

# Climate impacts

We remain on track to meet our Science Based Targets (SBTs) aligned with 1.5°C, playing our part in transitioning to a low-carbon global economy. We have reduced our Scope 1 and 2 emissions by 28% since our 2018 baseline.

As we recovered from the challenging business environment of 2023, our output volumes increased, bringing an increase in GHG emissions compared to the previous year (Scope 3 upstream in particular). Please refer to our TCFD report (ARA p37) for more details. This reconfirms the importance of prioritising emission reductions in our supply chain through supplier engagement, raw material innovation, and transitioning to a low-carbon product portfolio.

## Deepening supplier engagement

Through continued close collaboration and upskilling of our supply base, we have made great progress in aligning our key suppliers with Croda sustainability commitments. >90% of these suppliers now have EcoVadis scores above our minimum standard of 45. More than 45% of our key suppliers have a public commitment to carbon reduction, including many with SBTs. We have obtained supplier-specific carbon data for 23% of the total volume of materials supplied to Croda, which we will incorporate into the PCF data we provide to customers. As a member of Together for Sustainability (TfS), we have launched the SiGREEN platform to automate collection of carbon data from all suppliers. This data has enabled the global procurement teams to use carbon as a factor in making supplier award decisions.

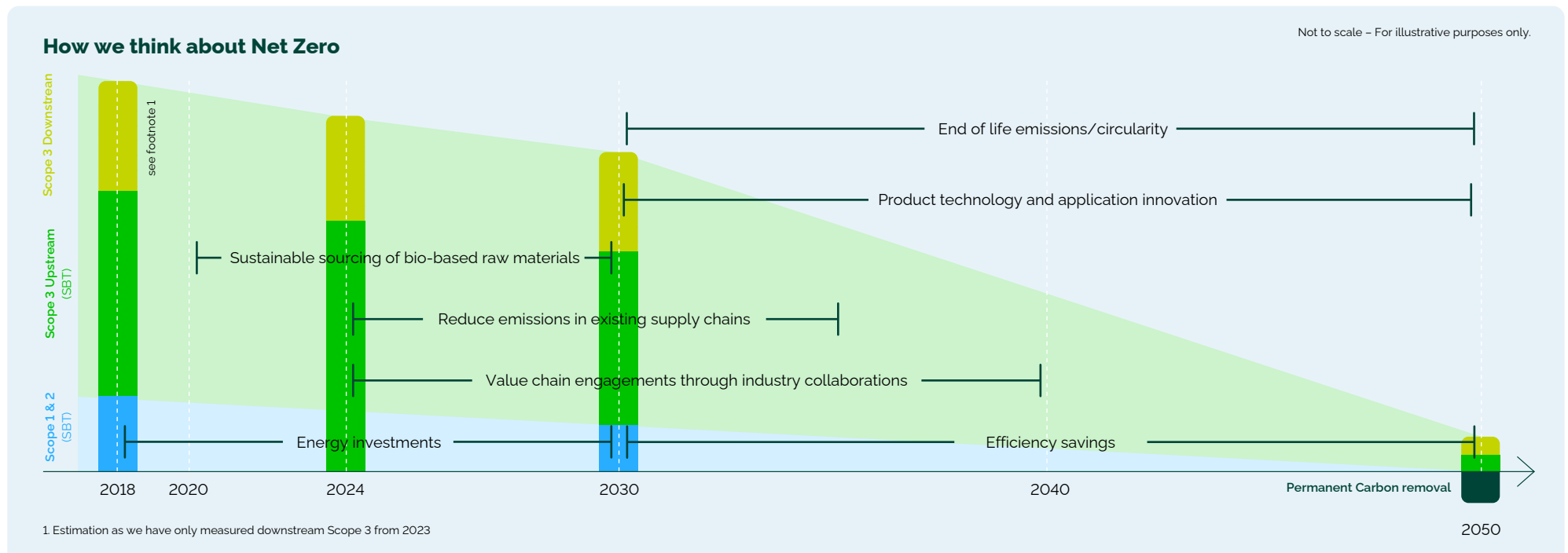
## Planning for a net zero economy

We committed in 2024 to building roadmaps to Net Zero for key product groups (accounting for almost half our total Scope 1, 2 and upstream Scope 3 carbon footprint). With the recognition that our markets will be net zero by 2050, cross-functional teams have been exploring how our product portfolio transforms to ensure we continue to deliver the product performance our customers require. While we don't yet have all the answers and will complete further roadmaps during 2025, we do have a better understanding of our levers of change to be ready for a Net Zero and Nature Positive economy (see diagram).

We refined our methodology and assumptions for our downstream Scope 3 inventory to better identify hotspots, prioritising collaboration with customers towards meaningful decarbonisation.

## Maturing our thinking beyond primary crop-based feedstocks

Croda is helping the chemical industry and our value chains transform away from chemical feedstocks based on virgin fossil raw materials by offering ingredients that are bio-derived. More than half our carbon-containing raw materials come from bio-based sources, the majority commercial crops. We have missed our original 2024 milestone of more than 70% of our raw materials being bio-derived, primarily because we exited most of our Industrial businesses in 2022 and did not rebase the milestone. We are taking the opportunity now to consider the measurable carbon impacts of different non-virgin fossil raw materials, and consider how recycled and waste materials have a significant role to play in our future raw material portfolio.



