For the second year Croda International Plc provides a Global Reporting Initiative (GRI) report using the G3 sustainability reporting guidelines at Application Level C. The report is self declared.

In 2008, we conducted a review assessing the applicability of the GRI G3 guidelines to our reporting. Our CSR committee (a cross-functional team) reviewed the GRI standard disclosures and performance indicators against a number of criteria including relevance, materiality and our ability to report. We consulted both internally and externally with our stakeholders – investors, suppliers, customers, neighbours and our employees – listening to their views and opinions on our priorities.

Application of GRI guidelines at Level C requires information relevant to all those points of the ‘G3 Profile Disclosures’ (Strategy and Analysis, Organisational Profile, Report Parameters, Governance, Commitment and Engagement) and at least ten Performance Indicators, including at least one from each of Social (SO), Economic (EC) and Environmental (EN).

Our published CSR Report for 2009 contains a GRI content summary only. This full GRI Report provides more detail on Standard Disclosures and selected Performance Indicators.

We have reported on twenty Performance Indicators this year; these indicators were chosen as having high relevance and materiality to our business. We aim to report fully in all instances and when this has not been possible we have identified partial reporting.

The implementation of GRI reporting as fully and as completely as possible is our goal and we intend to enhance our reporting on a year by year basis.


The following abbreviations are used in this report:

CSR – Corporate Social Responsibility, GRI – Global Reporting Initiative and Croda.com – the Company website.
# GRI Sustainability Reporting 2009

## CSR Performance

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<td>Customer Privacy and Data Loss</td>
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<tr>
<td>PR9</td>
<td>Monetary Value of Significant Fines for Non-compliance with Laws and Regulations Concerning the Provision and Use of Products and Services</td>
<td>33</td>
<td>Reported</td>
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## Strategy and Analysis

### 1.1 Statement from the Most Senior Decision Maker of the Organisation and Overall Vision

**Corporate Social Responsibility Executive Sponsor Statement**

**Our Responsibility**

For more than eighty years, Croda has been a global leader in naturally derived speciality chemicals. The successful Uniqema integration in 2006 has resulted in a business that is well placed to meet the challenges of the twenty-first century.

Throughout our history, we have shown a commitment to safety, environmental and social responsibility through recognising and implementing good practice and encouraging a culture of responsibility and action in all that we do.

Sustainability and social responsibility have always been synonymous within Croda and they continue to be central to our vision going forward.

### The Croda Vision

Underpinning life at Croda is the Croda Vision – our statement of the Company culture, which both informs and describes our behaviour:

- To remain an independent company and operate as one global team
- We will remain a ‘fun’, lively, stimulating and exciting place to work, where all employees have the courage to question, and all functions and individuals are valued
- There will be a place for many styles of leadership, but all leaders will have as their primary objective to build other leaders
- We can only achieve our goals through excellent and constant communication, creativity and setting clear objectives at every level
- We will continually improve
- We will continue to be an ethical and responsible company.

### Croda CSR Policy

Our vision was the basis for the Croda CSR Policy. Croda believes that to be successful as a company it must act responsibly and with integrity in all areas of its activities. Croda is committed to its business operations throughout the world being conducted in a manner that is consistent with relevant good practice in relation to social responsibility. It is the responsibility of everyone working within the Company to ensure that wherever we operate in the world we will:

- Work within the standards in our Code of Ethics to ensure that all our business practices are conducted with integrity
- Treat our employees fairly, complying with the ILO declaration on the Fundamental Principles and Rights at Work and provide a rewarding environment in which our employees are engaged and developed
- Respect our customers and suppliers and aim to treat them honestly and responsibly with consistent standards wherever we operate
- Minimise any negative impact on the environment that might be associated with our operations or our products, searching out new ways to conserve natural resources and innovating to improve our products and processes
- Be a good neighbour by not just keeping our own house in order but also reaching out to support, aid and relate to those in our neighbourhood. In particular we will focus on providing educational and academic support and engaging in projects that will benefit our local communities
- Seek out opportunities for dialogue with all our stakeholders
- Monitor and record our achievements under this policy so that we may continuously improve.

