%	3.9%	3.9%
Mortality (assumes a one-year change in life expectancy)	1 year	3.9%	4.0%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the retirement benefit obligation recognised in the Group balance sheet. The weighted average duration of the defined benefit obligation is 12.3 years (2024: 12.7 years).

Given the size of the UK scheme when compared to other Group schemes, the above impact due to sensitivity in key assumptions is materially in respect of UK defined benefit obligations.

The assets in the schemes comprised:

	2025 £m	2025 %	2024 £m	2024 %
Quoted				
Equities	99.6	11%	133.7	15%
Government bonds	377.3	43%	331.3	37%
Corporate bonds	130.4	15%	135.2	15%
Other quoted securities	27.8	3%	23.1	3%
Unquoted				
Cash and cash equivalents	46.1	5%	66.5	7%
Real estate (pooled investment vehicles)	45.5	5%	55.3	6%
Derivatives	10.0	1%	(1.6)	-
Private market bonds	149.5	17%	154.1	17%
Other	1.8	0%	-	-
	888.0	100%	897.6	100%

Derivatives presented above represent the scheme's net position on Government bond repurchase agreements and other swap contracts (valued on a mark-to-market basis) which form part of the scheme's Liability Driven Investment (LDI) portfolio. The non-derivative assets in the LDI portfolio have been presented in the relevant asset category. Hedge funds consist of a fund of multiple investment managers across both traditional markets such as equities and credit and also more specialist diversified strategies. Infrastructure funds consists of infrastructure type investments that hold assets linked to the value and income from UK and overseas infrastructure.

Within the private market bonds and real estate fund class allocation above, approximately £171.1m relates to adjusted lagged valuations as at 31 December 2025. In arriving at this figure, allowance has been made for broad market movements and distributions between 30 September 2025 (the most recent valuation of these assets) and 31 December 2025.

In June 2023, the High Court made a ruling in the case Virgin Media Ltd v NTL Pension Trustees II Limited. The ruling related to Section 37 of the 1993 Pensions Act and the correct interpretation of historical legislation governing the amendment of contracted-out DB schemes. On 25 July 2024, the Court of Appeal upheld the June 2023 High Court decision. The Court's decision could have wider ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016. The Government announced on 5 June 2025 its intention to allow retrospective actuarial confirmation, and amendments to the Pension Schemes Bill to achieve this were published in early September 2025. The Trustees of Croda Pension Scheme in the UK have completed a legal review of scheme documentation and based on the available information have concluded that there is no Section 37 issue in respect of the Scheme. As a result, no changes are proposed in the current year's pension scheme liability calculations. The Group considers this approach reasonable and appropriate since there is no reason to doubt that the appropriate confirmations were obtained for relevant amendments to the Croda Pension Scheme.

11. Post-retirement benefits *continued*

Post-employment medical benefits

The Group operates an unfunded post-employment medical benefit scheme in the US. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes set out above with the addition of actuarial assumptions relating to the long-term increase in healthcare costs of 5.0% a year (2024: 5.0%).

The amounts recognised in the balance sheet in respect of this scheme are as follows:

	2025 £m	2024 £m
Present value of unfunded obligations		
US scheme	10.7	11.9
	2025 £m	2024 £m
Movement in present value of retirement benefit obligations in the year:		
Opening balance	11.9	13.1
Current service cost	0.8	0.3
Interest cost	–	0.6
Remeasurements – change in financial assumptions	(0.8)	(2.2)
Benefits paid	(0.4)	(0.2)
Exchange differences on overseas schemes	(0.8)	0.3
	10.7	11.9

Pension and medical benefits – risks and volatility

Through its defined benefit pension schemes and post-employment medical schemes, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if scheme assets underperform this yield, a deficit will be created. The schemes hold a proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. As the schemes mature, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. However, the Group and the pension trustees (Trustees) believe that due to the long-term nature of the scheme liabilities and the strength of the supporting Group, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the schemes efficiently. See below for more details on the Group's asset-liability matching strategy.

Changes in bond yields

A decrease in bond yields will increase scheme liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.

Inflation risk

Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, the level of inflationary increases is usually capped to protect the scheme against extreme inflation. The majority of the schemes' assets are either unaffected by inflation in the case of fixed interest bonds or loosely correlated in the case of equities, meaning that an increase in inflation will thus increase the deficit. In the US schemes, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities. This is particularly significant in the UK scheme, where inflationary increases result in higher sensitivity to changes in life expectancy. In the case of the funded schemes, the Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are cognisant of the obligations under the pension schemes. Within this framework, the Group's ALM objective is to match a portion of assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group and Trustees actively monitor how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous years.

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A significant portion of assets in 2025 consists of equities and bonds, although the schemes also invest in property and cash. The Group believes that equities offer the best returns over the long term with an acceptable level of risk. The UK scheme makes use of a portfolio of derivative instruments to mitigate interest rate and inflation risk.

The next triennial valuation of the UK scheme will be due as at 30 September 2026 with the valuation to 30 September 2023 completed in the previous year. In the 30 September 2023 triennial valuation, the funding position had improved and the cost of providing benefits had fallen. The Trustee and Company continue to work closely with their advisors to secure the long-term security of members' benefits. The funding review of the US scheme is undertaken annually. As at 1 December 2024 the scheme was 108.6% funded.

The expected distribution of the timing of discounted benefit payments is as follows:

	Less than a year £m	Between 1–2 years £m	Between 2–5 years £m	Beyond 5 years £m	Total £m
Pension benefits	45.5	57.9	148.8	510.8	763.0
Post-employment medical benefits	0.5	0.5	1.6	8.1	10.7
	46.0	58.4	150.4	518.9	773.7

Defined contribution schemes

	2025 £m	2024 £m
Contributions paid charged to operating profit	8.2	8.6

12. Intangible assets

	Goodwill £m	Software £m	Technology processes £m	Customer relationships £m	Trade names and brands £m	Other intangibles £m	Total £m
Cost							
At 1 January 2024	994.6	37.5	243.1	243.5	92.7	10.8	1,622.2
Exchange differences	(40.2)	(1.2)	(16.5)	(8.9)	(3.4)	(0.3)	(70.5)
Additions	-	3.4	-	-	-	-	3.4
Disposals and write-offs	-	(7.4)	-	-	-	(1.0)	(8.4)
Reclassifications from property, plant and equipment	-	3.3	-	-	-	-	3.3
At 31 December 2024	954.4	35.6	226.6	234.6	89.3	9.5	1,550.0
At 1 January 2025	954.4	35.6	226.6	234.6	89.3	9.5	1,550.0
Exchange differences	20.0	0.3	0.4	5.2	2.7	-	28.6
Additions	-	2.1	-	-	-	0.1	2.2
Disposals and write-offs	-	(0.3)	-	-	-	-	(0.3)
Adjustment	-	6.0	0.3	-	-	0.1	6.4
Reclassifications from property, plant and equipment	-	1.1	-	-	-	0.1	1.2
At 31 December 2025	974.4	44.8	227.3	239.8	92.0	9.8	1,588.1
Accumulated amortisation and impairment losses							
At 1 January 2024	56.7	21.5	63.5	51.5	18.3	2.2	213.7
Exchange differences	(1.9)	(1.0)	(3.3)	(2.1)	(0.9)	-	(9.2)
Charge for the year (note 3)	-	4.1	17.8	14.4	5.2	0.8	42.3
Disposals and write-offs	-	(7.3)	-	-	-	(1.0)	(8.3)
Reclassifications from property, plant and equipment	-	0.9	-	-	-	-	0.9
At 31 December 2024	54.8	18.2	78.0	63.8	22.6	2.0	239.4
At 1 January 2025	54.8	18.2	78.0	63.8	22.6	2.0	239.4
Exchange differences	1.2	-	2.1	1.8	0.9	-	6.0
Charge for the year (note 3)	-	4.7	16.0	14.9	5.2	0.7	41.5
Disposals and write-offs	-	(0.3)	-	-	-	-	(0.3)
Adjustment	-	6.0	0.3	-	-	0.1	6.4
Impairments (note 3)	-	-	10.9	-	-	-	10.9
At 31 December 2025	56.0	28.6	107.3	80.5	28.7	2.8	303.9
Net carrying amount							
At 31 December 2025	918.4	16.2	120.0	159.3	63.3	7.0	1,284.2
At 31 December 2024	899.6	17.4	148.6	170.8	66.7	7.5	1,310.6
At 1 January 2024	937.9	16.0	179.6	192.0	74.4	8.6	1,408.5

Intangible asset amortisation is recorded in operating costs.

An impairment of £10.9m has been recognised relating to two acquired technology process assets which are no longer expected to generate the benefits originally anticipated at acquisition. Linked to the business transformation programme, a decision has been made to stop further development of these technology assets as it has been determined that resources can be more effectively engaged on other development projects. The assets have been determined to have no value in use and therefore the impairment has been determined on a fair value less costs to sell basis with a fair value hierarchy of Level 3 with no market observable data. The fair value less costs to sell has been determined to be £nil on the basis the technology cannot be sold at its current stage of development. Impairment of £7.5m is recognised in relation to Consumer Care with the remaining £3.4m related to Life Sciences. The impairments were recorded in the income statement on page 129 within exceptional operating costs.

An adjustment to cost and accumulated depreciation has been recognised in the year. Further detail is provided in note 13.

The table below shows the carrying amounts and remaining useful economic life of the Group's material intangible assets:

	2025		2024	
	Carrying value £m	Remaining period Years	Carrying value £m	Remaining period Years
Avanti technology	13.6	9	16.1	10
Avanti customer relationships	34.0	14	37.9	15
Avanti brand	12.4	14	14.2	15
Incotec customer relationships	12.7	9	13.2	10
Fragrances technology	15.2	3	19.3	4
Flavours technology	10.6	4	12.7	5
Fragrances customer relationships	69.4	15	70.2	16
Flavours customer relationships	26.6	15	26.9	16
Fragrances trade name & brand	40.7	15	41.2	16
Croda Korea Ltd (formerly 'Solus Biotech') technology	62.3	17	69.1	18

Impairment testing for CGUs containing goodwill

The Group's goodwill balance predominantly relates to the value of commercial and other synergies arising from the combination of acquired businesses with Croda's established global sales, marketing and R&D networks. This goodwill is allocated to the Group's Cash Generating Units (CGUs) expected to benefit from that combination based on the smallest identifiable group of assets that generate independent cash inflows. Assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets and where financial performance and strategy are monitored by the Group.

Accounting standards require the Group to periodically review and assess the Group's CGU structure, particularly where there are significant changes in the way that the Group monitors performance or other factors suggest that this is appropriate. There have been no significant changes in the way that the Group monitors performance or other factors identified in the year which would indicate that the current CGU structure is not appropriate.

The operating business segment CGUs identified in the previous year: Consumer Care, Life Sciences and Industrial Specialties, alongside the Standalone Fragrances & Flavours (F&F) CGU therefore remain appropriate.

For goodwill impairment testing purposes, the Group monitors goodwill at Consumer Care, Life Sciences and F&F levels. F&F is also included within the Consumer Care group of CGUs and goodwill associated with that group is tested at the level of the group of CGUs.

As discussed in the accounting policies note on page 136, goodwill is tested annually for impairment with reference to the relevant CGU's recoverable amount compared to the unit's carrying value including goodwill. The recoverable amount is based on the higher of fair value less costs to sell and value in use calculations using discounted cash flow projections with the following key assumptions:

- Five-year cash flow projections – based on management's most recent risk-adjusted view of future trading specific to the individual CGU, with assumptions on EBITDA growth (calculated as operating profit before depreciation and amortisation) as a result of fluctuating revenue and operating margins through the ability to pass on future raw material price increases.
- Terminal value growth in EBITDA – set for each CGU with reference to the long-term growth rate for the market and territory in which the CGU operates but not exceeding the Group's long-term average growth rate, estimated at 3% given the markets and territories the Group operates in.
- Discount rate – set using a weighted average cost of capital adjusted for the specific risk profile of each CGU.

12. Intangible assets continued

The carrying amount of goodwill is allocated to operating business segment CGUs as follows:

	2025			2024		
	Standalone CGUs £m	Allocated goodwill £m	Total £m	Standalone CGUs £m	Allocated goodwill £m	Total £m
Consumer Care	357.4	303.4	660.8	338.8	306.9	645.7
Life Sciences	–	257.6	257.6	–	253.9	253.9
	357.4	561.0	918.4	338.8	560.8	899.6

There is no goodwill allocated to the Industrial Specialties operating business segment CGU.

The allocated goodwill includes all previously acquired goodwill which is no longer considered a Standalone CGU and includes: £63m (2024: £60m) associated with the 2020 acquisition of Iberchem as it relates to revenue synergies with Croda's existing Consumer Care business, £192m (2024: £192m) associated with the 2006 acquisition of Uniqema, £113m (2024: £117m) related to the acquisition of Croda Korea Limited (formerly Solus Biotech), £70m (2024: £66m) related to the acquisition of Incotec, £59m (2024: £64m) related to the acquisition of Avanti, £26m (2024: £24m) related to the acquisition of Biosector and £6m (2024: £6m) related to the acquisition of Alban Muller (with all other balances individually less than £10m).

For impairment testing performed at an operating business segment CGU level, the Group performed value in use calculations which considered cash flow projections based on the Group's current year results and a growth rate of 3% (an appropriate risk-adjusted view based on past experience reflecting the market and territories in which the Group operates), discounted using a weighted average cost of capital, which for these purposes has been calculated to be approximately 10.2% pre-tax (2024: 9.8%). Based on the testing performed, no impairment has been recognised for the year ended 31 December 2025.

Fragrances & Flavours (F&F) Standalone CGU

The carrying amount of goodwill (post an impairment recognised in 2022) allocated to Standalone CGU of Fragrances & Flavours (F&F) is £357.4m (2024: £338.8m). There are no other standalone CGUs.

For the Standalone CGU the recoverable amount was based on value in use calculations. Cash flow projections have been based on specific risk adjusted estimates taking management's most recent view of medium-term trading prospects. A cash flow projections period of five years has been considered which is the period over which the Group considers medium-term financial planning. Unless otherwise stated, cash flow projections assume an appropriate view of past experience, specifically considering revenue growth in relation to market share, maintaining operating margins, maintenance capital expenditure and working capital days. Discount rates have been calculated for the F&F CGU using a specific weighted average cost of capital adjusted for the specific risk profile of the CGU. The terminal value growth rates and discount rates applied in the CGU level calculation are set out below:

	2025		2024	
	Terminal value growth rate	Pre-tax discount rate	Terminal value growth rate	Pre-tax discount rate
Fragrances & Flavours	3.0%	11.9%	3.0%	11.6%

The impairment testing performed for the standalone F&F CGU has identified no impairment for the year ended 31 December 2025 and F&F remain on track to perform to our long-term expectations. In forming this conclusion, the Directors have reviewed sensitivity analysis which considered a range of possibilities on key assumptions, both individually and in combination, and considered whether these would give rise to an impairment. This analysis concluded that no reasonably possible changes in key assumptions would cause the recoverable amount of the F&F CGU to be less than the carrying value.

The range of key assumptions considered by the Directors included EBITDA compound annual growth rates as a result of increasing revenue growth rates and improving operating margins through cost of sales and operating costs.

Climate risk and impairment testing

The impact of climate change risks including the risks identified as part of the TCFD disclosures on pages 41 to 47, with a particular focus on the impact of carbon pricing, has been considered as part of the impairment testing. The discounted cashflows included in the value in use calculations reflect the carbon costs of the CGU based on the latest Scope 1 and 2 emissions data and applying a shadow carbon price of £124/tonne which is prudent when compared with the UK Government Green Guide. It is recognised that different assessments of future carbon prices exist, however the Directors believe that those which suggest significantly higher prices than those utilised as part of our review are not currently reasonably possible due to the high level of uncertainty in the future regulatory environment.

The cost of carbon has therefore been assessed to have an immaterial effect on the recoverable amount of each of the CGUs and as such carbon costs are not deemed to be a key assumption. The Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in future impairment testing.

13. Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 January 2024	320.4	1,216.5	1,536.9
Exchange differences	(4.9)	(17.0)	(21.9)
Additions	32.1	100.0	132.1
Other disposals and write-offs	(1.0)	(21.9)	(22.9)
Reclassifications	(3.4)	3.4	-
Reclassifications to intangible assets and right of use assets	-	(3.4)	(3.4)
At 31 December 2024	343.2	1,277.6	1,620.8
Exchange differences	8.1	(59.3)	(51.2)
Additions	17.0	81.0	98.0
Other disposals and write-offs	(0.7)	(8.4)	(9.1)
Adjustment	28.5	156.6	185.1
Reclassifications	35.1	(35.1)	-
Reclassifications to intangible assets	-	(1.2)	(1.2)
At 31 December 2025	431.2	1,411.2	1,842.4
Accumulated depreciation and impairment losses			
At 1 January 2024	86.1	406.8	492.9
Exchange differences	(1.7)	(8.1)	(9.8)
Charge for the year (note 3)	12.5	64.8	77.3
Other disposals and write-offs	(1.0)	(20.6)	(21.6)
Reclassifications	0.1	(0.1)	-
Reclassifications to intangible assets	-	(0.9)	(0.9)
At 31 December 2024	96.0	441.9	537.9
Exchange differences	(2.0)	(16.1)	(18.1)
Charge for the year (note 3)	13.8	67.6	81.4
Other disposals and write-offs	(0.7)	(7.9)	(8.6)
Adjustment	28.3	156.8	185.1
Reclassifications	0.7	(0.7)	-
Impairments	30.5	48.4	78.9
At 31 December 2025	166.6	690.0	856.6
Net book amount			
At 31 December 2025	264.6	721.2	985.8
At 31 December 2024	247.2	835.7	1,082.9
At 1 January 2024	234.3	809.7	1,044.0

During the year the Group recognised government grant funding of £9.7m (2024: £36.8m) relating to the US cGMP scale up project and UK Pharma production capacity expansion project.

