

Commitment performance

Climate Positive



Key

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

Objectives and targets

Reducing emissions

- By 2030, we will have achieved our SBTs, reducing scope 1 and 2 emissions by 46.2% from a 2018 baseline, in line with limiting global warming to 1.5°C, and reducing upstream scope 3 emissions by 13.5%
- Thereafter, by 2050 we will be a net zero organisation



- A reduction of 25% in 2018 absolute scope 1 and 2 emissions by the end of 2024
- All Croda locations to have a decarbonisation roadmap by the end of 2022



- Absolute scope 1 and 2 emissions have reduced by 19.8% since 2018
- Every Croda location, including non-manufacturing sites, has completed decarbonisation roadmaps demonstrating how they can achieve a 50% reduction in scope 1 and 2 emissions by the end of 2029

Carbon cover

- By 2030, use of our products will avoid four times the carbon emissions (scope 1, 2 and 3) associated with our business – our 4:1 carbon cover



- Two million tonnes of CO₂e emissions savings delivered through use of our products by the end of 2024, which will be externally verified
- 100% of our product portfolio evaluated for downstream scope 3 impact by the end of 2024



- 687,926 tonnes CO₂e were avoided through the use of ingredients attached to verified case studies giving a carbon cover ratio of 0.66 (2021: 0.4)
- In 2022 we developed a framework which enabled further engagement with customers and identification of scope 3 savings, enhancing the quality of our product portfolio evaluation

Sustainable innovation

- By 2030, over 75% of our organic raw materials by weight will be bio-based, absorbing carbon from the atmosphere as they grow



- 71% (rolling three-year average) of our organic raw materials to be bio-based by the end of 2024



- Our use of bio-based organic raw materials increased by two percentage points from 57% to 59.4%

Commitment performance continued

Land Positive



Key

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

Objectives and targets

Land use

- Throughout this decade, the land saved through the application of our crop protection and seed technologies will exceed any increase in land used to grow our raw materials by at least a factor of two, and by 2030, we save at least 200,000 hectares per year more than in 2019



- By the end of 2024, the land area saved through use of our technologies will be at least 80,000 hectares per year more than in 2019



- We saved 53,486 hectares per year more than our 2019 baseline year and remain on track to achieve our 2024 milestone and 2030 target
- Land used to grow our raw materials in 2022 was 55,692 hectares

Crop science innovation

- Through to 2030 we will bring an average of two crop technological breakthroughs to market each year that are in alignment with our SBTs and which help our customers mitigate the impact of climate change and land degradation
- By 2030, we will have established three new partnerships to contribute to the recovery of compromised farmland and protect biodiversity. We will work with customers, universities and business councils to achieve this



- By the end of 2024, we will have brought 10 qualifying technological breakthroughs to market



- We define a technological breakthrough as a new technology with a measurable significant effect and either a more sustainable route to an existing performance effect, or a new performance effect from an existing technology platform that is in line with our SDG goals
- We brought two technological breakthroughs to market in 2022, which protect biodiversity and mitigate the impact of changing climate and land degradation, bringing our total breakthrough technologies launched since 2020 to four

Commitment performance continued

People Positive



Key

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

Objectives and targets

Health & wellbeing

- By 2030, we will contribute to the successful development and commercialisation of 25% of WHO-listed pipeline vaccines
- By 2030, we will protect at least 60 million people annually from potentially developing skin cancer from harmful UV rays, through the use of our sun care ingredients



- By the end of 2024 our technology will be part of at least 10 clinical phase III trials across at least 25% of the WHO-listed pipeline vaccines
- By the end of 2024 we will protect one million lives from skin cancer through the use of novel sun protection technologies



- Croda technology at various stages of evaluation in 17 out of the 24 pipeline vaccines, across 123 projects (2021: 79 projects)
- More than 40 are at or successfully beyond clinical phase III trials across nine pipelines, achieving our 2024 milestone
- 61 million people protected through the use of our sun care ingredients in 2022, achieving our 2030 target
- Three million people protected from skin cancer through the use of novel technologies launched in the last four years
- Work is ongoing in Sun Care to define a more impactful new target