### Our Strategy

The core principles of Croda’s strategy have remained valid since 1999. We test them every year and every year we have found them to be a solid framework for successful growth. Our aim is to be a leading, independent, global speciality chemical company. We will only invest in businesses, current and future, that can:

- be truly global
- create profitable innovation
- operate in end markets that have long term growth well above global GDP
- realistically sustain high operating margins

Our focus on markets and market drivers means we are well aligned with the major trends that will shape the future consumer and industrial markets. Trends like an ageing population, health and well-being, sustainability and the correct use of renewable resources present great challenges and even greater opportunities. Croda’s culture of pragmatic innovation in every aspect of the business, not just in product development, means we are well placed to be a truly leading speciality chemicals company. We have offices and technical facilities in 34 countries and operate 19 state of the art factories across Europe, Asia and the Americas. Through this network we are able to match and, in many instances, exceed our customers’ rapid globalisation.
Our operating companies are set sales, profit growth and operating margin targets that form the basis of our budgets and strategic plans. We report annually on our progress against five key financial performance indicators:

- Return on sales
- EPS growth
- Post tax ROIC
- Net debt to EBITDA
- EBITDA to interest cover

Our Corporate Social Responsibility Commitments

The use of the ‘4 Pillars’ - Our Partners, Our World, Our People and Our Neighbours - has improved communication throughout our organisation and helped to share best practice with our more than 3400 employees around the world.

Our CSR Steering Committee, which has representation from all of the business divisions and regions, has made a huge difference by building on the existing momentum. Our commitments and their objectives have been carefully selected to align with the priorities across our ‘4 Pillars’ of Corporate Social Responsibility.

The commitments for each of our ‘4 Pillars’ are detailed in the Corporate Social Responsibility Action Plan (2009 CSR report), which identifies our commitments, our targets, our achievements, our progress and our future. This plan is reviewed annually to ensure the priorities remain relevant and to set new objectives if necessary. Ownership and delivery of these objectives and targets rests with the Executive Committee.

We have identified our top priorities for action and this report provides information on our performance against objectives.

In order to provide a consistent and transparent approach to CSR reporting we decided to adopt the Global Reporting Initiative (GRI) format. Most important, however, is the enthusiasm, creativity and inspiration of our employees worldwide in their endeavours to sustain a successful and responsible company.

Our commitments, achievements, progress and future ‘4 Pillar’ Review

Market Place – Our Partners

2009 was a challenging year for our customers and suppliers. Our focus on providing customers with first class products, excellent service, competitive prices and innovation has become even more important.

We are recognised as one of the world’s leading suppliers of speciality chemicals based on renewable raw materials. In many of our markets the growing concern around sustainability is driven by heightened ethical and environmental consumer interest, which focuses on the origin of raw materials and how ethically and environmentally responsibly these have been sourced.

The end consumer’s desire to purchase more sustainable products has continued to be a focus for consumer product companies, whether they be in food, household products, cosmetics or toiletries. ‘Our Responsibility’ has created much momentum, linking CSR values and reporting with sustainability. In personal care we were voted “Best in Class in Green Chemistry” according to an independent survey of cosmetic formulators in Europe, the USA and Asia.

Less apparent is the association of sustainability with manufactured products that are not in the public consciousness. Many Croda products such as Lubricant, Polymer and Coating and Crop Care additives fall into this category. We recognise the importance of strong engagement with customers in these industries.

Retaining Knowledge - Carbon Footprint

During 2009, Croda Inc started a pilot study programme to measure the carbon footprint of a large number of their US manufactured products. A Croda Inc graduate trainee was assigned to the project to collect data and calculate the carbon footprint of 123 Croda Inc products. During this period, Croda Inc measured ‘gate to gate’ carbon footprint, this being the part of the supply chain over which Croda has direct control. A second graduate trainee has now started working on the ‘cradle to gate’ carbon footprint (what happens before raw materials arrive at Croda), which involves working with Croda Inc raw material suppliers.

The study programme is now being rolled out in Europe, with the graduate transferring to share her experience and expertise.

Cradle to gate carbon footprint data will be of considerable interest to our customers, especially those who wish to make positive environmental claims for their finished products.

In 2009, we continued to focus on two key objectives for the global business in relation to ‘Our Partners’.

- Responsible sourcing and use of natural renewable raw materials
- Climate change

These contained a number of individual targets and progress against these can be found in our 2009 CSR report.
**Profile**

**Responsible Sourcing**

**Our Commitments**
As a global business we cannot operate in isolation and we recognise that the complexity of our supply chain can leave us open to business risks.

We have the opportunity through working with our customers to positively influence the actions of our suppliers towards more responsible practices. The targets we set ourselves focus our global purchasing and sales teams on ongoing proactive engagement.

**Eradicating Shark Squalane**
Squalane is a widely used and important ingredient in many prestige cosmetics. It is supplied from two sources; shark and vegetable oil. Squalane derived from sharks is unsustainable. Croda manufactures Squalane only from 100% vegetable sources.