Impairments of £78.9m have been recognised during the period where decisions made in the year have resulted in the requirement for impairment:

- An impairment of £44.6m related to the Group's decision in the year to place the lipids scale up facility on standby at Lamar, Pennsylvania in the USA in the Life Sciences sector. A capacity review of lipid manufacturing facilities across the Group identified that excess capacity exists versus anticipated medium-term demand and resulted in the decision to place the site on standby to ensure optimisation of the Group's global footprint and to minimise costs, aligned with the principles of the wider transformation programme. The recoverable amount of the asset has been determined as £nil on both a fair value less costs to sell and a value in use basis. The value in use is £nil as some costs must still be incurred to comply with the Group's obligations in relation to the pandemic preparedness agreement with the US Government, but the site will not generate any income whilst in standby mode (an onerous contract provision has been recognised in relation to these costs, further detail is included in note 21). The fair value less costs to sell have also been determined to be £nil due to restrictions in place linked to the contract with the US Government for the next 10 years. The fair value hierarchy of the valuation has been determined to be Level 3 as observable market data is not available.
- Impairments of £28.7m related to several assets under construction following a detailed examination of the Group's capital expenditure spend. The review resulted in the decision in the period to stop or amend the planned scale of specific projects as they have been assessed to no longer represent the most effective investment of resources in the current market environment. The impairments have all been recognised on the basis of fair value less costs to sell of £nil as it is not possible to sell the assets in their current stage of development because they are specific to the Group, are incomplete or are part of a wider production site and therefore cannot be separated. The fair value hierarchy has therefore been determined to be Level 3 as observable market data is not available. The value in use of these assets has also been determined to be £nil. These impairment losses relate to the Consumer Care, Life Sciences and Industrial Specialties market sectors.
- An impairment of £5.6m related to property, plant and equipment (with a further £16.6m related to right of use assets and is included in note 14) relates to the critical assessment of the Group's supply chain infrastructure as part of the business transformation programme and subsequent decision in the current period to optimise the Group's warehousing footprint and cease operations at a leased warehouse located in the UK, resulting in the partial impairment of the related property, plant and equipment and right of use asset. The impairment has been determined on a value in use basis with a recoverable amount of £6.7m (against both property, plant and equipment and right of use assets) and utilised a discount rate of 9.8%. The impairment loss relates to a shared asset and therefore the charge has been recognised in each of the Group's market sectors.

13. Property, plant and equipment *continued*

These impairments were recorded in the income statement on page 129 within exceptional operating costs. The impairment recognised at Lamar could reverse in the future if profitable manufacturing commences at the site. However, currently the Group does not consider there a reasonable scenario where that could occur.

Under the Group's business transformation programme, a number of other capacity optimisation projects are being considered where decisions could be made in the future that may indicate a change in the planned use of certain assets to optimise our manufacturing footprint. Management will continue to assess this position on an ongoing basis but have concluded that indicators of impairment do not currently exist in relation to these assets.

An adjustment has been recognised to cost and accumulated depreciation of property, plant and equipment. As part of the preparation steps in a planned future ERP upgrade, it was identified that certain centralised adjustments required annually for assets previously acquired as part of business combinations had not been made in full. Whilst the net impact of these adjustments is £nil to the carrying amount of the Group's property, plant and equipment, a gross adjustment of £28.5m to land and buildings and £156.6m to plant and equipment has been made to adjust the cost and accumulated depreciation. Similar adjustments of £6.4m were also identified in intangible assets and £1.2m in right of use assets. As the Directors do not consider the effect on the prior period financial statements to be material, this has been corrected in the current period.

Reclassifications of £35.1m primarily relate to reclassification of asset under construction balances to the appropriate category on finalisation of the project.

The value of assets under construction not yet subject to depreciation at 31 December was as follows:

	2025 £m	2024 £m
Assets under construction		
Land and buildings	33.4	38.5
Plant and equipment	116.9	206.4
	150.3	244.9

14. Leases

Right of use assets

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 January 2024	117.1	21.1	138.2
Exchange differences	(3.3)	(0.5)	(3.8)
Additions	5.0	3.3	8.3
Remeasurements	7.0	0.4	7.4
Other disposals and write-offs	(2.4)	(1.9)	(4.3)
Reclassifications from property, plant and equipment	0.1	-	0.1
At 31 December 2024	123.5	22.4	145.9
Exchange differences	(2.7)	(0.2)	(2.9)
Additions	7.3	2.2	9.5
Remeasurements	2.0	0.3	2.3
Other disposals and write-offs	(9.1)	(2.4)	(11.5)
Adjustment	1.1	0.1	1.2
At 31 December 2025	122.1	22.4	144.5
Accumulated depreciation and impairment losses			
At 1 January 2024	42.1	8.6	50.7
Exchange differences	(1.7)	(0.2)	(1.9)
Charge for the year (note 3)	12.8	3.4	16.2
Other disposals and write-offs	(2.3)	(1.8)	(4.1)
At 31 December 2024	50.9	10.0	60.9
Exchange differences	(1.0)	(0.3)	(1.3)
Charge for the year (note 3)	10.5	3.6	14.1
Other disposals and write-offs	(9.0)	(2.2)	(11.2)
Adjustment	1.1	0.1	1.2
Impairments	15.9	1.6	17.5
At 31 December 2025	68.4	12.8	81.2
Net book amount			
At 31 December 2025	53.7	9.6	63.3
At 31 December 2024	72.6	12.4	85.0
At 1 January 2024	75.0	12.5	87.5

Impairments of £17.5m have been recognised during the year linked to the Group's business transformation programme that includes an impairment of £16.6m (with a further £5.6m related to property, plant and equipment) relating to the optimisation of the Group's warehousing footprint and the subsequent decision to cease operations at a leased warehouse located in the UK. Further detail of this impairment is included in note 13.

The impairments were recorded in the income statement on page 129 within exceptional operating costs.

An adjustment to cost and accumulated depreciation has been recognised in the year. Further detail is provided in note 13.

Lease liabilities

	2025 £m	2024 £m
Lease liabilities included in the Group balance sheet		
Current	14.5	13.2
Non-current	63.7	70.7
	78.2	83.9

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented within note 20.

Amounts recognised in the Group Income Statement

	2025 £m	2024 £m
Interest on lease liabilities	2.8	2.8
Expenses relating to short-term leases	0.7	0.4
Expenses relating to low value leases, excluding short-term leases of low value assets	0.2	0.2
Expenses relating to variable lease components	0.4	0.6
Depreciation of right of use assets	14.1	16.2
Impairment of right of use assets	17.5	–
	35.7	20.2

Total cash outflow for leases

	2025 £m	2024 £m
Payment of lease liabilities	18.1	17.5
Payment of short-term, low value and variable lease components	1.3	1.2
	19.4	18.7

15. Future commitments

	2025 £m	2024 £m
Group capital projects		
At 31 December the Directors had authorised the following expenditure, excluding grant income, on capital projects:		
Contracted, but not provided for		
Property, plant and equipment	29.6	41.0
Intangible assets	0.5	0.4
Authorised, but not contracted for		
Property, plant and equipment	55.3	124.6
Intangible assets	3.3	8.1
	88.7	174.1

16. Investments

The amounts recognised in the balance sheet are as follows:

	2025 £m	2024 £m
Other investments	1.9	1.9

17. Inventories

	2025 £m	2024 £m
Raw materials	93.7	88.6
Work in progress	47.9	44.9
Finished goods	228.9	234.4
	370.5	367.9

The Group consumed £953.7m (2024: £894.2m) of inventories during the year.

18. Trade and other receivables

	2025 £m	2024 £m
Amounts falling due within one year		
Trade receivables	303.6	283.5
Less: provision for impairment of receivables	(8.2)	(6.6)
Trade receivables – net	295.4	276.9
Value added taxes	37.9	36.2
Other receivables	17.0	21.3
Prepayments	13.5	15.1
	363.8	349.5

The ageing of the Group's year end overdue receivables against which no material provision has been made is as follows:

	2025 £m	2024 £m
Not impaired		
Less than three months	47.4	42.2
Three to six months	7.7	7.4
Over six months	3.5	4.4
	58.6	54.0

The provision for impairment of receivables principally relates to customers in unexpectedly difficult economic circumstances. The overdue receivables against which no material provision has been made relate to a number of customers for whom there is no recent history of default, nor any other indication that settlement will not be forthcoming. The other classes within trade and other receivables do not contain impaired assets and are considered to be fully recoverable.

The carrying amounts of the Group's receivables are denominated in the following currencies:

	2025 £m	2024 £m
Sterling	13.5	15.5
US Dollar	103.7	102.0
Euro	115.2	98.5
Other	131.4	133.5
	363.8	349.5

Movements on the Group's provision for impairment of trade receivables are as follows:

	2025 £m	2024 £m
At 1 January	6.6	6.8
Exchange differences	–	(0.5)
Charged to the income statement	3.9	2.0
Net write-off of uncollectible receivables	(2.3)	(1.7)
At 31 December	8.2	6.6

Amounts charged to the income statement are included within administrative expenses.

19. Trade and other payables

	2025 £m	2024 £m
Trade payables	130.1	126.7
Taxation and social security	11.2	13.0
Other payables	35.1	32.9
Accruals and deferred income	105.1	102.5
	281.5	275.1

All trade payables are payable within one year. Included in the above are balances payable after one year of £1.0m (2024: £1.1m) within other payables.

20. Borrowings, other financial liabilities and other financial assets

This note should be read in conjunction with the further liquidity disclosures in our accounting policies note and the Finance Review on pages 20 to 24.

	2025 £m	2024 £m
Assets		
Non-current assets – Investments	1.9	1.9
Current assets – Trade and other receivables (excluding prepayments and value added taxes*)	312.4	298.2
	314.3	300.1
Current liabilities		
Trade and other payables (excluding taxation, social security, accruals and deferred income)	164.2	158.5
€70m 1.43% fixed rate 10 year note	61.0	–
£70m 2.80% fixed rate 10 year note	70.0	–
Unsecured bank loans and overdrafts due within one year or on demand	13.9	32.8
Other loans	3.2	2.2
Lease liabilities	14.5	13.2
	326.8	206.7
Non-current liabilities		
2024 Club facility due 2030	226.0	208.4
US\$100m 3.75% fixed rate 10 year note	74.2	79.9
€70m 1.43% fixed rate 10 year note	–	57.9
£70m 2.80% fixed rate 10 year note	–	70.0
€50m 1.18% fixed rate 8 year note	43.6	41.3
£65m 2.46% fixed rate 8 year note	65.0	65.0
US\$60m 3.70% fixed rate 10 year note	44.5	47.9
Other secured bank loans	10.5	2.9
Other unsecured bank loans	5.4	5.8
Preference share capital	1.1	1.1
Lease liabilities	63.7	70.7
	534.0	650.9

During October 2025, the Group extended the existing 2024 Club facility by a year, resetting its five-year term and resulting in a maturity date of October 2030. Interest is charged on this agreement at a floating rate based on SONIA, SOFR or EURIBOR, depending upon the drawdown currency, plus a variable margin.

* The 2024 disclosure of Current assets - Trade and other receivables has been updated to exclude value added taxes.

	2025 £m	2024 £m
Maturity profile of financial liabilities		
Repayments fall due as follows:		
Within one year		
Bank loans and overdrafts	144.9	32.8
Other loans	3.2	2.2
	148.1	35.0
Lease liabilities	14.5	13.2
	162.6	48.2
After more than one year		
Loans repayable		
Within one to two years	112.1	131.6
Within two to five years	347.8	365.2
Five years and over	9.3	82.3
	469.2	579.1
Preference share capital	1.1	1.1
Lease liabilities	63.7	70.7
	534.0	650.9
The minimum lease payments under lease liabilities fall due as follows:		
Within one year	15.4	15.5
Within one to two years	13.7	13.9
Within two to five years	24.5	26.3
Five years and over	40.1	45.0
	93.7	100.7
Future finance charges on lease liabilities	(15.5)	(16.8)
Present value of lease liabilities	78.2	83.9

20. Borrowings, other financial liabilities and other financial assets continued

	2025 £m	2024 £m
Undiscounted maturity analysis of financial liabilities		
Within one year		
Bank loans and overdrafts	147.0	34.3
Other loans	3.3	2.3
Lease liabilities	15.4	15.5
	165.7	52.1
After more than one year		
Loans repayable		
Within one to two years	130.8	154.6
Within two to five years	399.5	427.5
Five years and over	10.1	85.8
Lease liabilities		
Within one to two years	13.7	13.9
Within two to five years	24.5	26.3
Five years and over	40.1	45.0
	618.7	753.1

The analysis above includes estimated interest payable to maturity on the underlying loans. For the loans due after more than one year £17.3m (2024: £21.5m) of the interest falls due within one year of the balance sheet date, £16.3m (2024: £20.1m) within one to two years, £37.2m (2024: £46.9m) within two to five years and £0.4m (2024: £0.4m) beyond five years.

Interest rate and currency profile of Group financial liabilities

	Total £m	Fixed £m	Floating £m	Fixed rate weighted average	
				Interest rate %	Fixed period Years
Sterling	354.9	135.0	219.9	2.64	1.0
US Dollar	150.9	118.8	32.1	3.73	3.9
Euro	127.3	104.6	22.7	1.33	0.9
Other	63.5	–	63.5	–	–
At 31 December 2025	696.6	358.4	338.2	2.62	1.9
Sterling	377.6	135.0	242.6	2.64	2.0
US Dollar	162.6	127.8	34.8	3.73	4.9
Euro	106.6	99.2	7.4	1.33	1.9
Other	52.3	–	52.3	–	–
At 31 December 2024	699.1	362.0	337.1	2.67	3.0

Fair values

The table below details a comparison of the book and fair values of the Group's financial assets and liabilities. Where there are no readily available market values to determine fair values, cash flows relating to the various instruments have been discounted at prevailing interest and exchange rates to give an estimate of fair value.

	Book value 2025 £m	Fair value 2025 £m	Book value 2024 £m	Fair value 2024 £m
Cash deposits	172.8	172.8	166.8	166.8
Other investments	1.9	1.9	1.9	1.9
2024 Club facility due 2030	(226.0)	(226.0)	(208.4)	(208.4)
US\$100m 3.75% fixed rate 10 year note	(74.2)	(70.8)	(79.9)	(71.2)
€70m 1.43% fixed rate 10 year note	(61.0)	(60.6)	(57.9)	(56.6)
£70m 2.80% fixed rate 10 year note	(70.0)	(69.3)	(70.0)	(67.2)
€50m 1.18% fixed rate 8 year note	(43.6)	(42.5)	(41.3)	(39.6)
£65m 2.46% fixed rate 8 year note	(65.0)	(62.6)	(65.0)	(60.3)
US\$60m 3.70% fixed rate 10 year note	(44.5)	(42.9)	(47.9)	(44.3)
Other bank borrowings	(29.8)	(29.8)	(41.5)	(41.5)
Other loans	(3.2)	(3.2)	(2.2)	(2.2)
Preference share capital	(1.1)	(1.1)	(1.1)	(1.1)

For financial instruments with a remaining life of greater than one year, fair values are based on cash flows discounted at prevailing interest rates. Accordingly, the fair value of cash deposits and short-term borrowings approximates to the book value due to the short maturity of these instruments. The same applies to trade and other receivables and payables excluded from the above analysis.

Financial instruments

Financial instruments measured at fair value use the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2),
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

All of the Group's financial instruments are classed as level 2 with the exception of other investments which are classed as level 3.

Preference share capital

	2025 £m	2024 £m
The authorised, issued and fully paid preference share capital comprises:		
615,562 5.9% preference shares of £1 (2024: 615,562)	0.6	0.6
498,434 6.6% preference shares of £1 (2024: 498,434)	0.5	0.5
21,900 7.5% preference shares of £1 (2024: 21,900)	–	–
	1.1	1.1

The preference shares have no redemption rights and carry no voting rights other than in certain circumstances affecting the rights of the preference shareholders, details of which are set out in the Company's Articles of Association. The three classes of preference shares rank *pari passu* with each other but ahead of the ordinary shares on a winding up. Rights on a winding up are limited to repayment of capital and any arrears of dividends.

Borrowing facilities

As at 31 December 2025, the Group had undrawn committed facilities of £400.9m (2024: £418.0m). In addition, the Group had other undrawn facilities of £65.8m (2024: £86.5m) available. Of the Group's total committed facilities of £1,066.6m, £921.1m expires after 2026. New and repaid borrowings disclosed in the Group Statement of Cash Flows reflect routine short-term cash management, comprising regular monthly drawdowns and repayments on the Group's revolving credit facilities. The prior year reflects the repayment of the Group's 2019 Club facility due to it being replaced with the Group's Club revolving credit facility.

Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, liquidity risk, and credit risk. The Group's overall risk management strategy is approved by the Board and implemented and reviewed by the Risk Management Committee. Detailed financial risk management is then delegated to the Group Finance department which has a specific policy manual that sets out guidelines to manage financial risk. Regular reports are received from all sectors and regional operating units to enable prompt identification of financial risks so that appropriate action may be taken. In the management definition of capital, the Group includes ordinary and preference share capital and net debt.

Currency risk

The Group operates internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Entities in the Group use foreign currency bank balances to manage their foreign exchange risk arising from future commercial transactions, recognised assets and liabilities.

The Group's risk management policy is to manage transactional risk up to three months forward. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is not specifically hedged but is reduced primarily through borrowings denominated in the relevant foreign currencies where it is efficient to do so. Currency exposure arising from significant one-off transactions (for example acquisitions or disposals) is reviewed and hedged through forward contracts if required.

For 2025, had the Group's basket of reporting currencies been 10% weaker/stronger than the actual rates experienced, post-tax profit for the year would have been £23.3m (2024: £21.1m) lower/higher than reported, primarily as a result of the translation of the profits of the Group's overseas entities, and equity would have been £194.1m (2024: £199.1m) lower/higher.

Cash flow hedging

There have been no significant cash flow hedging arrangements in either the current or previous years.

Interest rate risk

The Group has both interest bearing assets and liabilities. As per Group Treasury policy, the proportion of Group debt to be protected by fixed interest rates should fall between 40% and 75% of the Group's gross debt. As at 31 December 2025, approximately 51% of Group borrowings were at fixed rates (2024: 52%)

At 31 December 2025, aside from the fixed rate loan notes, all Group debt and cash was exposed to repricing within 12 months of the balance sheet date.

At 31 December 2025, the Group's fixed rate debt was at a weighted average rate of 2.62% (2024: 2.66%). As at 31 December 2025, the Group's floating rate liabilities are based on SONIA, SOFR or EURIBOR, depending upon the drawdown currency.

Based on the above, had interest rates moved by 100 basis points in the territories where the Group has substantial borrowings, post-tax profits would have moved by £3.4m (2024: £3.4m) due to a change in interest expense on the Group's floating rate borrowings.

20. Borrowings, other financial liabilities and other financial assets

continued

Liquidity risk

The Group actively maintains a mixture of long-term and short-term committed facilities designed to ensure that the Group has sufficient funds available for operations and planned investments.

On a regular basis, management monitors forecasts of the Group's cash flows against both internal targets and those targets imposed by external lenders. The Group has substantial committed, unused facilities and the Directors are confident this situation will remain the case for the foreseeable future.

Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any individual financial institution.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to reduce overall cost of capital.

In order to maintain this optimal structure, the Group may adjust the amount of dividends paid, issue new shares, return capital to shareholders or dispose of assets to reduce net debt. Given the Group's strong balance sheet and sustained trading growth, the Group announced a dividend policy in 2011 of paying a dividend of between 40% and 50% of sustainable earnings. Further details can be found in the Finance Review on pages 20 to 24.

Underlying growth coupled to Return on Invested Capital (ROIC) is the key perceived driver of shareholder value within the Group. The Group's ROIC now stands at 8.2% (2024: 7.7% (restated from 7.1%, see note 27)) against a post-tax Weighted Average Cost of Capital (WACC) of 8.5% (2024: 7.9%). The Group's target is to maintain ROIC at two to three times WACC over the long term. In addition, the Group employs two widely used ratios to measure its ability to service its debt. Both net debt/EBITDA and EBITDA interest cover were well ahead of target in 2025. Further details can be found in the Finance Review on pages 20 to 24. The Group was in compliance with its covenant requirements throughout the year. Additional information on progress against key performance indicators can be found on pages 25 and 26.

21. Provisions

	Environmental £m	Restructuring £m	Site restoration £m	Onerous contract £m	Other £m	Total £m
At 1 January 2025	12.1	0.9	7.6	–	3.2	23.8
Exchange differences	(0.7)	–	(0.3)	(0.3)	(0.1)	(1.4)
Released to the income statement	–	–	–	–	(2.0)	(2.0)
Charged to the income statement	0.3	10.0	0.2	15.9	0.2	26.6
Cash paid against provisions and utilised	(1.6)	(8.6)	–	–	(0.6)	(10.8)
At 31 December 2025	10.1	2.3	7.5	15.6	0.7	36.2

Analysis of total provisions

	2025 £m	2024 £m
Current	6.8	6.5
Non-current	29.4	17.3
	36.2	23.8

Provisions are made where a constructive or legal obligation has arisen from a past event, can be quantified and where the timing of the transfer of economic benefits relating to the provisions cannot be ascertained with any degree of certainty. Provisions recognised are estimates covering many years based on current conditions, including the regulatory environment, or known future changes. Future costs may vary due to events and conditions outside of the Group's control, for example changes in regulations.

The environmental provision of £10.1m relates to soil, potential groundwater and other contamination on a number of sites, both currently in use and previously occupied, in Europe and the Americas. The provisions are based on most recently available facts and prior experience and are recorded at the estimated amount as at the balance sheet date. The Directors expect that the balance will be utilised within 34 years.

The restructuring provision of £2.3m relates to the business transformation programme detailed in note 3. Costs have been incurred during the year related to this activity, with most of the provision utilised by the end of the year. The remaining provision is expected to be utilised in less than one year.

The site restoration provisions of £7.5m relate to certain leased sites with an existing obligation to restore the environment or dismantle assets. The provisions are based on most recently available facts and prior experience and are recorded at the estimated amount as at the balance sheet date. The associated leased sites have remaining terms of between 15 and 41 years.

The onerous contract provision of £15.6m relates to unavoidable costs at the lipids scale up facility in the US following the decision in the year to place the site on standby. The Group is required to adhere to the provisions of the pandemic preparedness agreement with the US Government and ensure the facility is capable of production within three months' notice for a period of 10 years and requires a minimum level of costs are incurred to meet these requirements without any anticipated income stream. The provision will be utilised over the next 10 years should the site not commence production and has been discounted at 4.2% reflecting the risk-free rate.

The Group have concluded that the impact of discounting on the other provisions is not material due to the size and utilisation timescales.

22. Ordinary share capital

Ordinary shares of 10.61p (2024: 10.61p)	2025 £m	2024 £m
Allotted, called up and fully paid		
At 1 January and 31 December – 142,536,884 (2024: 142,536,884) ordinary shares	15.1	15.1

During 2025, options were granted to employees under the Croda International Plc Sharesave Scheme to subscribe for 236,659 ordinary shares at an option price of 2034p per share. Conditional awards over 314,814 ordinary shares were granted under the Performance Share Plan during the year. Also granted in the year were 52,390 shares under the Free Share Plan, 11,750 shares under the Restricted Share Plan, 12,767 shares under the Deferred Bonus Share Plan and 108,703 shares under the Buy-Out Share Plan (BOSP). Under the BOSP, shares were also granted based on a cash amount to be used to purchase shares on the vesting date.

During the year, no consideration was received on the exercise of options. During the year, the Group purchased 277,689 of its own ordinary shares to satisfy awards under various share-based payment schemes for consideration of £7.3m.

The outstanding options to subscribe for ordinary shares were as follows at the balance sheet date:

	Year option granted	Number of shares	Price	Options exercisable from
Croda International Plc Sharesave Scheme	2022	13,282	5509p	1 Nov 2025 to 30 Apr 2026
	2023	27,594	3977p	1 Nov 2026 to 30 Apr 2027
	2024	52,971	3131p	1 Nov 2027 to 30 Apr 2028
	2025	229,935	2034p	1 Nov 2028 to 30 Apr 2029
Croda International Plc Performance Share Plan (2014)	2023	125,883	Nil	17 Mar 2026
	2023	2,691	Nil	02 May 2026
	2024	162,091	Nil	27 Mar 2027
	2024	4,061	Nil	29 Apr 2027
	2025	247,217	Nil	24 Mar 2028
	2025	66,167	Nil	02 Apr 2028
Croda International Plc Deferred Bonus Share Plan	2023	23,778	Nil	17 Mar 2026
	2025	13,237	Nil	24 Mar 2028
Croda International Plc Restricted Share Plan	2023	1,813	Nil	21 Mar 2026
	2024	2,524	Nil	19 Mar 2027
	2025	2,375	Nil	13 Mar 2028
Croda International Plc Free Share Plan	2025	7,240	Nil	05 May 2026
Croda International Plc Buy-Out Share Plan	2025	87,095	Nil	12 Apr 2026 to 25 Jul 2028

23. Share-based payments

The impact of share-based payment transactions on the Group's financial position is as follows:

	2025 £m	2024 £m
Analysis of amounts recognised in the income statement:		
Charged in respect of equity settled share-based payment transactions	5.0	4.1
Charged in respect of cash settled share-based payment transactions	2.6	2.2
	7.6	6.3
Analysis of amounts recognised in the balance sheet:		
Liability in respect of cash settled share-based payment transactions	3.3	3.3

The key elements of each scheme along with the assumptions employed to arrive at the charge in the income statement are set out below. Where appropriate, the expected volatility has been based on historical volatility considering daily share price movements over periods equal to the expected future life of the awards and the risk free rate is based on the Bank of England's projected nominal yield curve with appropriate duration.

Croda International Plc Sharesave Scheme (2023) ('Sharesave')

The Sharesave Scheme, established in 1983 and renewed in 2023, grants options annually in September to employees of the Group at a fixed exercise price, being the market price of the Company's shares at the grant date discounted by up to 20%. Employees then enter into a savings contract over three years and, subject to continued employment, purchase options at the end of the period based on the amount saved. Options are then exercisable for a six month period following completion of the savings contract. For options granted in the year, the fair value per option granted and the assumptions used in the calculation of the value are as follows:

	2025	2024
Grant date	10 Sep 2025	11 Sep 2024
Share price at grant date	2529p	3909p
Exercise price	2034p	3131p
Number of employees	543	579
Shares under option	236,659	130,814
Vesting period	Three years	Three years
Expected volatility	29%	29%
Option life	Six months	Six months
Risk free rate	3.8%	3.5%
Dividend yield	4.4%	2.8%
Possibility of forfeiture	7.5% p.a.	7.5% p.a.
Fair value per option at grant date	637.3p	1105.9p
Option pricing model	Black Scholes	Black Scholes

A reconciliation of option movements over the year is as follows:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	234,779	3787p	222,322	4687p
Granted	236,659	2034p	130,814	3131p
Forfeited	(147,656)	3749p	(110,252)	4748p
Exercised	-	-	(8,105)	4814p
Outstanding at 31 December	323,782	2522p	234,779	3787p
Exercisable at 31 December	13,282	5509p	8,007	7327p
For options exercised in year, weighted average share price at date of exercise		-		5102p
Weighted average remaining life at 31 December (years)	2.6		2.5	

Croda International Plc International Sharesave Plan (Version 3) ('International')

The International scheme, established in 1999 and renewed in 2020, has the same option pricing model, savings contract and vesting period as the Sharesave scheme. At exercise, employees are paid a cash equivalent for each option purchased, being the difference between the exercise price and market price at the exercise date. For options granted in the year, the fair value per option granted and the assumptions used in the calculation of the value are as follows:

	2025	2024
Grant date	10 Sep 2025	11 Sep 2024
Share price at grant date	2529p	3909p
Exercise price	2034p	3131p
Number of employees	1,849	2,223
Shares under option	591,475	420,788
Vesting period	Three years	Three years
Expected volatility	29%	30%
Option life	One month	One month
Risk free rate	3.5%	4.2%
Dividend yield	4.1%	3.2%
Possibility of forfeiture	7.5% p.a.	7.5% p.a.
Fair value per option at 31 December	637.3p	751.8p
Option pricing model	Black Scholes	Black Scholes

A reconciliation of option movements over the year is as follows:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	822,578	3777p	701,270	4842p
Granted	591,475	2034p	420,788	3131p
Forfeited	(419,201)	4027p	(298,333)	5355p
Exercised	(218)	2784p	(1,147)	3953p
Outstanding at 31 December	994,634	2640p	822,578	3777p
For options exercised in year, weighted average share price at date of exercise		3066p		4394p
Weighted average remaining life at 31 December (years)	2.1		2.2	

Croda International Plc Performance Share Plan 2014 ('PSP')

The PSP scheme was established in 2014 and replaced the Company's previous Executive long-term incentive plans. 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 dependent upon an EPS performance related sliding scale (non-market condition), an NPP growth measure (non-market condition), sustainability conditions in relation to decarbonisation roadmaps and emissions (non-market conditions) and the Group's total shareholder return (market condition). The PSP is discussed in detail in the Directors' Remuneration Report (pages 78 to 109). Shares (on an after-tax basis) are subject to a two-year post vesting holding period. For options granted in the year, the fair value per option granted and the assumptions used in the calculation of the value are as follows:

	2025			
	Market condition	Non-market condition	Market condition	Non-market condition
Grant date	02 Apr 2025	02 Apr 2025	24 Mar 2025	24 Mar 2025
Share price at grant date	2892p	2892p	2893p	2893p
Number of employees	4	4	49	49
Shares under conditional award	23,158	43,009	87,026	161,621
Vesting period	Three years	Three years	Three years	Three years
Expected volatility	29%	29%	29%	29%
Dividend yield	3.8%	3.8%	3.8%	3.8%
Possibility of forfeiture	3.45% p.a.	3.45% p.a.	3.45% p.a.	3.45% p.a.
Fair value per option at grant date	1310p	2586p	1224p	2587p
Option pricing model	Closed form valuation	Closed form valuation	Closed form valuation	Closed form valuation

	2025		2024	
	Market condition	Non-market condition	Market condition	Non-market condition
Grant date	29 Apr 2024	29 Apr 2024	27 Mar 2024	27 Mar 2024
Share price at grant date	4625p	4625p	4853p	4853p
Number of employees	2	2	61	61
Shares under conditional award	1,574	2,922	59,151	109,851
Vesting period	Three years	Three years	Three years	Three years
Expected volatility	29%	29%	29%	29%
Dividend yield	2.4%	2.4%	2.3%	2.3%
Possibility of forfeiture	3.45% p.a.	3.45% p.a.	3.45% p.a.	3.45% p.a.
Fair value per option at grant date	2289p	4307p	2402p	4540p
Option pricing model	Closed form valuation	Closed form valuation	Closed form valuation	Closed form valuation

A reconciliation of option movements over the year is as follows:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	407,834	-	395,204	-
Granted	314,814	-	173,498	-
Forfeited	(105,884)	-	(119,036)	-
Exercised	(8,654)	-	(41,832)	-
Outstanding at 31 December	608,110	-	407,834	-
For options exercised in year, weighted average share price at date of exercise		2919p		5020p
Weighted average remaining life at 31 December (years)	1.6		1.4	

23. Share-based payments *continued*

Croda International Plc Deferred Bonus Share Plan ('DBSP')

The DBSP scheme was established in 2014. Under the DBSP, one third of any annual bonuses due to certain senior executives are deferred. The size of award is determined by the amount of the total bonus divided by one third and converted into a number of Croda shares using the market value of shares at the time the award is granted. Awards are increased by the number of shares equating to the equivalent value of any dividend paid during the option period. The awards vest on the third anniversary of the date of grant unless the recipient has been dismissed for cause. There are no performance conditions applied to the award. The DBSP is also discussed in the Directors' Remuneration Report (pages 78 to 109).

	2025	2024
Grant date	24 Mar 2025	-
Share price at grant date	2893p	-
Number of employees	7	-
Shares under conditional award	12,767	-
Vesting period	Three years	-

A reconciliation of option movements over the year is as follows:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	40,844	-	39,851	-
Granted	12,767	-	-	-
Dividend enhancement	1,320	-	993	-
Exercised	(17,916)	-	-	-
Outstanding at 31 December	37,015	-	40,844	-
For options exercised in year, weighted average share price at date of exercise		2919p		-
Weighted average remaining life at 31 December (years)	1.0		0.8	

Croda International Plc Restricted Share Plan ('RSP')

The RSP scheme was established in 2018 and provides for awards of free shares or cash equivalent to a limited number of employees not eligible for the PSP scheme, based on a percentage of salary. The awards vest on the third anniversary of the date of grant, subject to the condition that the employee remains employed by the Group. There are no performance conditions applied to the award. On the vesting date, UK employees will be awarded free shares and non-UK employees will be paid a cash equivalent based on the market price. For options granted in the year, the fair value per option granted and the assumptions used in the calculation of the value are as follows:

	2025	2024
Grant date	13 Mar 2025	19 Mar 2024
Share price at grant date	3076p	4724p
Number of employees	50	50
Shares under conditional award	11,750	8,843
Vesting period	Three years	Three years
Dividend yield	3.6%	2.3%
Possibility of forfeiture	3.45% p.a.	3.45% p.a.
Fair value per option at grant date	2768p	4412p
Option pricing model	Closed form valuation	Closed form valuation

A reconciliation of option movements over the year is as follows:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	22,683	-	21,524	-
Granted	11,750	-	8,843	-
Forfeited	(1,293)	-	(1,031)	-
Exercised	(5,985)	-	(6,653)	-
Outstanding at 31 December	27,155	-	22,683	-
For options exercised in year, weighted average share price at date of exercise		2903p		4711p
Weighted average remaining life at 31 December (years)	1.4		1.4	

Croda International Plc Free Share Plan ('FSP')

The FSP scheme was established in 2021 and provides for awards of free shares or cash equivalent to eligible employees. The Company has discretion to set the number of shares awarded. The awards will vest provided that the employee remains employed by the Group and that a bonus payment is paid under the terms of the Company's Group Profit Incentive Bonus Scheme in respect of the financial year concerned. Subject to the two conditions being met, on the vesting date, UK employees (and certain other identified jurisdictions) will be awarded free shares and non-UK employees will be paid a cash equivalent based on the market price. For options granted in the year, the fair value per option granted and the assumptions used in the calculation of the value are as follows:

	2025	2024
Grant date	05 Sep 2025	06 Sep 2024
Share price at grant date	2465p	3868p
Number of employees	5,239	5,165
Shares under conditional award	52,390	51,650
Vesting period	One year	One year
Dividend yield	4.5%	2.8%
Possibility of forfeiture	7.5% p.a.	7.5% p.a.
Fair value per option at grant date	2394p	3797p
Option pricing model	Closed form valuation	Closed form valuation

A reconciliation of option movements over the year is as follows:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	49,890	-	-	-
Granted	52,390	-	51,650	-
Forfeited	(2,970)	-	(1,760)	-
Exercised	(48,260)	-	-	-
Outstanding at 31 December	51,050	-	49,890	-
For options exercised in year, weighted average share price at date of exercise		3021p		-
Weighted average remaining life at 31 December (years)	0.3		0.3	

Croda International Plc Buy-Out Share Plan ('BOSP')

Fourteen Buy-Out Share Plans were granted during the year with each Plan related to individual employees in compensation for incentive schemes forfeited when they joined the Group. Thirteen of the Plans have a grant date of 2 April 2025 with the final Plan having a grant date of 13 August 2025. Two of the Plans vested in the year with the remaining Plans due to vest between 2026 and

2028. Further information has not been provided as these Plans are not material. As some of the schemes relate to Executive Directors, additional information is included in the Remuneration Committee Report (on pages 78 to 109) where relevant.

Croda International Plc Share Incentive Plan ('SIP')

The SIP scheme has similar objectives to the Sharesave Scheme in terms of increasing employee retention and share ownership. Under the scheme, employees enter into an agreement to purchase shares in the Company each month. For each share purchased by an employee, the Company awards a matching share which passes to the employee after three years' service. The matching shares are allocated each month at market value with this fair value charge being recognised in the income statement in full in the year of allocation.

24. Shareholders' equity

Croda International Plc Qualifying Share Ownership Trust (QUEST), Croda International Plc Employee Benefit Trust (CIPEBT) and Croda International Plc AESOP Trust (AESOP) each hold shares purchased on the open market or transferred from treasury shares to satisfy the future issue of shares under the Group's share option schemes. As at 31 December 2025 the QUEST held 43,243 (2024: 43,243) shares transferred at a nil cost (2024: nil cost) with a market value of £1.2m (2024: £1.5m). The CIPEBT held 238,060 (2024: 1,391) shares transferred at a nil cost (2024: nil cost) with a market value of £6.4m (2024: £0.1m).

As at 31 December 2025 the AESOP had issued all its previously held shares, as financed by the Company, and thus had no residual loan balance with the Company. All of the shares held by the QUEST and CIPEBT were under option at 31 December 2025 and, except for a nominal amount, the right to receive dividends has been waived.

As at 31 December 2025 the total number of treasury shares held was 2,901,442 (2024: 2,901,442) with a market value of £78.2m (2024: £98.2m).

25. Non-controlling interests in equity

	2025 £m	2024 £m
At 1 January	14.4	15.6
Exchange differences	(0.5)	(0.2)
Profit for the year	2.7	1.1
Dividends paid to non-controlling interests	(1.6)	(2.1)
At 31 December	15.0	14.4

26. Related party transactions

The Group has no related party transactions, with the exception of remuneration paid to key management and Directors (note 10).