Gender balance

- By 2030, we will achieve gender balance across the leadership roles in our organisation



- We are rolling out gender-balanced shortlisting recruitment across Croda, with a target of having 80% of shortlists gender balanced by the end of 2023



- 38.2% of leadership roles now filled by women, against wider workforce that is 40% female
- 19% shortlists were balanced for full year 2022. Data collection will be automated in 2023 enabling closer monitoring and improvement

Improving more lives

- We will establish and fund a Croda Foundation to help improve one million lives in relevant communities



- Intermediate milestones for Croda Foundation to be set during 2022

- 300,000 lives sustainably improved by end 2022 and >14 million lives benefitted by projects from the Croda Foundation
- Since end 2021 over £1.1 million in funding for thirteen projects from core funds with a further £1.75 million of the £2 million restricted health care grant donated specifically focusing on vaccine and health infrastructure projects, supporting projects within South Asia, Africa and Brazil
- Intermediate milestones have been set, please see p35

Commitment performance continued

Fundamentals



Key

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

Objectives and targets	Status	Milestones and metrics	Status	2022 progress
<p>Health, Safety & Wellbeing</p> <ul style="list-style-type: none"> OSHA Total Recordable Injury Rate in the top 10% for the chemical industry 30% increase in positive responses to the wellbeing areas in our Global Employee Culture Survey 		<ul style="list-style-type: none"> Achieve OSHA Total Recordable Injury Rate of 0.3 by the end of 2024 		<ul style="list-style-type: none"> Full Year OSHA Total Recordable Injury Rate* 0.74 (2021: 0.76 restated) The underlying TRIR* which excludes sites acquired less than 3 years ago is 0.63 (2021: 0.72) Human Performance programme fully rolled out to 6 sites, with resources being allocated to enable a full rollout in the next two years Our 2022 survey result, inclusive of PTIC, was 54.4% positive response for the wellbeing areas. This is a 7.6 percentage point decrease from our 2020 baseline survey (62% positive response). The survey will be run again in the first half of 2023
<p>Process Safety</p> <ul style="list-style-type: none"> Zero significant process safety incidents per year We will continue to investigate and apply learnings from minor incidents and near misses 		<ul style="list-style-type: none"> Conduct an independent peer review of our Process Risk Reviews (PRR) for high-hazard processes by the end of 2023 		<ul style="list-style-type: none"> 22 (out of 31) PRRs have been peer reviewed. (excludes 7/9 PTIC PRRs peer reviewed prior to divestment) Process Safety Total Incident Rate (PSTIR) 0.035 in 2022 (0.018 in 2021)
<p>Environmental Stewardship</p> <ul style="list-style-type: none"> Reduce our water use impact by 50% from our 2018 baseline 		<ul style="list-style-type: none"> Reduce our water use impact by 25% from 2018 baseline by the end of 2024 Eliminate process waste to landfill across our operations by the end of 2024 		<ul style="list-style-type: none"> Water use decreased by 29% vs 2018 reference. Half way through setting a baseline water impact score for the 7 sites in water stressed zones, which will form the basis of improvement roadmaps 17% reduction in process waste to landfill vs 2018 baseline
<p>Responsible Business</p> <ul style="list-style-type: none"> Achieve outstanding CSR performance ratings across all themes within the EcoVadis assessment 		<ul style="list-style-type: none"> Achieve an EcoVadis score of at least 85 by end 2023 		<ul style="list-style-type: none"> Achieved an EcoVadis score of 75 in 2022
<p>Fair Income</p> <ul style="list-style-type: none"> Everyone working at Croda locations, including temporary and permanent employees, and all contractors will receive a living wage that is monitored and reviewed annually 		<ul style="list-style-type: none"> All regularly employed contractors will be paid a living wage by end of 2024 		<ul style="list-style-type: none"> We reviewed our Living Wage levels in 2022 and made any adjustments necessary in order to continue paying a Living Wage to all employees as per Living Wage comparators provided by the Fair Wage Network. We are now working with the Fair Wage Network to gain accreditation for our work and to ensure our progress stands up to external scrutiny In 2022 we also began the process of ensuring all our regular contractors are paid a living wage, with each region putting together a plan to ensure we achieve this milestone by the end of 2023
<p>Knowledge Management</p> <ul style="list-style-type: none"> Longer term target under development 		<ul style="list-style-type: none"> 100% of employees will receive a minimum of one week's training per year by the end of 2025 		<ul style="list-style-type: none"> 28.8% of employees globally have completed a week's worth (32 hours) of training in 2022

* excluding COVID-19.