Deepsea sharks are some of the most vulnerable species and many are classified as endangered by the International Union for Conservation of Nature (IUCN). Sharks grow very slowly, take decades to mature and have few young. Overfishing threatens to drive a third of the world’s deepsea shark species to extinction.

Until recently there was no satisfactory method for categorically determining the origin of Squalane (shark or vegetable) or the presence of animal derived product when both sources are blended. However, an analytical method; both quantitative and qualitative; has now been devised which can distinguish between vegetable and shark derived Squalane. This analysis can also be used to detect adulteration of vegetable derived Squalane with that of shark origin and can be applied to both raw materials and finished cosmetic formulations.

This method clearly identifies the source of Squalane and will prevent shark material being incorrectly traded as vegetable origin and also prevent the blending of both types. As a result, this will serve to help remove shark Squalane from cosmetics and help protect endangered species.

**Palm Oil Sourcing**
The use of palm oil has come under close scrutiny recently over concerns about deforestation, habitat loss, exploitation of indigenous peoples and loss of biodiversity. Croda uses relatively small quantities of palm oil, palm kernel oil and their derivatives. ‘Our Responsibility’ in respect of the sourcing of palm derivatives is reflected in our participation in the Roundtable for Sustainable Palm Oil (RSPO), a non-profit organisation made up of interested parties that promotes the growth and use of sustainable palm oil.

Croda has been a member of RSPO since its foundation in 2003. Our RSPO membership enables us to engage with our customers, suppliers and other stakeholders. During 2009 we have clearly defined our approach to the promotion of sustainable palm oil and this is publicly available on our website.

**Climate Change**

**Our Commitments**
Knowledge regarding the carbon footprint of our products is necessary for the pursuit of cost-effective carbon mitigation strategies needed to maintain business growth. Our focus is on the impact of individual product processes in terms of their life cycle assessment, with emphasis on measuring carbon footprint profiles in line with the BSI (PAS) 2050 specification.

The importance of this data to our customers is clear and will be made available to enable them to complete their own product life cycle assessments.

**Our Progress**
In 2009, we successfully completed a pilot study in the USA to assess the carbon footprints of individual products and we aim to roll out this product profiling to other chemistries in our portfolio.

We also implemented the ‘12 Principles of Green Chemistry’ in all of our global research and development groups in order to ensure that the new products and processes we develop going forward will be designed with efficiency, safety and sustainability at their centre.

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1 SpecialChem Green Ingredients Survey March 2009
Profile

Our Future
In 2010, the findings of the pilot study will enable us to apply product profiling to other manufacturing sites within Croda, extend life cycle assessment coverage and together with the application of effective data analysis tools, allow us to progress carbon footprint measurements to satisfy both internal and customer needs.

The Science of Innovation
Enterprise Technology, a corporate research group, was established in 2005 as an initiative to find and acquire new technologies for our existing markets. It was tasked with accelerating innovation for the future technology needs of our customers and developing Croda’s technology base.

A key area of focus for Enterprise Technology is sustainability. This is driven by developing innovation and activities in biotechnology. One area of specific interest is that related to marine or ‘blue’ biotechnology. Terrestrial biodiversity has been well mapped and exploited, whereas the vast marine biodiversity remains virtually untapped and unknown. It is apparent that many new discoveries and future technologies will be based on the sustainable use of this marine diversity.

To drive forward interests in marine biotechnology, Croda has funded collaboration with a leading blue biotechnology company, Aquapharm Biodiscovery Ltd. Croda has an exclusive arrangement with Aquapharm to exploit a collection of micro-organisms to discover novel actives and excipients for the personal care industry.

To fully develop a future bio-based product range, Croda is building a multi-million pound fermentation facility at its Ditton, UK, site. This is due to be commissioned in 2010.

Sustainable products
Reducing solvents in alkyd based paints
Croda’s Coatings and Polymers business has developed LoVOCoat™ polymeric emulsifiers for the decorative paint industry. LoVOCoat provides an environmentally friendly solution to meet the European VOC legislation limiting the use of Volatile Organic Compounds from January 2010.

LoVOCoat allows the incorporation of water in a solvent borne alkyd based paint as partial replacement for the solvent. The paint producer can formulate a high quality low VOC paint with no compromise on performance such as drying time, dry film properties and stability over time. Experimental research work has also shown that drying times can even be reduced dramatically when incorporating water in paints based on high solids alkyls.

Environment – Our World
We recognise that applying exceptional standards of environmental management is our license to operate.