27. Alternative Performance Measures

The Group uses a number of Alternative Performance Measures (APMs) to assist in presenting information in the Annual Report and Accounts. Such measures are used consistently at half year and full year and a reconciliation of these measures is presented below.

Whilst the Board believes the APMs used provide a meaningful basis upon which to analyse the Group's financial performance and position, which is helpful to the reader, it notes that APMs have certain limitations, including the exclusion of significant recurring items, and may not be directly comparable with similarly titled measures presented by other companies.

Constant currency

	2025 £m	2024 £m
Contant currency revenue		
Revenue	1,699.4	1,628.1
Retranslation of 2025 revenue at 2024 exchange rates	35.4	n/a
Revenue (constant currency)	1,734.8	1,628.1
Constant currency profit		
Adjusted operating profit	295.3	279.7
Retranslation of 2025 adjusted operating profit at 2024 exchange rates	4.9	n/a
Net-monetary adjustment arising from the application of IAS29 'Hyperinflation'	1.5	n/a
Adjusted operating profit (constant currency)	301.7	279.7

Adjusted results

Adjusted results are presented separately on the face of the income statement. These include adjusted operating profit, adjusted profit before tax and adjusted profit after tax.

Adjusted operating margin or return on sales

	2025 £m	2024 £m
Revenue	1,699.4	1,628.1
Adjusted operating profit	295.3	279.7
Adjusted operating margin (adjusted operating profit divided by revenue)	17.4%	17.2%

Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA)

	2025 £m	2024 £m
Adjusted operating profit	295.3	279.7
Add: depreciation and amortisation	137.0	135.8
Less: exceptional amortisation (as excluded from adjusted operating profit)	(35.7)	(37.2)
Adjusted EBITDA	396.6	378.3

Net debt

Net debt is calculated in note iii to the Group cash flow notes on page 132.

Leverage ratio

	2025 £m	2024 £m
Adjusted EBITDA	396.6	378.3
Add: share-based payment charge	7.6	6.3
Covenant EBITDA	404.2	384.6
Net debt	523.8	532.3
Leverage (net debt divided by covenant EBITDA) (times)	1.3	1.4

Free cash flow

	2025 £m	2024 (restated) £m
Net cash generated from operating activities	286.5	319.4
<i>Items presented in the Group cash flow statement to reconcile to free cash flow:</i>		
Purchase of property, plant and equipment	(114.1)	(178.4)
Receipt of government grants	7.8	43.0
Purchase of other intangible assets	(2.2)	(3.4)
Proceeds from the sale of property, plant and equipment	0.3	0.9
Net capital expenditure	(108.2)	(137.9)
Interest received	3.0	6.9
Finance lease payments	(18.1)	(17.5)
Cash paid against non-operating provisions	(1.6)	(1.3)
Free cash flow	161.6	169.6

The definition of free cash flow has been revised in the year to deduct exceptional items as part of free cash flow to demonstrate the level of cash available to shareholders and better align this APM with the Group's peers. Comparative information has been restated to reflect the new definition, resulting in restated free cash flow of £169.6m for 2024 (previously £181.1m).

Free cash flow yield

	2025 £m	2024 £m
Free cash flow	161.6	169.6
Revenue	1,699.4	1,628.1
Free cash flow yield (free cash flow divided by revenue)	9.5%	10.4%

Return on invested capital (ROIC)

	2025 £m	2024 (restated) £m	2023 (restated) £m
Adjusted operating profit (A)	295.3	279.7	
Effective tax rate (ETR)			
Adjusted profit before tax	276.2	260.0	
Adjusted tax charge	69.5	59.8	
Effective tax rate (adjusted tax charge divided by adjusted profit before tax (B))	25.2%	23.0%	
Adjusted operating profit net of tax (C=A x (1-B))	221.0	215.4	
Calculation of invested capital			
Equity	2,202.1	2,296.9	2,368.1
Add: net debt	523.8	532.3	537.6
Invested capital	2,725.9	2,829.2	2,905.7
<i>Adjustments for:</i>			
Retirement benefit assets (note 11)	(114.3)	(104.3)	(86.7)
Retirement benefit deferred tax (note 6)	28.8	26.6	21.8
Retirement benefit assets net of deferred tax	(85.5)	(77.7)	(64.9)
Adjusted invested capital	2,640.4	2,751.5	2,840.8
Average invested capital at end of last two years (D)	2,696.0	2,796.2	
Return on invested capital (ROIC) (C/D)	8.2%	7.7%	

The definition of ROIC has been revised in the year to remove an adjustment for earlier goodwill written off to reserves and accumulated amortisation of acquired intangible assets (both net of deferred tax) to make the definition more comparable with the Group's peers. Comparative information has been restated to reflect the new definition, resulting in restated ROIC of 7.7% in 2024 (previously 7.1%).

New and protected products

New and protected product sales are sales of products which are protected by virtue of being either newly launched, protected by intellectual property or by unique quality characteristics. This value is taken from internal management analysis of sales.

28. Parent Company Guarantee

A parental guarantee has been given by Croda International Plc for all outstanding liabilities of the following companies, until they are satisfied in full, in accordance with section 479C of the Companies Act 2006 ('the Act'). All were subsidiary companies for the financial year ended 31 December 2025 and are exempt from the requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act. The registered addresses of these subsidiaries can be found on page 189:

	Registered number
Croda (CPI) Limited	SC000961
Croda Distillates Limited	00143637
Croda Investments Limited	08309279
Croda Investments No 3 Limited	09926779
Croda Overseas Holdings Limited	03360096

Company Financial Statements

Company Balance Sheet

at 31 December 2025

	Note	2025 £m	2024 £m
Fixed assets			
Intangible assets	D	–	0.2
Tangible assets	E	0.9	0.9
Investments			
Shares in Group undertakings	F	1,522.3	1,521.4
Retirement benefit assets	K	6.5	5.9
		1,529.7	1,528.4
Current assets			
Debtors	G	1,213.2	1,286.5
Deferred tax asset	H	0.7	1.1
Cash and cash equivalents		19.2	30.6
		1,233.1	1,318.2
Creditors: Amounts falling due within one year			
Creditors	I	(120.3)	(87.5)
Borrowings	J	(131.0)	–
		(251.3)	(87.5)
Net current assets		981.8	1,230.7
Total assets less current liabilities		2,511.5	2,759.1

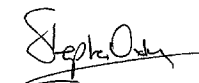
	Note	2025 £m	2024 £m
Creditors: Amounts falling due after more than one year			
Deferred tax liability	H	–	(1.5)
Borrowings	J	(306.6)	(431.7)
		(306.6)	(433.2)
Net assets		2,204.9	2,325.9
Capital and reserves			
Ordinary share capital		15.1	15.1
Share premium account		707.7	707.7
Reserves ¹		1,482.1	1,603.1
Total shareholders' funds		2,204.9	2,325.9

1. Included within Reserves is profit after tax of £35.8m (2024: £60.6m)

The financial statements on pages 172 to 177 were approved by the Board on 23 February 2026 and signed on its behalf by



Danuta Gray
Chair



Stephen Oxley
Chief Financial Officer

Registered in England number 206132

Company Statement of Changes in Equity

for the year ended 31 December 2025

	Note	Share capital £m	Share premium account £m	Capital redemption reserve £m	Revaluation reserve £m	Retained earnings £m	Total £m
At 1 January 2024		15.1	707.7	0.9	1.2	1,690.1	2,415.0
Profit for the year attributable to equity shareholders		-	-	-	-	60.6	60.6
Other comprehensive income		-	-	-	-	0.2	0.2
Transactions with owners:							
Dividends on equity shares	8	-	-	-	-	(152.2)	(152.2)
Share-based payments		-	-	-	-	4.1	4.1
Transactions in own shares		-	-	-	-	(1.8)	(1.8)
Total transactions with owners		-	-	-	-	(149.9)	(149.9)
Total equity at 31 December 2024		15.1	707.7	0.9	1.2	1,601.0	2,325.9
At 1 January 2025		15.1	707.7	0.9	1.2	1,601.0	2,325.9
Profit for the year attributable to equity shareholders		-	-	-	-	35.8	35.8
Other comprehensive income		-	-	-	-	0.3	0.3
Transactions with owners:							
Dividends on equity shares	8	-	-	-	-	(154.9)	(154.9)
Share-based payments		-	-	-	-	5.1	5.1
Transactions in own shares		-	-	-	-	(7.3)	(7.3)
Total transactions with owners		-	-	-	-	(157.1)	(157.1)
Total equity at 31 December 2025		15.1	707.7	0.9	1.2	1,480.0	2,204.9

Of the retained earnings, £989.3m (2024: £994.9m) are realised and £490.7m (2024: £606.1m) are unrealised. Details of investments in own shares are disclosed in note 24 of the Group financial statements.

Notes to the Company Financial Statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

A. Accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ('FRS 100') issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The financial statements have been prepared under the historical cost convention, in compliance with the provisions of the Act and the requirements of the Listing Rules of the Financial Conduct Authority.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under the standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are provided in the Group financial statements of Croda International Plc.

Going concern

The financial statements which appear on pages 172 to 177 have been prepared on a going concern basis as, after making appropriate enquiries, including a review of forecasts, budgets and banking facilities, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence.

Principal accounting policies

The accounting policies which have been applied by the Company when preparing the financial statements are in accordance with FRS 101. FRS 101 is based on the recognition and measurement requirements of Adopted IFRSs, under which the Group financial statements have been prepared. As a result, the accounting policies of the Company are consistent with those used by the Group as presented on pages 134 to 142, except for those relating to the recognition and measurement of goodwill and the recognition of revenue, which are not directly relevant to the Company financial statements. Other Company specific policies include;

- Investments are held at cost less accumulated impairment. Investments are subject to impairment testing upon indication of impairment, at which point the carrying value is reviewed against the underlying net assets or forecast cash generation of the entity.

- Provisions against amounts owed by Group undertakings, based on lifetime expected losses, are not material.
- The Company operates employee share trusts for the purpose of setting share-based payment arrangements. The Croda International Plc Employee Benefit Trust is treated as a branch of the Company with assets and liabilities accounted for as assets and liabilities of the Company.

The Group accounting policy for financial risk factors is also relevant to the preparation of the Company financial statements and is disclosed on pages 163 and 164.

B. Profit and loss account

Of the Group's profit for the year, £35.8m (2024: £60.6m) is included in the profit and loss account of the Company which was approved by the Board on 23 February 2026 but which is not presented as permitted by Section 408 of the Companies Act 2006.

C. Employees

	2025 £m	2024 £m
Company employment costs including Directors		
Wages and salaries	14.6	13.0
Share-based payment charges (note L)	3.7	2.4
Social security costs	2.2	1.7
Other employee related costs	0.1	0.1
Post-retirement benefit costs	0.1	0.3
	20.7	17.5

A reclassification of £0.1m between 'other employee related costs' and 'social security costs' has been made to the previously disclosed social security costs to separate out certain costs considered to be other employee related costs rather than social security costs. Other employee related costs include costs paid on behalf of the Company's employees, such as private healthcare schemes, but which are not payable to state or Government bodies.

	2025 Number	2024 Number
Average employee numbers by function		
Production	26	30
Administration	55	50
	81	80

As required by the Companies Act 2006, the figures disclosed above are weighted averages based on the number of employees including Executive Directors. At 31 December 2025, the Company had 80 (2024: 80) employees in total.

Detailed information concerning Directors' remuneration, interests and options is shown in section D of the Directors' Remuneration Report, which is subject to audit, on pages 78 to 109 which forms part of the Annual Report and Accounts.

D. Intangible assets

	Computer software £m
Cost	
At 1 January 2025	1.8
At 31 December 2025	1.8
Accumulated amortisation	
At 1 January 2025	1.6
Charge for the year	0.2
At 31 December 2025	1.8
Net carrying amount	
At 31 December 2025	-
At 31 December 2024	0.2

E. Tangible assets

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 January 2025	2.3	1.3	3.6
At 31 December 2025	2.3	1.3	3.6
Accumulated depreciation			
At 1 January 2025	1.8	0.9	2.7
Charge for the year	-	-	-
At 31 December 2025	1.8	0.9	2.7
Net book amount			
At 31 December 2025	0.5	0.4	0.9
At 31 December 2024	0.5	0.4	0.9

F. Shares in Group undertakings

	Shares £m
Cost	
At 1 January 2025	1,549.2
Additions	0.9
At 31 December 2025	1,550.1
Impairment	
At 1 January 2025	27.8
At 31 December 2025	27.8
Net book value	
At 31 December 2025	1,522.3
At 31 December 2024	1,521.4

The subsidiary undertakings which affect the financial statements are listed on pages 189 to 191. The requirement to state a list of the Company's subsidiaries is therefore considered to be incorporated within these financial statements by cross reference.

Additions to shares in the year of £0.9m related to capital contributions in relation to share-based payments. The Directors believe that the carrying value of the investments is supported by their underlying net assets or forecast cash generation.

G. Debtors

	2025 £m	2024 £m
Amounts owed by Group undertakings	1,210.9	1,281.3
Trade and other receivables	0.3	0.3
Corporation tax	0.8	3.4
Prepayments	1.2	1.5
	1,213.2	1,286.5

Although the amounts owed by Group undertakings have no fixed date of repayment, £1,201.7m (2024: £1,274.4m) is expected to be collected after one year. Of the amount at 31 December 2025, £1,152.1m will continue to attract interest from 1 January 2026 at a floating rate based on the main facility agreement. The remainder will continue to be interest free.

H. Deferred tax

The deferred tax assets/(liabilities) included in the balance sheet are attributable to the following:

	2025 £m	2024 £m
Retirement benefit obligations	(1.7)	(1.5)
Provisions	2.4	1.1
	0.7	(0.4)

The movement on deferred tax balances during the year is summarised as follows:

At 1 January	(0.4)	(1.0)
Deferred tax credited through the profit and loss account	1.1	0.7
Deferred tax credited/(charged) to other comprehensive income	-	(0.1)
At 31 December	0.7	(0.4)

Deferred tax assets were recognised in all cases where such assets arose, as it was probable that the assets would be recovered.

Deferred tax was presented gross in 2024 but has been presented net in the current year as the Company has the right to offset its deferred tax balances.

I. Creditors

	2025 £m	2024 £m
Amounts falling due within one year		
Trade payables	1.4	0.4
Taxation and social security	1.6	1.5
Amounts owed to Group undertakings	105.0	77.2
Other payables	2.2	1.5
Accruals and deferred income	10.1	6.9
	120.3	87.5

The amounts owed to Group undertakings are interest free, unsecured and have no fixed date of repayment.

J. Borrowings

The Company's objectives, policies and strategies in respect of financial instruments are outlined in the accounting policies note on 140 and 141 which forms part of the Annual Report and Accounts. Short-term receivables and payables have been excluded from all of the following disclosures.

	2025 £m	2024 £m
Maturity profile of financial liabilities		
2024 Club facility due 2030	196.9	196.4
€70m 1.43% fixed rate 10 year note	61.0	57.9
£70m 2.80% fixed rate 10 year note	70.0	70.0
€50m 1.18% fixed rate 8 year note	43.6	41.3
£65m 2.46% fixed rate 8 year note	65.0	65.0
Preference share capital	1.1	1.1
	437.6	431.7
Repayments fall due as follows:		
Within one year		
Bank loans and overdrafts	131.0	-
	131.0	-
After more than one year		
Loans repayable		
Within one to five years	305.5	430.6
Preference share capital	1.1	1.1
	306.6	431.7

K. Post-retirement benefits

In line with the requirements of FRS 101, the Company recognises its share of the UK pension scheme assets, liabilities, income statement (charges)/credits and OCI movements based on the number of scheme members. A full reconciliation of the Group retirement benefit obligation can be found in note 11 of the Group financial statements on pages 149 to 153. The table below shows the movement in the obligation during the year.

	2025 £m	2024 £m
Opening balance:		
Assets	37.7	41.1
Liabilities	(31.8)	(36.0)
Net opening retirement benefit asset	5.9	5.1
Movements in the year:		
Service cost – current	(0.3)	(0.2)
Service cost - past	0.2	–
Interest income	0.4	0.2
Contributions	0.2	0.6
Remeasurements	0.1	0.2
Closing balance	6.5	5.9

L. Share-based payments

The total charge for the year in respect of share-based remuneration schemes was £3.7m (2024: £2.4m). The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

The key elements of each scheme along with the assumptions employed to arrive at the charge in the profit and loss account are set out in note 23 to the Group financial statements.

M. Contingent liabilities

The Company has guaranteed loan capital and bank overdrafts of subsidiary undertakings amounting to £147.8m as at 31 December 2025 (2024: £139.7m).

N. Dividends

Details of dividends are disclosed in note 8 of the Group financial statements.

O. Related party transactions

The Company has taken advantage of the exemption available under FRS 101 from disclosing transactions with other Group undertakings. There were no other related party transactions during the year. Information on the Group can be found in note 26 on page 169 of the Group financial statements.

Sustainability performance

“We create most value for our customers by focusing on reducing negative climate, nature and social impacts in our raw material supply chains and innovating solutions to address some of the world's biggest challenges in our focus markets.

By thinking boldly, acting with purpose, and living our values every day, we are bringing Smart science to improve lives™ to life and working hard to achieve our commitment to be the most sustainable supplier of innovative ingredients by 2030.”

Steve Foots, CBE
Group Chief Executive

In this section

Materiality	179
Our businesses' impact on the SDGs	180
Climate Positive	181
Nature Positive	185
People Positive	186
Governance	187
Assurance and restatements	188

2025 reporting parameters

This section of ARA2025 covers the sustainability performance of Croda International Plc for the period 1 January 2025 to 31 December 2025. The scope of this report, and data within it, is all operations wholly owned for the full 12-month period, plus those operations where we have significant management influence due to a majority shareholding.

As of 31 December 2025, Croda employed 5,954 people across 91 locations in 36 countries.

2025 represents our first year presenting a combined Annual Report that includes sustainability performance. For more information where we publish on sustainability, please see p179.

Materiality

We want to ensure that our sustainability strategy and actions align with the expectations of our stakeholders. In 2024 we conducted our fifth materiality assessment, first completed in 2011. For the first time, we completed a Double Materiality Assessment (DMA), considering Croda's impacts on planet and society, as well as the financial risks and opportunities for Croda associated with the sustainability agenda. Accountability for reviewing and updating the DMA rests with the Executive Sustainability Committee who approved the outcomes of the 2024 assessment. In 2025 we refreshed our Climate Scenario Analysis, which will provide updated input into the next materiality review (refer TCFD report p41).

Please visit croda.com/sustainability for more information on our Double Materiality Assessment process.

