

## **Reporting criteria**

### **Introduction**

KPMG has been appointed to provide independent limited assurance of selected Croda International plc Sustainability Performance Measures. This reporting criteria document sets out how these selected performance measures have been prepared and reported.

Only those metrics outlined in the selected performance measures table below have been assured. Further performance measures reported in the Croda Annual Report, Non-Financial Data book or elsewhere have not been independently verified or assured, however all reasonable care has been taken to ensure the accuracy of the data presented.

### **Scope**

This report covers the performance of Croda International Plc for the period 1 January 2025 to 31 December 2025. The scope of this report is at least all operations wholly owned for the full 12-month period, plus those operations where we have significant management influence due to a majority shareholding. Reporting is made on a full entity basis in all instances. Croda uses an operational control approach to calculate its GHG emissions.

### **Acquisitions and divestments**

We update our reporting to include organisational changes. Unless otherwise stated data is included from the date of acquisition for acquisitions part-way through the year and for closed locations up until the date of closure. There have not been any organisational changes in the reporting period as a result of acquisitions or divestments.

### **Restatements**

We seek to continuously improve the accuracy of our reporting through accounting for organisational changes (mergers, acquisitions, divestments), increasing the use of primary data, reducing the use of estimates, correcting any identified errors and upgrading our calculation methods in line with best practice. In each case Croda will review the impact on prior disclosures and the need to recalculate prior years. Our policy is to recalculate and restate the value for the Key Performance Indicator where the impact meets or exceeds our materiality threshold of 5%. Recalculation and restatement will be disclosed for i) the baseline year, where relevant for a target, ii) the year prior to the current reporting period. On a case-by-case basis Croda will assess the benefit of adjusting intervening years, clearly stating where any prior years are reported on an unadjusted basis.

Refer to Croda Annual Report page 188. We have restated our results to improve the assumptions, and therefore improve the quality of emission factor, 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. These updates reflect our commitment to good quality data and meet our policy to recalculate and restate for any changes of 5% or more.

## Selected performance measures

The data presented in the table below constitutes the limit of the assured information.

<b>KPI</b>	<b>Unit</b>	<b>Assured Value</b>
Scope 1 emissions	Tonnes CO <sub>2</sub> e	100,387
Scope 2 GHG emissions (location-based)	Tonnes CO <sub>2</sub> e	71,544
Scope 2 GHG emissions (market-based)	Tonnes CO <sub>2</sub> e	16,031
Emissions intensity	Tonnes CO <sub>2</sub> e / £m value add	150
Total energy consumption	kWh	908,536,250
% organic raw materials bio-based	%	58
% leadership roles held by women	%	42
% women in the workforce	%	40
% women on the Board	%	33
Water withdrawal	MI	3,404

## Reporting methodology

### a) Scope 1 & Scope 2 Greenhouse gas emissions, Emission intensity and Energy consumption

#### Standards

Croda's GHG inventory has been completed in accordance with the World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Revised Edition), The GHG Protocol Scope 2 Guidance, and with Defra's Environmental reporting guidelines: Including Streamlined Energy and Carbon Reporting requirements.

#### Data gathering

Each site has a dedicated reporter and approver responsible for capturing data in our SpheraCloud Corporate Sustainability Reporting system on a quarterly basis. Data is primarily taken from meter readings or invoices. Estimates may be used where there is a delay to the availability of invoices at the quarterly or year-end reporting deadline. The local reporting team proposes the optimal basis for the estimate which is normally an average or pro-rata value for the missing information based on either the actual data available for prior months or equivalent period in prior year whichever is more representative of current use. Estimates are clearly identified and resolution to actual values monitored to ensure the best quality data is used in the full year report. Inclusive lease agreements for small offices or R&D facilities located in shared premises may not provide for discrete information on all Croda's utilities usage. Such locations provide estimates for the consumption of a range of standard utilities. This can be done either by multiplying the total utility consumption for the building by the area of it they occupy divided by the total floor space of the building, or if this information is not available, then sites can employ a per head estimate of usage by applying agreed average utilities values per person per quarter for respective utilities to the local headcount.