We have a long history of published targets in the areas of safety, health and the environment. In 2009 these targets focused on:

- Resource Efficiency
- Responsible Manufacturing
- Waste Minimisation
- Energy Consumption
- Loss to Atmosphere
- Waste Water
- Process Safety

Full details of our performance against these objectives can be found in our 2009 CSR report.

2RSPO is an association created by organisations carrying out activities in and around the entire supply chain for palm oil to promote growth and use of sustainable palm oil through cooperation within the supply chain and open dialogue with its stakeholders.

3A standardised route to measure greenhouse gas emissions from individual processes from cradle to grave.
Profile

Process Safety

Our Commitments
Croda recognises that the importance of Process Safety to the individual, the organisation and the community should be understood by all employees. We achieve this through visible, active and constant commitment and leadership from the top. Discussion in the annual report, development of clear objectives and targets, extensive training and sharing of best practice has all helped to embed Process Safety into our culture. Good communication and leadership has been coupled with technical excellence in areas such as risk assessments and basis of safety documentation.

Process Safety is not new to Croda and our 2009 objectives focused on enhancing and improving our work in this area. In particular, we focused on ensuring the critical parameters and controls that we have in place for the safe operation of all processes were clearly recorded. We developed a programme to ensure all risk assessments are reviewed at least once every five years and also committed to monitor the completion rates of all actions arising from a process risk assessment.

Our Progress
During 2009, six targets associated with the assessment, control, review and reduction of process risk were achieved.

Our Future
Our aim during 2010 is to continue developing systems and improving performance in Process Safety. We will achieve this by focusing on our Process Safety objectives and targets and continuing to set annual improvement targets.

Energy Consumption

Our Commitments
Croda is committed to the improvement of the energy efficiency of our manufacturing processes and has set published targets for energy reduction for the last ten years. In the first five year plan (2001 – 2005) we improved our energy efficiency by 39%. We are now four years into our second five year plan (2006 – 2010) which aims to increase the energy efficiency of our manufacturing sites by a further 8% by the end of 2010.

Our Progress
In 2009, we experienced reduced manufacturing volumes and closed two of our UK manufacturing sites. As a result, the Group energy efficiency per tonne was 3.7% worse than in 2008 and 13.5% worse than in 2006. In absolute figures the energy used in 2009 was lower by 6.2% compared to 2008 and lower by 15.3% compared to 2006.

This overall energy reduction has been achieved through a series of large and small projects to reduce energy usage. 8.3% of our energy is obtained from renewable or sustainable sources, such as our wind turbine at Hull, UK for the generation of electricity and the use of biofuels for the generation of steam at sites in the UK, Netherlands, Germany and Japan.
Profile

Our Future
The five year plan for an 8% (GJ/tonne) improvement in energy efficiency may not be achieved by the end of 2010, due to the adverse effect of a reduction in manufacturing throughput, which has more than outweighed the benefits of the energy reduction projects in the last three years. Plans for the future include the purchase of combined heat and power (CHP) at two more sites to improve our energy generating efficiency and the use of further streams of biofuels to increase the use of renewable resources.

In the Netherlands, Croda has bought back the responsibility for the operation of a large CHP plant from a third party with the intention of maximising the efficiency of the unit. It is anticipated that these projects will help to recover some of the efficiency losses since 2006 and further reduce the overall energy consumption of the Group.

Responsible Care Special Award for Process Safety Leadership 2009
This award was received at the annual UK Chemical Industries Association ceremony held in Edinburgh, Scotland. The award is given to the company or site that best demonstrates excellence in Process Safety Leadership performance, including demonstrable leadership by senior management and engagement of staff at all levels, as well as excellence in Process Safety performance.

Croda has developed a novel Company Process Safety Model with key leading and lagging Process Safety Performance Indicators (PSPIs) upon which objectives and targets have been set and against which progress has been demonstrated.

Croda recognises the importance of communicating the Process Safety message at all levels in the organisation. Senior Managers routinely engage with Operations Staff on Process Safety during site visits. Group SHE professionals have delivered training on the Process Safety model. At a site level, Process Safety initiatives are delivered through formal training, team briefs, Safety Committees and Union Representatives.

We conducted a survey at all manufacturing sites using the HSL Safety Climate Tool and are now providing feedback and actively seeking ways to respond to the comments received.