Our sustainability leadership



Addressing impacts and focusing our sustainability leadership pp18-19



2025 Sustainability Progress Statement
Summary of our sustainability agenda and progress, introduced by Steve Foots, CEO



Connecting value with impact:
Consumer care sustainability p29
Life Sciences sustainability p32



2025 Reporting Data Pack
Tabulated multiyear financial and non-financial data: GRI and SASB referencing, PAI statements

Double Materiality Assessment

We followed the methodology laid out by the European Sustainability Reporting Standards (ESRS) to complete our DMA, to ensure we will be able to use it as the basis for our compliance with CSRD in the future. We also used the process to gain as much rich information from the stakeholder engagement as possible and develop better two-way relationships with those stakeholders (customers, employees, local community, suppliers and investors). The output of the assessment is a list of impacts, risks and opportunities (IROs) meeting the materiality threshold and approved by our Executive Committee and Board. The financially material risks identified by the assessment have been incorporated into our ERM system (including inherent and residual assessments – see Risk report p33), and the outcomes informed the development of our refreshed sustainability strategy (see p18).

Material IROs

ESRS numbers	Impacts, Risks and Opportunities	Financial materiality	Impact materiality
ESRS E1	Climate change adaptation	●	
ESRS E1	Climate change mitigation	● ●	●
ESRS E2	Pollution of air	●	
ESRS E2	Pollution of living organisms and food resources		●
ESRS E3	Water	●	●
ESRS E4	Direct impact drivers of biodiversity loss	●	●
ESRS E4	Impacts and dependencies on ecosystem services	●	
ESRS E5	Resource inflows, including resource use	●	
ESRS S1	Working conditions – Own workforce		●
ESRS S1	Equal treatment and opportunities for all – Own workforce	●	
ESRS S4	Social inclusion of consumers and end-users		●
ESRS G1	Corporate culture	●	
ESRS G1	Responsible procurement practices	●	●

● Financial risk ● Financial opportunity ● Negative impact ● Positive impact

We also identified a series of IROs that are either emerging or did not meet our thresholds for materiality. These included themes such as energy use, pollution of water/soil, conditions for workers in our value chain and information-related impacts for consumers. We will continue to consider these in future materiality reassessments.

Our businesses' impact on the SDGs

UN Sustainable Development Goals (SDGs)

We have mapped out how the United Nations Sustainable Development Goal (UN 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. This table presents a summary of the SDG targets our activities impact, broken down by sector and business unit.

Where our businesses have an impact on the UN SDGs

SDG sub-targets		Consumer Care	Life Sciences
Value chain	8.5	●●●●	
	12.2	●●●●	●●
	12.7	●●●●	●●●
	13.2	●	●
	15.2	●●●	●●
	15.5	●●●●	●
Operations	3.9	●●●●	●●●
	4.3		●
	5.5	●●	
	6.3	●	●
	6.4	●●●●	●●
	7.2	●●	●●●
	8.8	●●●	
	9.4	●●●●	●●●
	12.5	●●●●	●●●
	Products and services	2.3	
2.4			●●
3.3			
3.4		●	●
7.3		●●	●●●
13.2		●	●●●
14.1		●●●	●
15.3			●

Key

- Beauty Care
- Beauty Actives
- Home Care
- Fragrances & Flavours
- Seed Enhancement
- Crop Protection
- Pharma

Updating delivery of our Commitment

When Croda launched our Commitment to become Climate, Land and People Positive in 2020, we were one of the first chemical companies to recognise our responsibility for impacts on nature: Land Positive connected our bio-based raw materials with our Croda Agriculture technologies. Since then, our understanding of the role that business plays in contributing to a Nature Positive world has advanced. To reflect this, we have updated our Commitment to become Climate, Nature and People Positive by 2030. Listening to our stakeholders, customers in particular, we have also decided to focus our approach for the remainder of the decade, driving deeper impact across fewer corporate targets (see p18).

Our priority areas for action, building on our partnerships with customers, continue as:

Sustainable Supply Chains: targeting material upstream scope 3 reductions while minimising our impacts on nature.

Transformational Sustainable Innovation: creating a product portfolio ready to support our customers as they deliver on their Net Zero and Nature Positive goals.

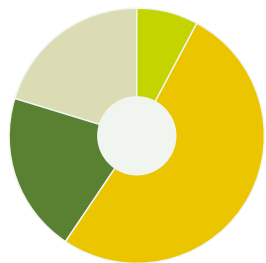
Positive Impacts: ingredients that help our customers provide solutions to the world's greatest challenges, from accessible health to regenerative agriculture.

Building competency with the launch of our Sustainability Academy

Following successful pilots in 2024, we launched our internally developed Sustainability Academy, a suite of online and webinar based modules designed to build competence and confidence in the sustainability agenda across Croda.

Climate Positive

Our 2025 corporate carbon footprint



Scope	Value (kT CO ₂ e)
Scope 1&2	116
Scope 3 E&I upstream	748
Scope 3 E&I downstream	291
Scope 3 FLAG	292

Total carbon footprint: 1,446,979 T CO₂e

Over 90% of our carbon footprint is scope 3 GHG emissions, mostly connected with our raw materials

As part of re-validation of our Science-based targets in 2025 we have fully remodelled our corporate carbon footprint to align with SBTi requirements. At the same time, we have increased our data accuracy and granularity, increasing our primary supplier data to >24% of raw material volumes, and removing all spend-based factors from raw material GHG emission calculations.

All 2022-2025 GHG emission data in this section is presented on the same basis. Please refer to p188 for details of the restatements since ARA2024 and our approach to reporting scope 3 GHG emissions with improved data quality.

Performance summary for strategic targets

Strategic climate targets

Metric	2030 Target	Unit	2025	2024*	Change
Refreshed Science-based targets					
Scope 1 and 2 GHG emissions	42% reduction from 2022 baseline	TCO ₂ e	116,418	114,227	+1.9%
Scope 3 E&I GHG emissions	25% reduction from 2022 baseline	TCO ₂ e	1,038,643	946,481	+9.7%
Scope 3 FLAG GHG emissions	30.3% reduction from 2022 baseline	TCO ₂ e	291,918	243,651	+19.8%
Other strategic climate targets					
Organic raw materials bio-based*	75%	%	58 ^Δ	56	+2ppt

* Croda's refreshed strategic target is 75% carbon sourced from renewable carbon (biomass, carbon capture and utilization (CCU) and recycling). Development of this measure is underway, with the intention to report fully on % renewable carbon from FY2026. For ARA2025, we are reporting on % organic raw materials bio-based as an assured metric.

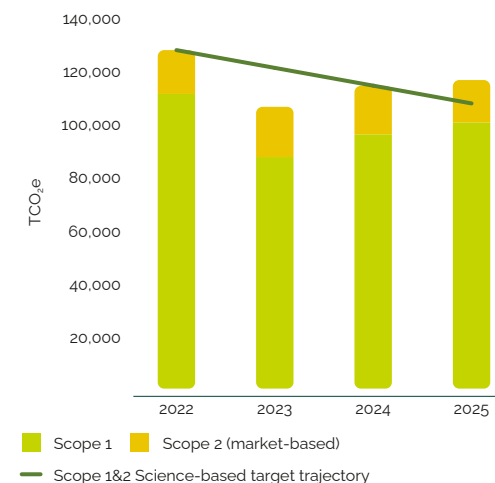
+ See p188 for details of restatements

Limited assurance of GHG emissions data^Δ

Δ indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by KPMG, our independent assurance provider.

See www.croda.com/sustainability for details.

Scope 1 and 2 GHG emissions



Our scope 1 and 2 GHG emissions have risen by 1.9% 2025 vs 2024, as a result of production volume increases at some of our major sites. However, over the period 2022–25, our scope 1 and 2 GHG emissions have fallen by 8.8%.

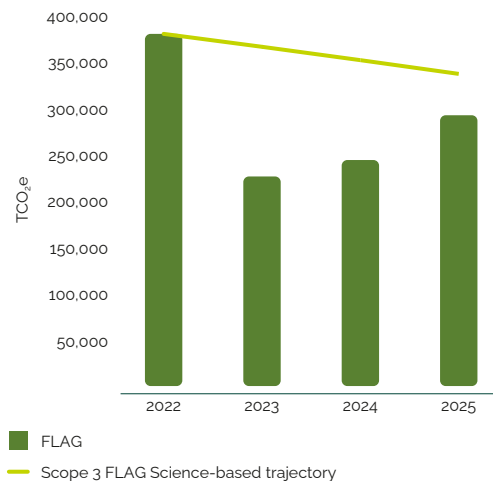
Scope 2 (location-based) emissions were 71,544 TCO₂e^Δ in 2025 (2024: 70,416 TCO₂e).

Scope 1 GHG emission reduction strategies 2022-25 have focused on our major emitting manufacturing sites and include:

- Shifting to renewable energy sources, for example biogas and bioethanol
- Electrification of our manufacturing processes, for example replacing steam heat tracing with electric
- New process technologies requiring less heat, for example biotechnology.

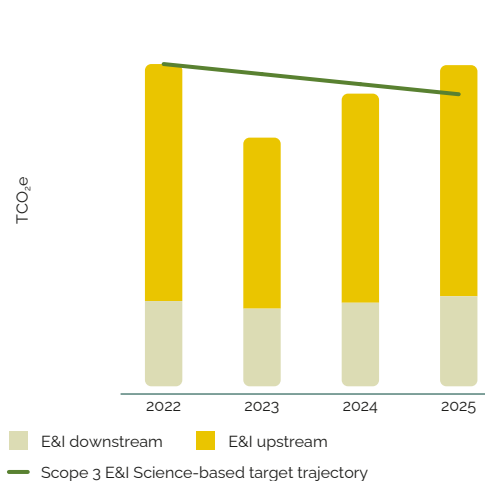
Scope 3 GHG Emissions

Forest, Land and Agriculture (FLAG) GHG emissions



Our scope 3 FLAG GHG emissions have risen by 19.8% 2025 vs 2024, significantly as a result of increased purchases of bio-based raw materials (other than palm) that are not yet certifiable as deforestation-free. Over the period 2022–25, our scope 3 FLAG GHG emissions have fallen by 23.1%, driven by our move to increasingly certified sustainable palm derivatives, reducing deforestation risks.

Energy and Industry (E&I) GHG Emissions



Our scope 3 upstream E&I GHG emissions have increased by 10.5% 2025 vs 2024, as a result of short-term sales volume recovery not yet fully decoupled from supply chain decarbonisation activities planned as part of the sustainability strategy refresh. Over the period 2022–25, our scope 3 upstream E&I GHG emissions have fallen by 2.5%.

Our scope 3 downstream E&I GHG emissions have increased by 7.7% in 2025 vs 2024, also as a result of short term sales volume recovery. Over the period 2022–25, our scope 3 downstream E&I GHG emissions have increased by 5.6%.

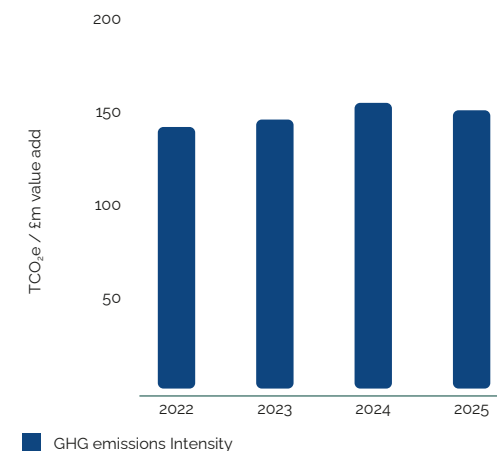
Limited assurance of GHG emissions data^Δ

Δ indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by KPMG, our independent assurance provider.

See <https://www.croda.com/en-gb/sustainability>.

GHG emissions intensity

tonnes CO₂e / £m value add



Emissions intensity

Our chosen measure of GHG emissions intensity divides our GHG emissions (including market-based scope 2 emissions) by value added³ a measure of our business activity. The GHG emission intensity for 2025, 2024 and 2023 are calculated using scope 1 and scope 2 emissions data and value add. The result for 2022 uses scope 1 and 2 emissions and an estimated value add if the PTIC divestment have been completed at 1 January 2022. All acquisitions have been included in the GHG emissions numerator for all years, with no adjustment for the value add prior to date of acquisition. On this basis, our GHG emissions intensity was 150^Δ tonnes CO₂e / £m value add in 2025 and has increased by 6.4% since 2022, our new baseline year.

3. See GHG methodologies p183

Emissions and energy usage

Emissions and energy usage	2025			2024		
	UK	Rest of world	Total	UK	Rest of world	Total
Scope 1/tonnes CO ₂ e	15,439	84,948	100,387 ^A	15,566	80,365	95,931
Scope 2/tonnes CO ₂ e	58	15,973	16,031 ^A	64	18,232 ⁺	18,296
Total scope 1 and 2/tonnes CO₂e	15,497	100,921	116,418	15,630	98,597	114,227
Scope 1 energy consumption/kWh	82,850,739	577,845,441	660,696,180	83,592,375	574,532,959	658,125,334
Scope 2 energy consumption/kWh	20,500,202	227,339,868	247,840,070	21,318,505	213,994,292	235,312,797
Total energy consumption/kWh	103,350,941	805,185,309	908,536,250^A	104,910,880	788,527,251	893,438,131

Energy consumption and efficiency improvements

In 2025, we consumed 908,536,250 kWh^A (2024: 893,438,131 kWh) of energy across our global operations. This included 103,350,941 kWh (2024: 104,910,880 kWh) consumed by UK operations.

As part of our strategy to improve the efficiency of energy consumption, 16 projects were implemented globally, realising 6,627,887 kWh of annualised efficiency improvements, equivalent to 1,036 TCO₂e.

Shadow carbon price

Croda has operated a shadow price of carbon for several years, aligning it with external UK government indices. In 2025 the price was held constant at £124 / MT CO₂e (2024: £124). This price is used in calculating the IRR and NPV in capital investment decisions affecting our GHG emissions.

+ See p188 for details of restatements

GHG methodologies

1. Our GHG inventory has been completed in accordance with the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Revised Edition) using the operational controls approach. Scope 1 emissions are calculated using UK Government emission conversion factors for greenhouse gas company reporting. Scope 2 emissions have been calculated in line with the market-based method set out in the GHG Protocol scope 2 standard.
2. Our Scope 3 emissions are calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard and the draft GHG Protocol Land Sector Guidance, covering all relevant upstream and downstream categories. We apply a defined data-quality hierarchy, prioritising primary supplier-specific data, followed by in-house Life Cycle Assessments for our most material raw-material-related emissions. Where these are not available, we use industry-average databases, and, as a last resort, Extended Environmental Input-Output (EEIO) models based on spend data to estimate emissions associated with a given economic sector and geography.
3. Value add: Croda Group adjusted operating profit before depreciation (excluding IFRS 16 depreciation), amortisation and Group employment costs including Directors, share-based payment costs and non-exceptional redundancies, at reported currency

Our revalidated Science-based targets

In 2025, the Science Based Target Initiative (SBTi) validated that our more ambitious, science-based greenhouse gas emissions reduction targets conform with the SBTi Net Zero Standard and the SBTi Forest, Land and Agriculture Guidance.

By the end of 2030¹ we aim to:

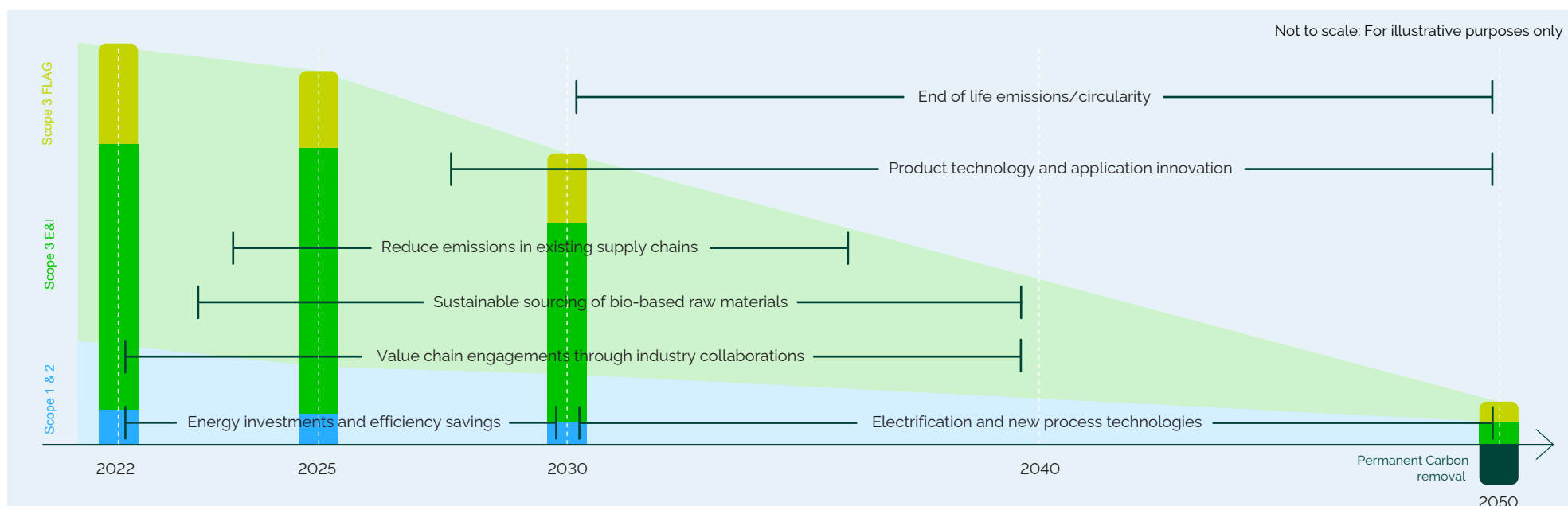
- reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions by 42% – emissions from our own operations
- reduce absolute scope 3 GHG emissions by 25% – E&I value chain emissions upstream and downstream
- reduce absolute scope 3 FLAG² GHG emissions by 30.3% – land-related emissions upstream

SBTi has also verified our net zero science-based target by 2050⁴. In addition, as part of our sustainability strategy refresh the Executive Committee approved the following climate-related target:

- source 75% of our raw material volumes from renewable carbon³



Planning for a Net Zero Economy



1. Targets are set from a 2022 baseline. In addition, the Company aimed to remove deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025.