The SpheraCloud Corporate Sustainability Reporting system has a library of factors to convert:

- commonly reported units of energy (such as kWh, cubic meters of gas, kilograms of LPG) into a standard unit of energy MJ.
- MJ of energy into GHG emissions, tonnes CO<sub>2</sub>e.

The library of emissions conversion factors is reviewed and updated on an annual basis in the fourth quarter of the reporting year. The updated conversion factors are applied to the current reporting year only. The table on the next page sets out the conversion factor sources used in our reporting.

<b>Source</b>	<b>Data management</b>	<b>Emission Factor Application</b>
The DEFRA GHG Conversion Factors for Company Reporting 2025	Library is available directly through the SpheraCloud Corporate Sustainability Reporting system and the update applied via a command from a Croda administrator.	Scope 1 – all direct energy sources Scope 2 – Business travel in Electric / Electric component of hybrid Car
IEA Emissions Factors 2025	Set of emissions factors is purchased by Croda from the IEA. The relevant data is uploaded to our reporting system by a Croda administrator.	Grid electricity by country: Scope 2 location-based – all countries, Scope 2 market-based – non-European countries
AIB European Residual Mixes 2025	Set of emissions factors is freely available online from the AIB. The relevant data is inputted to our reporting system by a Croda administrator.	Scope 2 market based – grid electricity for European countries
RTE average grid electricity emissions for reporting year 2025	Average emission factor for France for reporting year is freely available online from RTE. A Croda administrator enters this to the reporting system at a site level for all French sites without an alternative supplier specific conversion factor.	Scope 2 market based – grid electricity for France
Energy Supplier Specific Conversion Factors (where available)	Entered to the reporting system at a site level supported by documented evidence from supplier.	Scope 2 market based – for electricity, purchased heat or purchased steam and applied to related sites only.
Renewable Electricity – Supplier Contracts, Power Purchase Agreement or Energy Attribution Certificates	Sites report use of Renewable Electricity in dedicated section of our reporting system. Local and central checks confirm this is supported by documented evidence in the form of contractual instruments which Croda has purchased or entered or are provided by suppliers' contracts for supply or Energy Attribution Certificates.	Scope 2 market based – for electricity and applied to related sites only.

Calculation methodology

**Scope 1 emissions:**

Scope 1 emissions are direct emissions from operations that are owned and controlled by Croda.

Our GHG Scope 1 sources include: natural gas; landfill gas; biogas; light fuel oil; heavy fuel oil; gasoline; diesel; propane/LPG; energy from waste oil; bioethanol; biodiesel, VOCs, refrigerants

Scope 1 emissions are calculated from data entered into the SpheraCloud Corporate Sustainability Reporting system which applies DEFRA GHG Conversion Factors for Company Reporting.

**Scope 2 emissions:**

Scope 2 emissions are indirect emissions sources from the generation of purchased or acquired electricity, steam, heat or cooling consumed by Croda. They are a consequence of energy use at our organisational sites but occur at sources owned or controlled by another organisation (an electricity generator or utility).

Our GHG Scope 2 sources: purchased electricity; purchased steam for processes; purchased district heating.

We report both location and market-based Scope 2 emissions and actively encourage purchase of green energy both in selection of provider and purchasing green energy certificates. Scope 2 emissions are calculated from data entered into the SpheraCloud Corporate Sustainability Reporting system using the conversion factors as set out below.

Emissions factors are applied in the following order of preference, only using the next conversion factor in the absence of the former, to generate our market-based Scope 2 emissions:

	<b>Purchased Electricity</b>	<b>Purchased heat / steam</b>
1	Contractual instruments which Croda has purchased or entered or are provided by suppliers based on their fuel usage, in line with GHG Protocol's Scope 2 Market Based method. Where an Energy Attribute Certificate (EAC) or Renewable Energy Certificate (REC) is applied, electricity consumption is reported as being renewable with an emission factor of zero.	
2	Residual Mix Value (available for all European countries)	DEFRA Heat / Steam Supplied (100% district heating)
3	International Energy Agency Value (available for all countries)	

Location-based scope 2 emissions are calculated using the International Energy Agency Value for Electricity and the DEFRA Heat / Steam Supplied (100% district heating) for purchased heat / steam.