# Milestones

## Key

Target achieved



On track to meet target



Target challenging to achieve



Fundamentals



Target nearly achieved by deadline



Target requires additional focus



Failed to achieve target



## Climate Impact

Objective	2030 Target	Progress Milestones and metrics	Status	2024 Progress
<b>Carbon Cover</b> We will enable the transition to a low-carbon economy. We will be Climate Positive, working closely with our customers to develop products that offer carbon saving benefits in use.	<ul style="list-style-type: none"> <li>By 2030, use of our products will avoid four times the carbon emissions associated with our business, our 4:1 carbon cover</li> </ul>	<ul style="list-style-type: none"> <li>2 million MT of CO<sub>2</sub>e emissions savings delivered through use of our products by end of 2024</li> <li>100% of our product portfolio evaluated for downstream Scope 3 impact by the end of 2024</li> </ul>		790,122 tonnes CO <sub>2</sub> e <sup>Δ</sup> were avoided through the use of products attached to verified case studies, resulting in a Carbon Cover ratio of 0.84:1 <sup>Δ</sup> (2023: 0.90:1 <sup>*</sup> ).  Target met in 2023. In 2024, we focused on refining our methodology and assumptions with external stakeholders before replicating the Inventory for 2023 and 2024.
<b>Reducing Emissions</b> We will achieve our Science Based Targets (SBTs) by reducing our emissions in line with limiting the global temperature rise to 1.5°C above pre-industrial levels, maximising the use of renewable energy in our operations.	<ul style="list-style-type: none"> <li>By 2030, we will have achieved our SBTs, in line with limiting global warming to 1.5°C</li> <li>Thereafter, by 2050 we will achieve net zero GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>A reduction of 50,373 MT CO<sub>2</sub>e (25% vs 2018 baseline) in absolute Scope 1 and Scope 2 emissions by the end of 2024</li> <li>All Croda locations to have a decarbonisation roadmap by the end of 2022</li> </ul>		We have met our 2024 milestone with absolute Scope 1 and 2 emissions reduced by 28% since 2018 (2018: 156,057 tonnes CO <sub>2</sub> e <sup>+</sup> ), on track to achieve our 1.5°C scope 1 and 2 SBT.  Upstream Scope 3 emissions were 830,763 tonnes CO <sub>2</sub> e <sup>Δ</sup> in 2024, 6% lower than 2018 (887,324 TCO <sub>2</sub> e <sup>+</sup> ).  See Annual Report page 43 for further details.
<b>Sustainable Innovation</b> We will accelerate the transition to bio-based products, moving away from fossil/ petrochemical feedstocks.	<ul style="list-style-type: none"> <li>By 2030, over 75% of our organic raw materials by weight will be bio-based, absorbing carbon from the atmosphere as they grow</li> </ul>	<ul style="list-style-type: none"> <li>71% (rolling 3-year average) of our organic raw materials are bio-based by the end of 2024</li> </ul>		56% <sup>Δ</sup> (2023: 59%) of our organic raw material volume was from bio-based origin in 2024. The milestone was set before Croda divested many industrial businesses in 2022 and has not been restated.
<b>Supplier Partnership</b> We will ensure that all our key suppliers are operating safely, ethically and responsibly, and will promote the equitable sharing of benefits within the supply chain.	<ul style="list-style-type: none"> <li>Ensure all key suppliers are responding to EcoVadis and engaging with us to improve practices</li> </ul>	<ul style="list-style-type: none"> <li>By the end of 2024, all key suppliers will be required to achieve an average score from EcoVadis (or equivalent) or will have an action plan with timelines to close gaps</li> <li>By the end of 2024, key suppliers representing at least 50% of our raw material volumes will be required to sign up publicly to SBTi or equivalent carbon reduction targets</li> <li>By the end of 2024, suppliers of crop-based raw materials will be required to provide supply chain transparency in a fully traceable and certified sustainable manner.</li> </ul>		90.5% (2023: 83%) of our key suppliers, which provide 80% of our raw material volumes, have achieved the minimum required Ecovadis score (45/100).  66% of our raw material volume is covered by a public commitment to carbon reduction. 45% (2023: 16%) of our volumes are from suppliers with either a verified SBT approved target or following SBT guidelines.  88.2% of our palm derivatives globally are certified RSPO mass balanced. While we have not met our 2024 milestone, our businesses have prioritised certifying as sustainable other bio-based feedstocks, rollout of which will commence in 2025.
<b>Quality Assurance:</b> We will maximise our resource efficiency and minimise all types of waste energy, water and materials across our operations.	<ul style="list-style-type: none"> <li>Achieve a 99.5% Right First Time (RFT) rate</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a 99.0% Right First Time (RFT) rate by the end of 2024</li> </ul>		RFT outcome for 2024 was 98.62% (2023: 98.42%).  26 Croda manufacturing sites achieved a RFT score of 99.0% or higher with the remaining sites a focus during 2025.

Δ • See page 21 for details of Assurance and Restatements

Please refer to the Glossary on p23 for definitions of KPI terminology