2. FLAG GHG emissions refers to Forest, Land, and Agriculture (FLAG) emissions; greenhouse gases released from land-based activities like deforestation, agriculture, and forestry

3. Carbon sourced from biomass, carbon capture and utilisation (CCU) and recycling. Development of this measure is underway, with the intention to report fully on % renewable carbon from FY2026. For ARA2025, we are reporting on % biobased sourced raw material volumes as an assured metric

4. Direct emissions reductions will be prioritised, and all residual emissions will be neutralised in line with SBTi Criteria before reaching net zero emissions.

Nature Positive

Performance Summary for Strategic Targets

Strategic nature targets

Metric	2030 Target	Unit	2025	2024	Change
RSPO physical mass balance (or better) palm-derived raw material volumes*	100%	%	91.7	88.0	+3.7ppt
Water use impact progress at target sites**	50% reduction across 6 target sites from 2018 baseline	No. of sites on track to meet 2030 target	4	4	-

- * Croda's strategic target is 100% Deforestation and Conversion Free (DCF) raw material volumes derived from key bio-based feedstocks by 2030. Development of this measure beyond just palm supply chains is underway, with the intention to report fully on % DCF in the future. For ARA2025, we are reporting on % RSPO physical mass balance (or better) palm-derived raw material volumes.
- ** Internally developed composite metric assessing water volume, quality, displacement, water-stress and local water management maturity. Target sites are those identified in 2021-24 due to their materiality and location in areas of water risk.

Our longstanding Commitment to be Land Positive has enabled Croda to develop sector-leading understanding of our impacts on nature. Our long history of using bio-based raw materials means we have a great responsibility to address issues around nature, biodiversity and dependencies on ecosystems. In 2022 we committed to contributing to a Nature Positive economy, recognising our material impacts are primarily in our raw material supply chains (land use change and fresh water) and at our manufacturing sites (fresh water). We are also innovating to support the world move to more sustainable agricultural food systems. See p32 for more on solutions from Croda Agriculture.

Sustainable Sourcing

While we are a very small volume-user relative to the overall market, palm is our most important bio-based raw material source. We are a founder member of Action for Sustainable Derivatives (ASD), an industry consortium focused on transforming palm derivative supply chains through increasing transparency, monitoring risks, and generating on-the-ground impacts. Working with ASD in 2025, we saw continued high levels of transparency in our palm supply chains. While we continue to use RSPO physically certified Mass Balance as our primary standard for palm-containing products, we have confirmed that more than 60% of our palm-derivative raw material volumes are certified deforestation and conversion free (DCF – 2024 data).

	2025 result (based on 2024 data)	2024 result (based on 2023 data)
Palm derivative raw material volumes		
Deforestation and Conversion free (DCF)	63%	58%
Traceable to plantation	78%	55%

Once they come into effect, compliance with the EU Deforestation Regulations (EUDR) will support a more robust approach across the industry to ensuring no deforestation, no human rights abuses and adherence to local laws; our new 2030 deforestation target drives us to far exceed just regulatory compliance to meet customer expectations.

Supplier Engagement

In 2025 we rolled out a new supplier data gathering platform to reduce the administrative burden on suppliers and Croda teams in collecting and maintaining data points specific to our raw materials. We also updated our Supplier Code of Conduct and reissued it, focusing on supporting responsible sourcing, minimising environmental impacts, advancing circular economy practices, and fostering safe, ethical and compliant working conditions for all people in Croda's supply chain. Through this

engagement and our collaboration with Together for Sustainability, more than 24% of our raw material volumes are covered by qualified supplier-specific product carbon footprint data.

Reducing our impacts on water

We have a particular responsibility to reduce the impacts on nature from our freshwater use at sites with high water risks, for example in or near water-stressed regions, or areas at high risk of flooding. Six of our manufacturing sites located in such regions have been the focus of our Water Use Impact target until now. Of these the top four sites by water withdrawal volume (in India, Brazil, France and Spain) remain on track to achieve our strategic 2030 target of a 50% reduction in water use impact from a 2018 baseline. We are working closely with the remaining sites to support their continued progress.

Total water withdrawal volume across our operations was 3,404^A Mega litres (2024: 3,248 ML).

We have recommitted to delivering on this target as part of our refreshed sustainability strategy and, in 2026, will reassess any changes to sites included in the target, based on the latest available assessments of regions with high water risks.

Following our work with WBCSD and development of their Nature metrics portal, we continue to assess our total water footprint and consider future approaches to water stewardship.

Zero process waste to landfill

Following delivery of our 2024 milestone, we remain committed to sending zero process waste to landfill¹, and have embedded this in our environmental policies. We can confirm this has been achieved in 2025.

Limited assurance of GHG emissions data^A

Δ indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by KPMG, our independent assurance provider.

See www.croda.com/sustainability for details.

1. Aligned with the Carbon Trust definition of "Zero Waste to Landfill"

People Positive

Performance Summary for Strategic Targets

Strategic people targets

Effective 2025 there are no strategic corporate targets assigned to People Positive. Progress against other metrics and projects is reported here and in the Remuneration Committee report (see p78)

Since 2020, we have taken action to ensure we pay a Living Wage globally, protect and improve the health and safety of our people, support local volunteering through use of our 1% Club, and invest in sustainably improving the lives of disadvantaged communities around the world through the Croda Foundation.

Much of this is now considered 'business as usual' in Croda, governed by policy and overseen by standing Board Committees. Our businesses are exploring further opportunities to improve social impacts through the use of our ingredients and increasing supply chain transparency.

Living Wage

Since 2022, we continue to pay a Living Wage to all Croda employees, globally. We received external certification in 2025 for this work from the Fair Wage Network. See our Remuneration Report (p78) for more information. In 2025, Croda Korea has been officially certified as a Family Friendly Company by the Ministry of Gender Equality and Family in South Korea. The Family Friendly Company Certification is an award granted by the Korean Government to organisations that demonstrate a genuine and sustained commitment to supporting their people.

Safety, Health and Wellbeing

During 2025 we can confirm there were no significant safety, health, environmental or quality incidents across our operations on which to report.

	2025	2024
Personal safety		
TRIR	0.61	0.47
Recordable injuries	36	28
Process safety		
SASB Process Safety Total incident Rate	0.068	0.096
SASB Process Safety Incident Severity Rate	0.203	0.224

Unfortunately 2025 saw an increase in recordable injuries with TRIR increasing to 0.61 (2024:0.47) with 36 recordable injuries. See p26 for more information.

Our Human Performance Programme aims to enhance safety, health, and environmental (SHE) leadership across Croda. The programme focuses on understanding people, promoting empathetic engagement, and developing trust. It is now active in 42 locations across Croda. It focuses on understanding risks faced by those carrying out the work and aims to solve problems to make tasks easier. Across the Group over 2,800 improvements have been completed as a result of this programme as it continues to engage teams across the globe.

A notable safety achievement in 2025 was the building and commissioning of our new greenfield manufacturing site in Dahej, Gujarat State in India, which completed over 5 million man-hours of construction without a single recordable safety incident.

Local community engagement

Our sites and offices regularly engage with local community groups as a responsible business member of the community. In 2025 particular focus was placed on our US sites in Delaware and Pennsylvania.

In addition, Croda supports employee volunteering through our 1% Club, which enables any employee to request up to 1% of their working time (approximately three days for a full-time employee) to volunteer in a local community. In 2025 employees volunteered 5,149 hours (2024: 4,202) using 1% Club time, primarily focused on Science, Technology, Engineering and Mathematics (STEM) activities with children and young adults in education.

Human rights due diligence

We advanced our human rights due diligence programme through a pilot focused on raw material suppliers in Brazil. An enhanced engagement with these higher risk suppliers was initiated via our procurement team, including targeted human rights questions. Croda Brazil completed a third party audit (Sedex SMETA) at the request of key customers, strengthening insight into site-level human rights risks and due diligence processes and reinforcing Croda's commitment to continuous improvement. Learnings from supplier engagement and the Sedex audit are being used to inform future due diligence activities and strengthen Croda's overall human rights risk management approach. We engaged a number of customers during 2025 about our human rights programme, which will lead to more effective collaboration on corrective action planning in the future. In 2026, we plan to roll out human rights due diligence on raw materials and certain service provision across the globe, with a specific focus on palm and soy supply chains. We will also conduct bottom-up risk assessments in other priority countries.

Positive social impact through Croda Foundation

Croda Foundation extends the positive social impact of Croda's values and purpose, improving lives through better health and more sustainable livelihoods. In its first five years, Foundation-funded programmes have improved the lives of more than 23 million people worldwide, delivering outcomes across disease prevention, maternal and child health, climate-resilient agriculture, and ecosystem protection. Operating independently as a charity, funded solely by Croda, the Foundation complements Croda's sustainability priorities by supporting communities linked to our global value chains and reinforcing responsible business practice. In 2025 the Foundation approved 13 projects, committing over £950,000 during the year to further improving lives. Its employee-only nomination model, unique across UK corporate Foundations, provides another strong connection with our Purpose. One third of Foundation-funded projects across 9 countries have also benefited directly from our people's time, technical expertise, or specialist know-how, strengthening delivery and deepening the social impact achieved. This partnership reflects Croda's belief that shared purpose drives meaningful, measurable value for society.

Governance

Board leadership

The Board has ultimate responsibility for monitoring and challenging our sustainability strategy, including overall accountability for the risks and opportunities associated with the climate, nature and social impacts of Croda's business. The Board takes into account the needs of all stakeholders in guiding delivery of the strategy.

Embedded ownership

In our new, simplified matrix organisation, accountability for delivery of the strategy is embedded across the Company, monitored by the Sustainability Committee, and supported by Group Sustainability, our in-house centre of excellence.



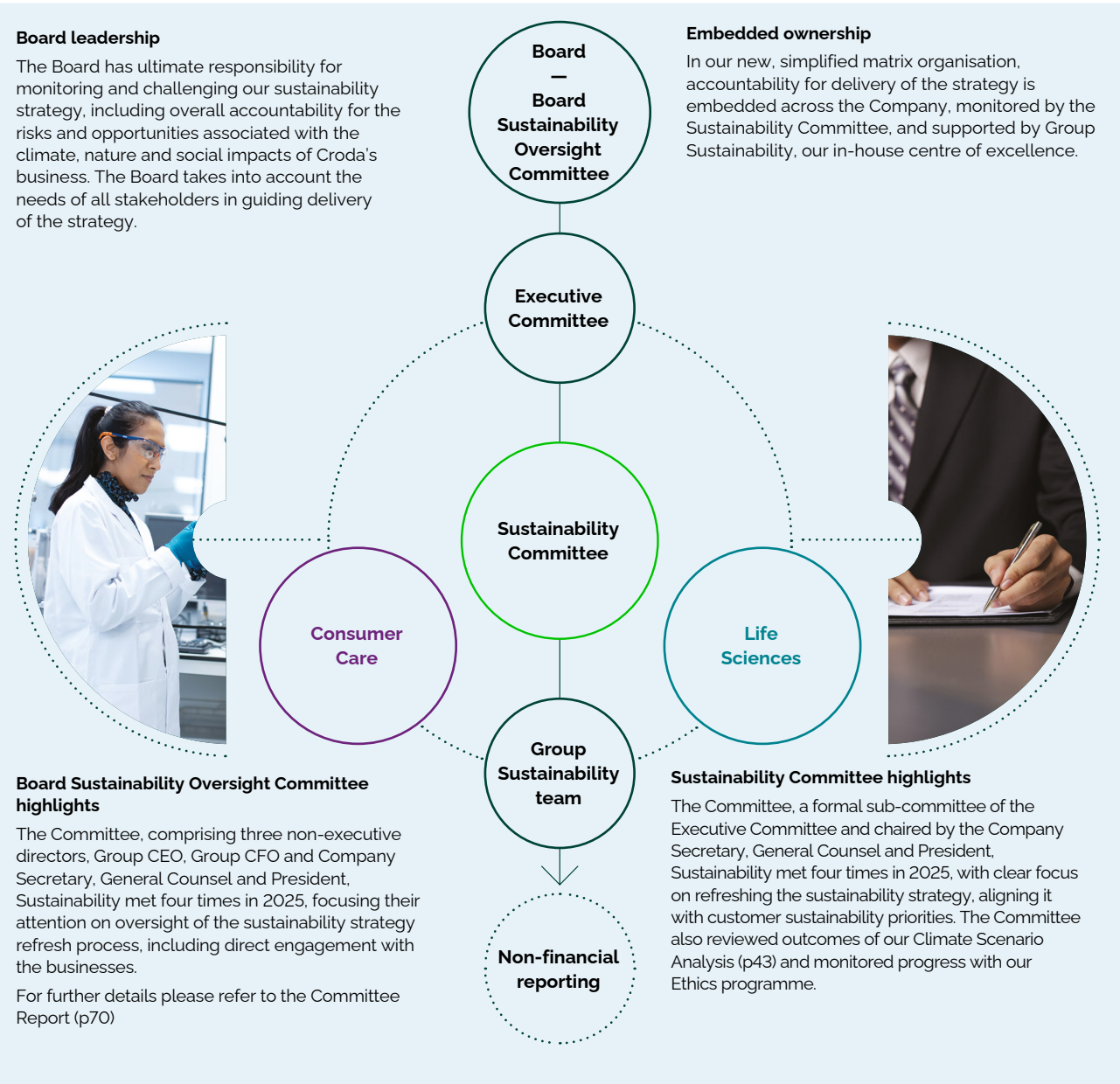
Board Sustainability Oversight Committee highlights

The Committee, comprising three non-executive directors, Group CEO, Group CFO and Company Secretary, General Counsel and President, Sustainability met four times in 2025, focusing their attention on oversight of the sustainability strategy refresh process, including direct engagement with the businesses.

For further details please refer to the Committee Report (p70)

Sustainability Committee highlights

The Committee, a formal sub-committee of the Executive Committee and chaired by the Company Secretary, General Counsel and President, Sustainability met four times in 2025, with clear focus on refreshing the sustainability strategy, aligning it with customer sustainability priorities. The Committee also reviewed outcomes of our Climate Scenario Analysis (p43) and monitored progress with our Ethics programme.



Our Approach to Future Regulatory Compliance

We are preparing for forthcoming sustainability reporting reforms across the UK and EU, including the EU's Corporate Sustainability Reporting Directive (CSRD) and the UK's planned adoption of standards aligned with the ISSB. The European Commission is expected to adopt simplified European Sustainability Reporting Standards (ESRS) in mid 2026. The UK Government also intends to finalise UK Sustainability Reporting Standards (UK SRS), based on IFRS S1 and IFRS S2, for voluntary use in early 2026, with the Financial Conduct Authority proposing alignment for listed company climate disclosures from 2027.

In addition, we are reviewing and strengthening our internal control framework for the production and disclosure of non-financial information in line with the updated UK Corporate Governance Code.

We continue to track these developments closely and are enhancing our governance, systems and data processes to ensure timely compliance as new reporting frameworks and assurance expectations are introduced.

Assurance and restatements

Limited Assurance^A

Δ 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 December 2025. The limited assurance opinion and reporting criteria are available on www.croda.com/sustainability

Metrics assured in 2025

- Scope 1 emissions
- Scope 2 emissions (location-based)
- Scope 2 emissions (market-based)
- Emissions intensity
- Total energy consumption
- % organic raw materials bio-based
- % leadership roles held by women
- % women in the workforce
- % women on the Board
- Water withdrawal

Scope 3

In 2025, we revalidated our Science-based targets, expanding the scope 3 metrics we report and updating the methodologies used to calculate them. This required restating data from 2022 and upgrading our internal systems, including improvements to our upstream scope 3 application and a review of downstream processes. To prioritise delivery of these changes, we did not seek external assurance of scope 3 emissions this year. These updates build on methods developed with external experts and validated by the SBTi for our 2022 baseline. Data quality has improved, to include primary supplier-specific emission factors and eliminate spend-based method for raw material volumes in Purchased Goods and Services. Our Scope 3 emissions are calculated using a hybrid approach, applying the data quality hierarchy: i) primary supplier-specific data, ii) in-house LCA, iii) secondary industry-average databases and iv) EEIO modelling. The revised methodology is applied consistently across 2022–25, and we intend to seek third-party verification in 2026.

Restatements +

		2022			2023			2024		
		Previously Reported	Restated	Adjustment	Previously Reported	Restated	Adjustment	Previously Reported	Restated	Adjustment
Scope 2 emissions (market-based)	tonnes CO ₂ e	14,214	16,528	16.3%	17,096	18,946	10.8%	15,900	18,296	15.1%
Total scope 1 & 2 (market-based) emissions	tonnes CO ₂ e	125,403	127,717	1.8%	104,463	106,313	1.8%	111,831	114,227	2.1%
Scope 1 & 2 emissions intensity	tonnes CO ₂ e / £m value add	139	141	1.4%	142	145	2.1%	151	154	2.0%
Scope 3 emissions – change of basis of reporting		Previous basis	New basis		Previous basis	New basis		Previous basis	New basis	
Scope 3 emissions (upstream)	tonnes CO ₂ e	930,606			690,722			830,763		
Scope 3 emissions (downstream)	tonnes CO ₂ e	303,976			269,417			286,538		
Scope 3 emissions FLAG	tonnes CO ₂ e		379,633			225,929			243,651	
Scope 3 emissions E&I	tonnes CO ₂ e		1,042,172			804,202			946,481	
Scope 3 emissions E&I (upstream)	tonnes CO ₂ e		766,442			553,059			676,295	
Scope 3 emissions E&I (downstream)	tonnes CO ₂ e		275,730			251,143			270,186	

We have restated our results to improve the assumptions, and therefore improve the quality of emission factors used for estimating the proportion of renewable energy consumed to generate steam at our Chocques, France site. This update affects our scope 2 market-based GHG emissions and associated emissions intensity. We have also reflected the impact of methodological changes on Scope 3 values reported for prior years. The table shows the results reported formerly on the 'previous basis' and those that supersede them, our 'new basis', enabling full reporting of Forest, Land and Agriculture (FLAG) and Energy & Industry (E&I) emissions. See 'Scope 3' above for details. These updates demonstrate our commitment to high-quality data and align with our policy to recalculate and restate results where changes exceed 5%.

Related undertakings

Related undertakings of Croda International Plc

All companies listed below are owned by the Group and all interests are in ordinary share capital, except where otherwise indicated. All subsidiaries have been consolidated. All companies operate principally in their country of incorporation. Unless otherwise indicated, all shareholdings represent 100% of the issued share capital of the subsidiary.