## **Emissions Intensity**

Croda reports an emissions intensity metric on the basis of scope 1 plus scope 2 market-based emissions per £million Value add.

Value add is a profit related measure. Stating our emissions intensity in this way allows Croda to demonstrate our ability to decouple business value growth from environmental impact.

Value add is defined as Croda Group adjusted operating profit before depreciation, amortisation and Group employment costs including Directors, Share based payment costs and non-exceptional redundancies, at reported currency. This value is determined at the end of the reporting year. Employment costs are as defined in note 9 of the Group's 2025 Annual Report and Accounts excluding exceptional items. Depreciation and amortisation are defined in note 3 of the Group's 2025 Annual Report and Accounts excluding exceptional items.

## **Total Energy Consumption**

The total energy consumed in the reporting period is the sum of all energy usage reported in our SpheraCloud Corporate Sustainability Reporting system from all purchased sources and self-generation. Our result is stated in kWh.

## b) Bio-based Carbon

### Data gathering

Sustainable sourcing metrics are calculated using data stored in the Qlik Sense Procurement dashboard which extracts volumes of raw materials purchased from the General Ledger (SAP). The purchased volumes used in our metric, excludes intercompany transfer. Each raw material in SAP is assigned a renewability indicator based on:

Renewable; Obtained carbon from regenerative source (plants, animals, marine)  
Non-renewable; Obtained carbon from fossil fuels.  
Inorganic; Either containing no carbon, or inorganic carbon (such as carbonates).

A material is only designated renewable where it is 100% renewable. Materials of mixed origin are classified as non-renewable.

The designation is based on information provided directly by the suppliers in response to questionnaires and evaluation by our procurement teams.

Where acquisition locations are still migrating to central systems then raw material data is obtained from them directly to ensure full coverage in our reporting.

### Calculation methodology

The volumes of raw materials purchased gathered from the SAP extracted dashboard and direct from site locations is pulled together to calculate the total volume of raw materials purchased in the reporting year that was categorized as i) renewable and ii) non-renewable.  
Inorganic materials are not a component of the bio-based calculations.

Croda calculates the percentage of biobased raw materials in accordance with ASTM D6866, EN16640:2017 and EB16785-1.

Biobased % = Total organic carbon derived from biomass (renewable) / Total organic carbon derived from biomass and petrochemical (renewable + non-renewable) x 100

## c) Gender Diversity

### Data gathering

All locations globally report into MyCroda, our global human resources information system (HRIS). This is managed locally to ensure that records are generated and maintained for each Croda employee with central review to ensure that data sets are complete. Official documentation (passport / birth certificate / ID documents) is requested upon employment. Data pertaining to an employee's gender and role is managed locally and inputted into our HRIS through HR. Updates to an employee's gender identity are raised by the employee with HR. An employee's grade is linked to their role; making changes is restricted to HR after approval in line with the authorities to act.

### Calculation methodology

Data extracted from the MyCroda HRIS is filtered and presented in HR Dashboard to obtain values for:

1. % leadership roles held by women
2. % women in the workforce (employees)
3. % women on the Board

For each we reflect the relevant population of employees with the gender allocation in the system of female as a percentage of the relevant total population of employees, this excludes any population that has not declared a gender.

A leadership role in Croda is defined as Grade, F, Grade G, Executive and Board level. The definition of roles follows our Grading and Level Policy and Process for Grades F and G. The Company Secretary is a member of the Executive Committee but is not a member of The Board. Croda reports the gender balance across members of the workforce employed by Croda and excludes contractors. Annually reported data is based on values for 31 December of the reporting year.