Commitment performance continued

Fundamentals continued

Objectives and targets	Status	Milestones and metrics	Status	2022 progress
Quality Assurance <ul style="list-style-type: none"> Achieve a 99.5% Right First Time (RFT) rate 		<ul style="list-style-type: none"> Achieve a 99.0% RFT rate by the end of 2024 		<ul style="list-style-type: none"> Ended 2022 with a RFT rate of 98.3%. (98.2% 2021 rebaselined)
Product Stewardship <ul style="list-style-type: none"> Full life cycle assessments (LCAs) for our top 100 ingredients 		<ul style="list-style-type: none"> Complete 40 LCAs by the end of 2024 		<ul style="list-style-type: none"> 5 LCAs were completed by end 2022
Sustainable Sourcing and Partnerships <ul style="list-style-type: none"> Ensure all key suppliers are responding to EcoVadis and engaging with us to improve practices 		<ul style="list-style-type: none"> By the end of 2024, all key suppliers will be required to achieve a minimum of the average score from EcoVadis (or equivalent) or will have an action plan with timelines to close gaps By the end of 2024, key suppliers representing at least 50% of our raw material volumes will be required to sign up publicly to SBTi or equivalent carbon reduction targets By the end of 2024, suppliers of crop-based raw materials will be required to provide supply chain transparency in a fully traceable and certified sustainable manner 	 	<ul style="list-style-type: none"> Key suppliers representing 81% of targeted spend have been evaluated using EcoVadis and corrective actions have been assigned and prioritised Key suppliers representing 45% of our raw materials volumes have made public commitments to carbon reduction with more than half of these suppliers, 24% of raw materials volume, signed up publicly to SBTi Supplier requirements are clearly outlined within the 2022 Croda Supplier Code of Conduct and approximately 37% of crop based raw materials volume is certified sustainable with mapped supply chains

Reporting the impact of the divestment of Performance Technologies and Industrial Chemicals

The divestment of the majority of our PTIC business has affected our baseline, current position and targets across several of our non-financial KPIs. Where that has meant our 2030 target has become harder to achieve, an Executive Committee decision was taken as part of strategy discussions to maintain our original target, increasing our level of ambition, for example our sustainable innovation target on bio-based raw material content. Where the divestment would have made the original target achievement easier, for example our scope 1 and 2 emissions target, we have re-baselined to ensure our level of ambition remains unchanged. For completeness, the below table reports on full year 2022 performance for affected KPIs for Croda, including PTIC for the first six months, along with the impact of PTIC separately in the second column. For comparison, the third column reports the number for full year 2022 excluding PTIC, the focus of our reporting throughout this year's report.

Target	Full year 2022	PTIC contribution	Reported 2022 figure	Target	Full year 2022	PTIC contribution	Reported 2022 figure
Scope 1 emissions / tonnes CO ₂ e	133,646	23,159	110,487	Bio-based organic raw material content / %	62.8%	3.40%	59.4%
Scope 2 emissions / tonnes CO ₂ e	10,606	0	10,606	Land used to grow our crop based raw materials / hectares	68,846	13,155	55,692
Scope 1 and 2 emissions intensity / tonnes CO ₂ e/£mil	147.27	304.73	134.03	Employees completing one week's worth of training / %	28.9%	-	28.8%
Scope 3 emissions / tonnes CO ₂ e	1,006,735	86,157	920,578	Right First Time rate / %	98.6%	-	98.3%
Avoided emissions / tonnes CO ₂ e	996,065	308,139	687,926	Process waste to landfill / tonnes	1,597	29	1,569
Carbon cover ratio	0.76:1	0.1:1	0.66:1	Total water withdrawal / m ³	4,901,733	1,650,369	3,251,363