Wholly owned subsidiaries:

Incorporated in the UK

Cowick Hall, Snaith, Goole, East Yorkshire, DN14 9AA

Bio Futures Limited ^(vii)

Brookstone Chemicals Limited ^(viii)

Cowick Hall Trustees Limited ^(xi)

Croda (Goole) Limited ^(vii)

Croda Application Chemicals Limited ^(viii)

Croda Bakery Services Limited ^(viii)

Croda Bowmans Chemicals Limited ^{(v) (viii)}

Croda CE Limited ^(vii)

Croda Chemicals Limited ^(viii)

Croda Colloids Limited ^(viii)

Croda Cosmetics & Toiletries Limited ^{(i) (v) (viii)}

Croda Cosmetics (Europe) Limited ^{(iii) (viii)}

Croda Distillates Limited ^{(i) (ix)}

Croda Enterprises Limited ^(viii)

Croda Europe Limited ^{(i) (vii)}

Croda Fire Fighting Chemicals Limited ^(viii)

Croda Food Services Limited ^(viii)

Croda Foundation ^(xiv)

Croda Hydrocarbons Limited ^(viii)

Croda Investments Limited ^(ix)

Croda Investments No 2 Limited ^(ix)

Croda Investments No 3 Limited ^(ix)

Croda JDH Limited ^(viii)

Croda Leek Limited ^(viii)

Croda Limited ^(viii)

Croda Overseas Holdings Limited ^{(i) (ix)}

Croda Pension Trustees Limited ^(viii)

Croda Polymers International Limited ^{(i) (ix)}

Croda Resins Limited ^(viii)

Croda Solvents Limited ^{(iii) (v) (viii)}

Croda Trustees Limited ^(viii)

Croda Universal Limited ^(viii)

Croda World Traders Limited ^{(i) (v) (viii)}

P.I. Bioscience Limited ^(vii)

Plant Impact Limited ^(ix)

John L Seaton & Co Limited ^(viii)

Southerton Investments Limited ^{(i) (viii)}

Sowerby & Co Limited ^(viii)

Technical and Analytical Services Limited ^{(i) (viii)}

Uniqema Limited ^{(i) (viii)}

Uniqema UK Limited ^{(i) (viii)}

Citypoint, 3rd Floor, 65 Haymarket Terrace, Edinburgh, EH12 5HD

Croda (CPI) Limited ^(ix)

Incorporated in China

Unit 701-703, 7th Floor, Building C, No.3 Linhong Road, Changning District, Shanghai

Croda China Trading Company Ltd ^(vii)

No. 2 Xiang Shan Avenue, Ning Xi Street, Zeng Cheng District, Guangzhou

Croda Iberchem Guangzhou Company., Limited ^{(vi) (viii)}

191 Dong Jiang Street, GET Development Zone, 510730 Guangzhou

Guangzhou Iberchem, Co. Ltd ^(vii)

605 International Communication Building, Buidling 83, No19A, Chegongzhuang West Road, Haidian District, Beijing

Incotec (Beijing) Agricultural Technology Co. Ltd ^(vii)

No.3 Plant, No.202, Huashan Road, Modern Industrial Zone, Tianjin Development Zone, Tianjin

Incotec (Tianjin) Agricultural Science & Technology Co. Ltd ^(vii)

No.656 East Tangxun Road, Economic-Technological Development Zone, Mianyang, Sichuan 621000

Sichuan Xihe Rape Seed Industry Co., Ltd ^(vii)

No.139, Jianqing Road, Pu'an Town, Jiange County Guangyuan, Sichuan, 628300

Sichuan Xiyuan Grease Chemical Co., Ltd ^(vii)

Incorporated in France

9, rue Jean Monnet, 28630 Fontenay Sur Eure

Alban Muller International ^(vii)

1, rue de Lapugnoy, 62920 Chocques

Croda Chocques SAS ^(vii)

Futura III, 1, avenue de Westphalie, 78180 Montigny-Le-Bretonneux

Croda France SAS ^(vii)

Croda Holdings France SAS ^(ix)

Zone artisanale, 48230 Chanac

Crodarom SAS ^(vii)

29 rue du Chemin Vert, 78610, Le Perray en Yvelines

Sederma SAS ^(vii)

Incorporated in the Netherlands

Westeinde 107, 1601 BL Enkhuizen

AM Coatings BV ^{(v) (viii)}

Croda EU BV ^(ix)

Incotec Europe B.V. ^(vii)

Incotec Group B.V. ^{(i) (ix)}

Incotec Holding B.V. ^(ix)

Incorporated in the USA

700 Industrial Park Drive, Alabaster, AL 35007

Avanti Polar Lipids, LLC ^(vii)

777 Scudders Mill Road, Building 2, Suite 200, Plainsboro, NJ 08536

Croda Americas LLC ^(viii)

Croda Finance Inc ^(viii)

Croda Inc. ^(vii)

Croda Inks Corp ^(viii)

Croda Investments Inc ^(ix)

Croda Storage Inc ^(viii)

Croda Synthetic Chemicals Inc ^(ix)

Mona Industries Inc ^(viii)

Sederma Inc ^(vii)

1293 Harkins Road, Salinas, CA 93901

Incotec Integrated Coating and Seed Technology, Inc. ^(vii)

Incorporated in other overseas countries

Argentina – Av. De Lagos 205, Piso 2, Sector Este Officia Nordelta – 1670 (Tigre), Buenos Aires
Croda Argentina SA ^(vii)

Australia – Suite 2, Level 5, 111 Phillip Street, Parramatta, NSW 2150
Croda Australia Pty Ltd ^(vii)

Brazil – Rua Croda, 580, Distrito Industrial, Campinas, São Paulo, CEP 13.074-710
Croda do Brasil Ltda ^(vii)

Brazil – Avenida Mercedes Benz, 679, Distrito Industrial, Campinas, São Paulo, CEP 13.054-750
Iberchem Brazil Industria Ltda ^(viii)

Brazil – Rua das Sementes nr. 291, Holambra, State of São Paulo
Incotec America do Sul Tecnologia em Sementes Ltda. ^(vii)

Canada – 1700 Langstaff Road, Suite 1000, Vaughan, Ontario, L4K 3S3
Croda Canada Ltd ^(vii)

Chile – Los Militares 4611, 17th Floor – 7560968, Las Condes, Santiago
Croda Chile Ltda ^(vii)

Colombia – Calle 90 # 19-41 Office 601, Bogotá
Croda Colombia ⁽ⁱⁱ⁾ ^(vii)

Colombia – Aut. Medellín km. 7, Bodega 88-02, Celta Trade Park, Funza, Cundinamarca
Iberchem Colombia SAS ^(vii)

Czech Republic – Praha 5, Pekar`ská 603/12, 150 00
Croda Spol. s.r.o ^(vii)

Denmark – Elsenbakken 23, 3600 Frederikssund
Croda Denmark A/S ^(vii)

Germany – Herrenpfad Süd 33, 41334 Nettetal
Croda GmbH ^(vii)
Sederma GmbH ^(vii)

Guernsey – PO Box 33, Dorey Court, Admiral Park, St Peter Port, GY1 4AT
Cowick Insurance Services Ltd ⁽ⁱ⁾ ^(xii)

Hong Kong – Unit U, 14th Floor, Haribest Industrial Building, No. 45-47 Au Pui Wan Street, FoTan, Shatin
Croda Hong Kong Company Ltd ^(vii)

Hungary – 1117 Budapest XI, Bölcsö utca 6. 1. emelet 4.
Croda Magyarország Kft ⁽ⁱ⁾ ^(vii)

India – Plot No. 1/1, Part TTC Industrial Area, Thane Belapur Road, Koparkhairne, Navi Mumbai 400710, Maharashtra
Croda India Company Private Ltd ⁽ⁱ⁾ ^(vii)
Iberchem India Private Limited ^(vii)

India – 47, Mahagujarat Industrial Estate, Opp. Pharma Lab, Sarkhej-Bavla Highway, At. Moraiya, Ta. Sanand, Ahmedabad-382213, Gujarat
Integrated Coating and Seed Technology India Pvt. Ltd ^(vii)

Indonesia – Plaza Summarecon Bekasi, Level 7, Jalan Bulevar Ahmad Yani Kav. K.01, Desa/Kelurahan Harapanmulva, Kec, Medansatria, Kota Bekasi, Provinsi Jawa Barat
PT Croda Indonesia ⁽ⁱⁱⁱ⁾ ^(iv) ^(vii)

Indonesia – CIBIS Nine Tower, 17th Floor, Unit N. CIBS Park area, JL. TB Simatupang No2 RT Cilandak Timur, Jakarta Selatan
PT Croda Trading Indonesia ^(vii)

Indonesia – Pusat Niaga Terpadu, Jl. Daan Mogot Raya Km 19, 6 Blok GG8N, 15122 Tangerang
PT Scentium Flavours ^(vii)
PT Iberchem Indonesia Fragrances ⁽ⁱ⁾ ^(vii)

Iran – Unit 10, No. 8, Anahita dead end, First Alley, 14th Eastern Street, Adjudanieh Blvd, Aghdasieh Ave, Tehran
Croda Pars Trading Co ^(xv)

Italy – Via P. Grocco 915, 27036 Mortara
Croda Italiana S.p.A. ^(vii)

Italy – Calle del Commercio, 2 Desio, Monza and Brianza
Iberchem Italia SRL ^(vii)

Japan – 7-1 Nishi-shinjuku 3-chome, Shinjuku-ku, Tokyo 163-1001
Croda Japan KK ⁽ⁱ⁾ ^(vii)

Malaysia – 305 (Suite1) Block E, Phileo Damansara 1, 9, Jalan 16/11, Off Jln Damansara, 46350 PJ, Selangor
Scentium (Malaysia) Sdn Bhd ^(vii)

Mexico – Hamburgo 213, Piso 10, Colonia Juárez, Delegacion Cuauhtémoc, D.F., C.P. 06600
Croda México SA de CV ^(vii)

Mexico – Alfredo Nobel No. 3, 3 y 4, Col. Fraccionamiento Industrial Los Reyes, Estado de México, 54073 Tlalnepantla
Iberchem Mexico SA de CV ^(vii)

Nigeria – Landmark Towers, 5B, Water Corporation Road, Victoria Island, Lagos
Croda SI&T Nigeria Limited ^(vii)

Peru – Av. Juan de Aliaga 425 Of. 401, Magdalena del Mar
Croda Peruana S.A.C ^(vii)

Poland – Lubomirskiego 24, 31-509 Kraków
Croda Poland Sp. z o.o. ⁽ⁱ⁾ ^(vii)

Republic of Korea – (Yongje-dong) 11, Seogam-ro 11-gil, Iksan-si, Jeollabuk-do
Croda Korea Ltd ^(vii)

Singapore – 30 Seraya Avenue, Singapore 627884
Croda Singapore Pte Ltd ⁽ⁱ⁾ ^(v) ^(vii)

Singapore – 2 International Business Park, #04-06 The Strategy (Tower 1)
Iberchem Far East Pte Ltd ^(vii)

South Africa – Clearwater Estate Office Park, Block G, Corner of Atlas & Park Road, Parkhaven Ext 8, Boksburg 1459
Croda (SA) (Pty) Ltd ^(vii)
Incotec South Africa (Pty) Ltd ^(vii)

South Africa – 383 Roan Crescent, Corporate Park North, Randiespark, Midrand, 1685
Iberchem South Africa (Pty) Ltd ^(vii)

Spain – Carrer Pujades, 350 planta 10, 08019 Barcelona
Croda Ibérica SA ^(vii)

Spain – Avenida del Descubrimiento, Parcela 9/9, Polígono I, 30820 Alcantarilla, Murcia

Iberchem SAU ^(vii)

Spain – Avenida de Holanda, Parcela 12/14, Polígono Industrial Las Salinas, 30840 Alhama de Murcia, Murcia

Scentium Flavours, S.L. ^(vii)

Sweden – Geijersgatan 2B, 216 18 Limhamn

Croda Nordica AB ^(vii)

MX Adjuvac AB ^(xiii)

Thailand – 319 Chamchuri Square Building, 16th Floor, Unit 13-14, Payathai Road, Patumwan, Bangkok 10330

Croda (Thailand) Co., Ltd ^(vii)

Thailand – No. 41/87 Moo 6 Bangna Trad Road Km. 16.5, Bangcha long-Sub District, Bangplee District, 10540 Bangkok, Samutprakarn Province

Iberchem Thailand Ltd ^(vii)

Turkey – Barbaros Mahallesi, Mor Sumbul Sokak, Nidakule Atasehir Guney, No: 7/3, Kat: 5 Atasehir, Istanbul 34746

Croda Kimya Ticaret Limited Şirketi ^(vii)

United Arab Emirates – Units 2601 & 2602, Al Manara Tower, Al Abraj St., Business Bay, P.O. Box 191160, Dubai

The Essence of Nature F&F Trading LLC ^(vii)

United Arab Emirates – P. O. BOX 17916, Office 1209, 1210 & 1211, 12th Floor, Jafza One, Tower B, Jebel Ali Free Zone, Dubai

Croda Middle East FZE ^(vii)

Vietnam – Room # 606A, Floor 6th, Centre Point Building 106 Nguyen Van Troi Street, Ward 8, Phu Nhuan District,

Ho Chi Minh City The Representative Office of Croda

Singapore Pte Ltd in

Ho Chi Minh City ^{(ii) (vii)}

Non-wholly owned subsidiaries, associates and investments:

Incorporated in the UK

8 Frederick Sanger Road, Surrey Research Park, Guildford, GU2 7YD

SiSaf Ltd

3.36%

Incorporated in other overseas countries

China – No 656 East Tangxun Road Economic and Technological Development Zone Miangyang Sichuan

Croda Sipo (Sichuan) Co., Ltd ^(vii)

65.00%

China – No.56 Xingye 2nd Road, Changleng Industrial Zone 2, Xinjian District, 330100 Nanchang City, Jiangxi Province

Nanchang Xinduomei Bio-Technology Co.,Ltd ^(vii)

70.00%

France – 70 avenue Louison Bobet, 06130 Grasse

Parfex ^(vii)

99.70%

Indonesia – Pusat Niaga Terpadu, Blok EE 8A, Jl, Daan Mogot, Raya, Km.19, Tangerang, 15122, Jakarta West Java

PT Inti Berkah Chemindo ^(viii)

51.00%

Sweden – Scheelevägen 22, 22363 Lund

Enza Biotech AB ^(xv)

88.00%

Tunisia – 39, rue Jamel Abdennaceur, Z.I. Borj Cédria, Bir El Bey, BP 69, 2055 Ben Arous

Iberchem Tunisie S.A.R.L. ^(vii)

63.70%

Turkey – Yeşiltepe Mahallesi İsmetinönü-2 Cad. No:2/57 Tepebaşı, Eskişehir

Entekno Industrial, Technological and Nano Materials Corp.

9.00%

Classifications key

- i. Companies owned directly by Croda International Plc
- ii. Branch office
- iii. A Ordinary
- iv. B Ordinary
- v. Preference including cumulative, non-cumulative and redeemable shares
- vi. No share capital, share of profits
- vii. Manufacture, sale or distribution of speciality chemicals, or of seed treatment services and products, or fragrances and flavours compositions
- viii. Dormant
- ix. Holding company
- x. Property holding company
- xi. Trustee
- xii. Captive insurance company
- xiii. Research enterprise
- xiv. Not consolidated; Company limited by Guarantee and not having a Share Capital
- xv. In liquidation process
- xvi. Non-trading entity

Shareholder information

2026 Annual General Meeting	22 April 2026
2025 Final ordinary dividend payment	27 May 2026
2026 Half year results announcement	28 July 2026
2026 Interim ordinary dividend payment	6 October 2026
2026 Preference dividend payments	30 June 2026 31 December 2026
2026 Full year results announcement	23 February 2027

Investor relations

Shareholders can now get up to date information on Stock Exchange announcements, key dates in the corporate calendar, the Croda share price and brokers' estimates by visiting our corporate website at www.croda.com and clicking on the section called 'Investors'.

Shareholders can receive shareholder communications electronically by registering on the Registrar's Investor Centre website <https://uk.investorcentre.mpms.mufg.com/> and following the instructions. Investor Centre also has a mobile app available to download free on all smart devices. To register, shareholders will require their investor code (IVC): this is an 11 digit number starting with five or six zeros and can be found on your dividend tax voucher or your share certificate. Shareholders who register on the above website or on the app can also check their shareholding, view their dividend history, choose their dividend options, register changes of address and dividend mandate instructions. Shareholders can also monitor all shareholdings – where MUFG Corporate Markets is the registrar – within a single, secure platform.

Receiving corporate communications by email has a number of benefits including being more environmentally friendly, reducing unnecessary waste, faster notification of information to shareholders and a reduction in company costs.

Share price information

The latest ordinary share price is available on our website at www.croda.com.

The middle market values of the listed share capital at 31 December 2025, or last date traded*, were as follows:

Ordinary shares	2720.50p
5.9% preference shares	78.25p*
6.6% preference shares	87.00p*

Dividend reinvestment plan (DRIP)

Ordinary shareholders may wish to know about this plan, which allows you to use your dividends to buy further shares in Croda. The DRIP is offered to shareholders resident in the UK only by MUFG Corporate Markets which is authorised and regulated by the Financial Conduct Authority.

You can sign up to this service on the Investor Centre website (<https://uk.investorcentre.mpms.mufg.com/>). For information or a paper application pack please call 0371 664 0381. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales. From outside the UK dial +44 (0)371 664 0381. Alternatively you can email drip.enquiries@cm.mpms.mufg.com.

Investor Centre

The Company's Registrars, MUFG Corporate Markets have replaced the Signal Shares portal with **Investor Centre**. This is a new web-based platform and app through which you will be able to manage your Croda shares. It has enhanced security features, including Multi-Factor Authentication and biometric login and provides a secure and intuitive experience accessible at all times. Through Investor Centre you can access and manage all your shareholdings overseen by MUFG Corporate Markets. You can access Investor Centre on a web browser via <https://uk.investorcentre.mpms.mufg.com/> and then follow the instructions. Investor Centre also has a mobile app available to download free on all smart devices

Payment of dividends

We would like to remind you that shareholders no longer receive dividend payments by cheque. You will therefore need to register a mandate via the Investor Centre website to enable payment of dividends direct to your bank. Dividend confirmations will also be available on the Investor Centre website. Dividend payments will not be made until your bank or building society account details have been provided.

Overseas shareholders – choose to receive your next dividend in your local currency

If you live outside the UK, MUFG Corporate Markets has partnered with Deutsche Bank to provide you with a service that will convert Sterling dividends into your local currency at a competitive rate.