## **d) Water withdrawal**

### Data gathering

Data related to water withdrawal is reported on a quarterly basis into our SpheraCloud Corporate Sustainability Reporting system by the dedicated reporter and approver at each of our sites. We account for withdrawal from third party water supply, ground water and surface water. Rainwater is only accounted for where actively captured and used on our sites. Data is reported in local units of measure and automatically converted in our system into MI for reporting purposes. Data is primarily taken from meter readings or invoices for our manufacturing and larger non-manufacturing sites. Inclusive lease agreements for small offices or R&D facilities located in shared premises may not provide for discrete information on all Croda's utilities usage. Such locations provide estimates for the consumption of a range of standard utilities. This can be done either by multiplying the total utility consumption for the building by the area of it they occupy divided by the total floor space of the building or if this information is not available, then sites can employ a per head estimate of usage by applying agreed average utilities values per person per quarter for respective utilities to the local headcount.

### Calculation methodology

The SpheraCloud Corporate Sustainability Reporting system is configured to use the data supplied to calculate the results according to the following:

Total Water Withdrawal = Third Party Water + Groundwater + Surface Water + Harvested Rainwater

## Definitions

<b>Table of Definitions</b>	
<b>£ value add</b>	Croda Group adjusted operating profit before depreciation, amortisation and Group employment costs including Directors, Share based payment costs and non-exceptional redundancies at reported currency. This value is determined at the end of the reporting year. Employment costs are as defined in note 9 of the Group's 2025 Annual Report and Accounts excluding exceptional items. Depreciation and amortisation are defined in note 3 of the Group's 2025 Annual Report and Accounts excluding exceptional items.
<b>Carbon dioxide equivalents, CO<sub>2</sub>e</b>	The universal unit of measurement to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing different greenhouse gases against a common basis.
<b>Croda operations</b>	All operations wholly owned by Croda for the full reporting year, plus those operations where we have significant management influence due to a majority shareholding.
<b>Emission factor</b>	A factor that converts activity data into greenhouse gas emissions data (e.g. kg CO <sub>2</sub> e emitted per litre of fuel consumed, kg CO <sub>2</sub> e emitted per kilometre travelled).
<b>Energy Attribute Certificate (EACs)</b>	A category of contractual instruments used in the energy sector to convey information about energy generation to other entities involved in the sale, distribution, consumption, or regulation of electricity. This category includes instruments that may go by several different names, including certificates, tags, credits, etc.
<b>GHG Emissions Intensity</b>	The sum of absolute scope 1 emissions and absolute scope 2 emissions (market based) per £m value add from our operations.
<b>Greenhouse gas 'GHG' emissions</b>	Gases in the earth's atmosphere that trap heat. Types of GHGs included in Croda's reporting, as applicable: CO <sub>2</sub> e, CO <sub>2</sub> , N <sub>2</sub> O, CH <sub>4</sub> , HFCs, PFCs and SF <sub>6</sub>
<b>Leadership role</b>	Grade F, Grade G, Executive and Board level roles in Croda
<b>Location based</b>	A method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries.
<b>Market based</b>	A method to quantify scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with instruments, or unbundled instruments on their own
<b>Renewable energy certificates (RECs)</b>	A type of energy attribute certificate, used in the U.S. and Australia. In the U.S., a REC is defined as representing the property rights to the generation, environmental, social, and other non-power attributes of renewable electricity generation.
<b>Reporting Year</b>	01 January to 31 December inclusive

<b>Table of Definitions continued</b>	
<b>Scope 1</b>	<p>Emissions from operations that are owned and controlled by the Croda. These emissions are considered a direct emissions source.</p> <p>GHG Scope 1 sources: Natural gas; landfill gas; biogas; light fuel oil; heavy fuel oil; gasoline; diesel; propane/LPG; energy from waste oil; biodiesel, VOCs, refrigerants.</p>
<b>Scope 2</b>	<p>Emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by Croda. These emissions are considered an indirect emissions source, because they are a consequence of activities of our organisation but occur at sources owned or controlled by another organisation (an electricity generator or utility).</p> <p>GHG Scope 2 sources: Electricity; steam; renewables; district heating</p>
<b>Third Party Water</b>	Water supplied by municipal water networks, public or private utilities or other organisations.
<b>Water withdrawal</b>	This is the total water withdrawn from Third Party Water + Groundwater + Surface Water + Harvested Rainwater.