



# Conserving our natural environment



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Last updated: 17/03/2023

## Overview

Looking beyond carbon, we also strive to minimise the environmental impact of our operations, including a focus on process waste to landfill and total water withdrawal.

It is estimated that over the next few years, two-thirds of the world's population may face water shortages, and ecosystems around the world will become even more stressed. Water is an essential resource and should be conserved; it is also required at almost every stage of a product's lifecycle. We mainly operate in locations where water scarcity is not an issue. However, we are increasingly aware that climate change is accelerating the onset of a broad range of other water risks such as flooding, precipitation seasonality or eutrophication.

Croda is committed to implementing pioneering corporate water stewardship practices and we have already taken major steps to reduce the water footprint in our direct operations. We are proud of our achievements in reducing total water withdrawal.

### Key

Target on track



Target requires additional focus



## Progress on our Commitment

Objectives	Targets	Status	Milestones and metrics	Status	2022 progress
<b>Environmental stewardship</b> We will protect the natural environment through the responsible management of our water consumption and waste production.	<ul style="list-style-type: none"> <li>Reduce our water use impact by 50% from our 2018 baseline.</li> </ul>		<ul style="list-style-type: none"> <li>Reduce our water use impact by 25% from 2018 baseline by the end of 2024.</li> <li>Eliminate process waste to landfill across our operations by the end of 2024.</li> <li>Develop and implement a methodology for water impact assessment by the end of 2021.</li> </ul>		<ul style="list-style-type: none"> <li>Reduction in total water withdrawal by 29% compared to 2018 baseline</li> <li>Our Water Use Impact methodology was completed and trialled at seven Croda manufacturing sites</li> <li>Manufacturing sites at Mevisa, Spain and Chocques, France have already achieved a 27-30% reduction in water use impact</li> <li>Process waste to landfill was reduced by 20% from the 2018 baseline</li> <li>14 of our 19 principal manufacturing sites now have zero process waste to landfill</li> </ul>

## SDG targets

6.3, 6.4 and 12.5



## Performance highlights

### Zero process waste

# 14/19

principal manufacturing sites have zero process waste to landfill

### Water use impact

# -29%

compared to 2018 baseline



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## Our performance

Very few Croda products contain water: most of the water we withdraw is simply borrowed and used onsite as process water before being discharged.

Nevertheless, following the implementation of water-saving measures and investments to use recycled water at our manufacturing sites in Ditton (UK), Mevisa (Spain) and Shiga (Japan), we have reduced the volume of water used at group level by 29% since the 2018 reference year.

Our target is to halve our water impact by 2030, reducing it by 25% by the end of 2024. To support this, we have developed a methodology that goes beyond the volumetric reduction of water use. This enables us to quantify and improve the local environmental impact associated with our water management practices, accounting for volumetric consumption, hydrologic conditions and risks at water basin level, water displacement effects, quality of discharged water, and risk management practices at site level.

Developed as a questionnaire based on extensive environmental indicators (for example, physical, biological, chemical) and a weighted scoring system, our water use impact metric generates a single impact score for each manufacturing site. This score reflects the current environmental burden of water use and helps to define a realistic water reduction roadmap. We also used the World Resources Institute (WRI) Water Risk Aqueduct tool and Ecolab Smart Water Navigator to identify the most substantive water-related risks within our direct operations.

### Waste to landfill

2022 saw us continue to make progress towards our target to eliminate process waste to landfill from our operations by the end of 2024. We reduced our process waste sent to landfill by 20% from our 2018 baseline, with 14 of 19 principal manufacturing sites now having zero process waste to landfill, up from 11 manufacturing sites in 2021. This is due to exceptional work at our sites in Shiga (Japan), Campinas (Brazil) and Alabaster (USA), which reduced their waste to landfill by 100%. They achieved this by working with regulators to ensure waste is categorised appropriately, reviewing and updating current waste management practices, and placing residue streams into recycling routes such as biofuel and fertiliser

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