You can choose to receive payment directly to your local bank account or alternatively you can be sent a currency draft. You can sign up to this service on the Investor Centre (<https://uk.investorcentre.mpms.mufg.com/>) by clicking on 'your dividend options' and following the on-screen instructions or by contacting the Customer Support Centre. For further information contact MUFG Corporate Markets:

By phone – UK 0371 664 0300, from overseas +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

By email – ips@cm.mpms.mufg.com

Relating to beneficial owners of shares with 'information rights'

Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's Registrar, MUFG Corporate Markets, or to the Company directly.

Share fraud warning

Scams are increasingly sophisticated. Fraudsters can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. If you have been contacted unexpectedly, or are suspicious about a call or text message, make sure you stop and check the warning signs.

How to avoid scams

- Treat all unexpected calls, emails and text messages, social media messages or even in person visits with caution. Don't assume they're genuine, even if the person seems to know some basic information about you.
- Don't be pressured into acting quickly, hang up on calls and ignore messages if you feel pressured. A genuine bank or financial services firm won't mind waiting if you want time to think.
- Never give out your bank account or credit card details unless you are certain who you are dealing with.
- If you're buying a financial product such as a loan, insurance, investment or pension, only deal with an FCA-authorized firm – check the FS Register to see if the firm is registered. Always access the Register from the FCA website, rather than through links in emails or on a firm's website (it might be part of the scam).
- Double-check the URL and contact details of a firm in case it's a 'clone firm' pretending to be a real firm, such as your bank or a genuine investment firm.
- Check the list of unauthorised firms and individuals the FCA have received complaints about. If the firm isn't on their list, don't assume it's legitimate – it may not have been reported to them yet.
- Check your bank account and credit card statements regularly.
- Don't give access to your device by downloading software or an app from a source you don't trust. Scammers may be able to view, take control of your device and access your bank account.
- **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are worried about a potential scam or you think you have been approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters you should contact Report Fraud on 0300 123 2040.

Secretary and Registered Office

Tom Brophy (Company Secretary) Cowick Hall, Snaith, Goole, East Yorkshire DN14 9AA
 Tel: +44 (0)1405 860551
 Website: www.croda.com
 Registered in England number 206132

Registrars

MUFG Corporate Markets
 Central Square, 29 Wellington Street,
 Leeds, LS1 4DL

Tel: 0371 664 0300 (from UK)
 +44 (0) 371 664 0300 (from overseas)

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate; lines are open 9.00am to 5.30pm.

Monday to Friday excluding public holidays in England and Wales.

Website: www.mpms.mufg.com
 Email: shareholderenquiries@cm.mpms.mufg.com

Independent Auditors

KPMG LLP
 15 Canada Square, London, E14 5GL

Principal Financial Advisers

Morgan Stanley & Co. International plc

Principal Solicitors

Freshfields LLP

Stockbrokers

Morgan Stanley & Co. International plc
 UBS

Financial PR Advisers

FTI Consulting

Five year record

Earnings

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Turnover	1,699.4	1,628.1	1,694.5	2,089.3	1,889.6
Covenant EBITDA ⁴	404.2	384.6	413.1	560.0	591.4
Depreciation and amortisation ¹	(101.3)	(98.6)	(89.5)	(86.4)	(79.0)
Share-based payments and loss on associates	(7.6)	(6.3)	(1.7)	(3.5)	(42.0)
Impact of acquisitions or disposals	–	–	(1.9)	45.0	(1.8)
Adjusted operating profit ¹	295.3	279.7	320.0	515.1	468.6
Adjusted profit before tax ¹	276.2	260.0	308.8	496.1	445.2
Profit after tax	64.7	159.6	172.1	653.3	322.8
Profit attributable to owners of the parent	62.0	158.5	171.0	649.3	320.8
Return on sales ¹ (%)	17.4	17.2	18.9	24.7	24.8
Effective tax rate ¹ (%)	25.2	23.0	23.9	22.8	21.2
	Pence	Pence	Pence	Pence	Pence
Adjusted earnings per share ¹	146.2	142.6	167.6	272.0	250.0
Ordinary dividends declared per share	111.0	110.0	109.0	108.0	100.0
	Times	Times	Times	Times	Times
Net debt/Covenant EBITDA	1.3	1.4	1.3	0.5	1.4
Covenant EBITDA interest cover ²	16.0	16.0	24.9	24.2	22.4

Free cash flow⁵

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Adjusted operating profit ¹	295.3	279.7	320.0	515.1	468.6
Depreciation and amortisation	101.3	98.6	89.5	86.4	79.0
Adjusted EBITDA	396.6	378.3	409.5	601.5	547.6
Working capital	(7.7)	20.9	29.1	(133.8)	(102.5)
Interest and tax paid	(81.1)	(84.4)	(93.5)	(154.0)	(131.3)
Non-cash pension expense	(1.0)	2.9	(4.4)	4.5	11.2
Share-based payments	5.0	5.0	(4.2)	(11.0)	29.1
Other cash movements	(25.3)	(3.3)	1.0	1.0	(6.4)
Net cash generated from operating activities	286.5	319.4	337.5	308.2	347.7
Net capital expenditure	(108.2)	(137.9)	(170.1)	(138.3)	(152.7)
Interest received	3.0	6.9	8.3	5.1	1.5
Payment of lease liabilities	(18.1)	(17.5)	(17.0)	(17.4)	(14.4)
Other non-operating cash movements	(1.6)	(1.3)	(1.6)	(1.4)	4.6
Free cash flow	161.6	169.6	157.1	156.2	186.7

Summarised balance sheet

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Intangible assets, property, plant and equipment and investments	2,335.2	2,480.4	2,541.9	2,318.0	2,350.9
Inventories	370.5	367.9	341.2	464.0	443.0
Trade and other receivables	363.8	349.5	395.7	375.8	337.9
Trade and other payables	(281.5)	(275.1)	(253.1)	(324.5)	(370.3)
Capital employed	2,788.0	2,922.7	3,025.7	2,833.3	2,761.5
Tax, provisions and other	(176.4)	(197.8)	(206.7)	(207.1)	(180.3)
Retirement benefit assets	114.3	104.3	86.7	100.1	7.9
	2,725.9	2,829.2	2,905.7	2,726.3	2,589.1
Shareholders' funds	2,187.1	2,282.5	2,352.5	2,415.6	1,753.1
Non-controlling interests	15.0	14.4	15.6	15.5	12.8
Net assets	2,202.1	2,296.9	2,368.1	2,431.1	1,765.9
Net debt	523.8	532.3	537.6	295.2	823.2
Invested capital	2,725.9	2,829.2	2,905.7	2,726.3	2,589.1

Return on invested capital³

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Adjusted operating profit net of tax ¹	221.0	215.4	243.6	397.9	369.2
Invested capital	2,725.9	2,829.2	2,905.7	2,726.3	2,589.1
Adjustments for:					
Retirement benefit assets net of deferred tax	(85.5)	(77.7)	(64.9)	(75.2)	(5.8)
Adjusted invested capital	2,640.4	2,751.5	2,840.8	2,651.1	2,583.3
Average adjusted invested capital	2,696.0	2,796.2	2,746.0	2,617.2	2,502.1
Return on invested capital (ROIC)(%)	8.2	7.7	8.9	15.2	14.8
Post-tax cost of capital (%)	8.5	7.9	8.1	7.5	6.4
Charge for invested capital ³	(229.2)	(220.9)	(222.4)	(196.3)	(160.1)
Economic value added ¹⁻³	(8.2)	(5.5)	21.2	201.6	209.1

1. Before exceptional items, amortisation of intangible assets arising on acquisition and the tax thereon where applicable.

2. Interest excludes net interest on retirement benefit liabilities.

3. The Group has revised the definition of Return on Invested Capital (ROIC) in the year as set out in the Finance Review and comparative information has been restated.

4. Covenant EBITDA is EBITDA as defined in the Finance Review but before share-based payment charges and the loss on associates. Covenant EBITDA is also adjusted to reflect the annualised impact of acquisitions or disposals in the period.

5. The Group has revised the definition of free cash flow in the year as set out in the Finance Review and comparative information has been restated.

The five year record is presented based on the applicable accounting standards at the relevant reporting date.

Alternative Performance Measures (APMs)

We use a number of APMs to assist in presenting information in this statement. We use such measures consistently at the half year and full year, and reconcile them as appropriate. Whilst the Board believes the APMs used provide a meaningful basis upon which to analyse the Group's financial performance and position, which is helpful to the reader, it notes that APMs have certain limitations, including the exclusion of significant recurring items, and may not be directly comparable with similarly titled measures presented by other companies.

A reconciliation of the above APMs to the relevant IFRS measure is included in note 27 of the financial statements.

The measures used in this statement include:

Constant currency results: these reflect current year performance for existing business translated at the prior year's average exchange rates. Constant currency results are the primary measure used by management to monitor the performance of overseas business units, since they remove the impact of currency translation into Sterling, the Group's reporting currency, over which those overseas units have no control. Constant currency results are similarly useful to shareholders in understanding the performance of the Group excluding the impact of movements in currency translation over which the Group has no control. Constant currency results are reconciled to reported results in the review of financial performance below. The APMs are calculated as follows:

- a. For constant currency profit, translation is performed using the entity reporting currency before the application of IAS 29 hyperinflation and any associated one-off foreign exchange gains or losses;
- b. For constant currency sales, local currency sales are translated into the most relevant functional currency of the destination country of sale (for example, sales in Latin America are primarily made in US Dollars, which is therefore used as the functional currency). Sales in functional currency are then translated into Sterling using the prior year's average rates for the corresponding period;

- Organic results: these reflect constant currency values adjusted to exclude the impact of acquisitions or disposals in the first year of impact. They are used by management to measure the performance of each sector before the impact of portfolio changes are included, in order to assess the like-for-like performance of the business, thereby providing a consistent basis on which to make year-on-year comparison. They are seen as similarly useful to shareholders in assessing the performance of the business;
- Adjusted results: these are stated before exceptional items (as disclosed in the review of financial performance below) and amortisation of intangible assets arising on acquisition, and tax thereon. The Board believes that the adjusted presentation (and the columnar format adopted for the Group income statement) assists shareholders by providing a meaningful basis upon which to analyse business performance and make year-on-year comparisons. The same measures are used by management for planning, budgeting and reporting purposes and for the internal assessment of operating performance across the Group. The adjusted presentation is adopted on a consistent basis for each half year and full year results;
- EBITDA: this represents Earnings Before Interest, Tax, Depreciation and Amortisation, calculated as adjusted operating profit plus depreciation and amortisation. It is used by management and shareholders to assess Group's cash operating profit performance. EBITDA is a widely used APM, commonly used by our peers, and is a helpful measure for shareholders that allows for an easier comparison of the operational performance between companies by excluding non-cash items and financing effects;
- Adjusted operating margin: this is adjusted operating profit divided by sales, at reported currency. Management uses the measure to assess the profitability of each sector and the Group, as part of its drive to grow profit by more than sales value, in turn by more than sales volume as set out in the Group performance section below;
- Net debt: comprises cash and cash equivalents (including bank overdrafts), current and non-current borrowings and lease liabilities. Management uses this measure to monitor debt funding levels and compliance with the Group's funding covenants which also use this measure. It believes that net debt is a helpful additional measure for shareholders in assessing the risk to equity holders and the capacity to invest more capital in the business;
- Leverage ratio: this is the ratio of net debt to adjusted EBITDA adjusted to include EBITDA from acquisitions or disposals in the last 12 month period. Calculations and reconciliations are provided in the five-year record of the Group's Annual Report. The Board monitors the leverage ratio against the Group's debt funding covenants and overall appetite for funding risk, in approving capital expenditure and acquisitions. It believes that the APM is a helpful additional measure for shareholders in assessing the risk to equity holders and the capacity to invest more capital in the business;
- Free cash flow: comprises net cash generated from operating activities, less the cash effect of exceptional items, net capital expenditure and payment of lease liabilities, plus interest received. The definition of free cash flow has been revised in the year to deduct exceptional items as part of free cash flow to demonstrate the level of cash available to shareholders and better align this APM with the Group's peers. Comparative information has been restated to reflect the new definition, resulting in restated free cash flow of £169.6m for 2024 (previously £181.1m). Calculations and reconciliations are provided in the five-year record of the Group's Annual Report. The Board uses free cash flow to monitor the Group's overall cash generation capability, to assess the ability of the Company to pay dividends and to finance future expansion, and, as such, it believes this is useful to shareholders in their assessment of the Group's performance;

- Free cash flow-to-sales ratio: this is free cash flow divided by sales. This is a new APM and has been included as the Board considers this metric to assess the level of cash conversion and to evaluate the quality of sales growth. The Board believes it is useful to shareholders in assessing the financial performance of the Group;
- Return on invested capital (ROIC): this is adjusted operating profit net of tax divided by the average adjusted invested capital. Adjusted invested capital represents net assets adjusted for net debt and net retirement benefit assets/ (liabilities) and is the average of the opening and closing balances. The definition of ROIC has been revised in the year to remove the adjustment for earlier goodwill written off to reserves and accumulated amortisation of acquired intangible assets (both net of deferred tax) to make the definition more comparable with the Group's peers. Comparative information has been restated to reflect the new definition, resulting in restated ROIC of 7.7% in 2024 (previously 7.1%). Calculations and reconciliations are provided in the five-year record on page 195. The Board believes that ROIC is a key measure of efficient capital allocation and that it is useful to shareholders in assessing the returns delivered by the Group and the impact of deploying more capital to grow future returns faster; and,
- New and Protected Products (NPP): these are products which are protected by virtue of being either newly launched ('new'), protected by intellectual property ('patented') or by unique quality characteristics ('protected'). NPP is used by management to measure and assess the level of innovation across the Group.

Glossary

Adjusted	Before exceptional items, amortisation of intangible assets arising on acquisition and the tax thereon where applicable	CPI	Consumer Price Index	FSP	Free Share Plan
AGM	Annual General Meeting	CPS	Croda Pension Scheme	FTSE	Financial Times Stock Exchange
ALM	Asset-Liability Matching	CSRD	Corporate Sustainability Reporting Directive	GDPR	General Data Protection Regulation
ASD	Action for Sustainable Derivatives	DEI	Diversity, Equity and Inclusion	GHG	Greenhouse gas
Bio-based	Carbon containing, from renewable, non-fossil sources	DBSP	Deferred Bonus Share Plan	GRI	Global Reporting Initiative
CARE	Career Average Revalued Earnings	DMA	Double Materiality Assessment	Scope 1 emissions	Direct emissions from our own, or controlled sources
CEO	Chief Executive Officer	DRIP	Dividend Reinvestment Plan	Scope 2 emissions	Indirect emissions from the generation of purchased electricity, steam, heating and cooling. Croda reports using the market based method to quantify scope 2 emissions.
CFO	Chief Financial Officer	EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation	Scope 3 emissions	All other indirect GHG emissions that occur in our value chain: <ul style="list-style-type: none"> • Upstream comprises categories 3.1 – 3.8 inclusive. • Downstream comprises categories 3.9 – 3.15 inclusive
CGU	Cash Generating Unit	EBT	Employee Benefit Trust	GMP	Good Manufacturing Practice
CIPEBT	Croda International Plc Employee Benefit Trust	EPS	Earnings per share	GRI	Global Reporting Initiative
Climate, nature and people positive	Branding we have used since 2020 to describe the breadth of our sustainability-related targets and activity. It is not considered a technical term with recognised definition, it indicates our efforts to go further than just reducing environmental and social footprints in our direct control	ERM	Enterprise Risk Management	HMRC	HM Revenue & Customs
The Code	Financial Reporting Council's 2024 UK Corporate Governance Code	ESG	Environmental, Social and Governance	IFRS	International Financial Reporting Standards
CO₂	Carbon dioxide	ESRS	European Sustainability Reporting Standards	IP	Intellectual Property
CO₂e	Carbon dioxide equivalent	EU	European Union	IS	Industrial Specialties
Constant currency	Current year results for existing business translated at the prior year's average exchange rates and include the impact of acquisitions	EVA	Economic Value Added	ISO	International Organization for Standardization
		F&F	Fragrances and Flavours	ISSB	International Sustainability Standards Board
		FCA	Financial Conduct Authority		
		FLAG GHG emissions	Forest, Land, and Agriculture (FLAG) emissions: greenhouse gases released from land-based activities like deforestation, agriculture, and forestry		
		FRC	Financial Reporting Council		
		FRS	Financial Reporting Standard		

KPI	Key Performance Indicator	Plc	Public limited company	STEM	Science, Technology, Engineering and Mathematics
LCA	Life Cycle Assessment	Process Waste	Waste materials associated with manufacturing processes only at our sites, both hazardous and non-hazardous	TCFD	Task Force on Climate-related Financial Disclosures
LDI	Liability driven investment	PSP	Performance Share Plan	T	Tonnes
L&R	Local and regional customers	PTIC	Performance Technologies & Industrial Chemicals	TCO₂e	Tonnes carbon dioxide equivalent
M&A	Mergers and acquisitions	QUEST	Croda International Plc Qualifying Share Ownership Trust	TRIR	Total Recordable Injury Rate
Market businesses	Consumer Care, Life Sciences, Industrial Specialties	R&D	Research and Development	TSR	Total shareholder return
MNCs	Multinational customers	Return on sales	Adjusted operating profit divided by revenue	WACC	Weighted Average Cost of Capital
mRNA	Messenger ribonucleic acid	RFT	Right first time	Water Impact	Widely accepted term for the impact of an organisation's activities, including those up and down the value chain, on water. May consider volume, quality, and location impacts
NCI	Non-controlling interest	ROIC	Return on Invested Capital	Water Use Impact	Croda developed methodology to account for volumetric consumption, local water stress at source, water displacement effects and the quality of discharged water at our manufacturing location
Net debt	Borrowings and other financial liabilities less cash and cash equivalents	RPI	Retail Price Index	WBCSD	World Business Council for Sustainable Development
Net Zero	Aligned with the SBTi definition: Scope 1, 2 and 3 (upstream and downstream) GHG emissions have been reduced to a residual level (no more than 10% of baseline emissions). Any residual emissions are neutralised by permanent carbon removals to reach net zero emissions	RSP	Restricted Share Plan	WHO	World Health Organization
NGO	Non-governmental Organisation	RSPO	Roundtable on Sustainable Palm Oil		
NPP	New and protected products	SASB	Sustainability Accounting Standards Board		
Operating leverage	The degree to which profits are impacted by the level of asset utilisation	SBT	Science Based Targets		
Organic	Carbon-containing, from renewable and/or fossil sources	SDGs	United Nations Sustainable Development Goals		
PBT	Profit before tax	SHE	Safety, health, environment		
		SHEQ	Safety, health, environment, quality		
		SIP	Share Incentive Plan		
		SMEs	Small and Medium sized Enterprises		
		SIR	Sustainability Impact Report		