The key learning points have been:
- Regular discussion at Board level
- Accountable business line managers
- Simple model and concise Basis of Safety documentation
- Targeted training
- Small number of relevant Process Safety Performance Indicators
- Empowerment of sites to set their own indicators

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Croda has made public its long term commitments to a reduction of volatile organic compounds (VOCs) released to the environment as a result of its activities. Historically, Croda was involved in the manufacture of products that use large quantities of solvents such as paints, inks and adhesives.

Over the last twenty years Croda has withdrawn from these markets and since 2001 has continued to set published targets on the reduction of VOCs emitted by manufacturing sites. During the first five year plan, 2001 – 2005, Croda committed to reduce its VOCs released by 25%. For the second four year plan, 2006 – 2010, a target of a further 20% reduction was set.

Our Progress

Having met and exceeded the reduction target in the first five year plan Croda maintained the ambition for continued reduction in the second five year plan and since 2006, the target of 20% reduction in VOC/tonne has already been achieved with an overall reduction of 21% over the three years. In 2009, there was a 3.9% reduction in the amount of VOCs per tonne released to air compared to 2008.

In absolute figures the amount of VOCs emitted during 2009 was reduced by 13% compared to 2008 and reduced by 41.2% since 2006.

Our Future

Although the target reduction of the second five year target has already been achieved, projects are already planned which are projected to achieve a further 5% reduction in VOC/tonne in 2010.

Improving Efficiency at Atlas Point

In September 2007, Croda Inc acquired the assets and land from an adjacent company SPI Polyols at the New Castle, Delaware site. Part of the acquisition included a steam generation plant that provided steam for both Croda Inc as well as SPI Polyols. The plant had minimal investment under the previous owner and Croda completed an energy efficiency study in early 2008 which identified several areas for significant improvement. A capital project was sanctioned for $1.0 Million to capture energy losses throughout the system. The project installed a flue gas economiser on the main boiler, boiler feed water pre-heater to recover heat from boiler water blow-down, a variable frequency drive on the boiler feed water pump and extended condensate recovery across the site.

The capital investment was completed in early 2009. Currently the changes are delivering savings of $590,000 per year resulting in a payback of less than two years. The above table lists the approximate breakdown in energy savings for the major portions of the project:

This project helped reduce overall site energy consumption by 12%, in addition to reducing site water consumption and chemical usage through the recovery of hot condensate water. In the past the site recovered less than 5% of the condensate generated and sent to the plant effluent treatment system which further increased treatment fees.
Profile

Employees – Our People

Our business success depends on the ability to attract and retain individuals who are passionate about personal and business growth and want to make a significant contribution to the future of Croda. We recognise our employees’ desire to make a difference and the Croda Vision encapsulates our corporate culture, where accountability, creativity, challenge and clear communication are valued.

In 2009 we continued to focus on our key priorities and targets for the global business in relation to ‘Our People’:

- Employee engagement and satisfaction
- Openness of communication
- Employee development
- Best practice in occupational health promotion and monitoring

Progress against all individual targets can be found in our 2009 CSR report.

Employee Engagement

Our Commitments

We understand that real engagement comes down to more than being satisfied or comfortable in a job. It requires true identification with the company, the corporate culture and the organisation’s objectives. This understanding led us to set a challenging target in relation to employee engagement and the rolling out of a comprehensive global survey during 2009.

Our Progress

Our North American business undertook a survey as planned, but due to significant changes in many of our business operations, the surveys were deferred in other regions.

Our Future

Croda is committed to fully understanding how to improve employee engagement. Regional surveys will be implemented during 2010.

Employee Development

Our Commitments

The key to the future success of our business lies in the skills and abilities of a dedicated global workforce. We believe that development opportunities focused on improving skills, knowledge and abilities should be available to all. It is only through the continual development of our workforce that we will be able to meet the future demands of our customers in enhancing creativity, innovation and customer service.

Our commitment to employee development during 2009 focused on ensuring we could accurately assess the level of training and development being undertaken around the Group. From this data we will be able to ensure all future targets concentrate on improvements to the quality, quantity and applicability of training and development activities.

Development and Training

A one day creativity and innovation training and development session was undertaken in late 2009 for the senior management team at the Hull, UK manufacturing site.

Following the installation of the wind turbine at Hull and the implementation of several energy saving projects, it was felt that a fresh perspective was needed in terms of generating new ideas for future energy reduction and plant efficiency activities.

Getting the team to think more creatively in order to generate new ideas and innovative solutions was at the core of the training and development need. The session had three training and development objectives:

- Give people the ability to generate new ideas and imaginative solutions
- Generate the capacity to identify alternatives to traditional methods and approaches
- Think beyond conventional wisdom when tackling problems

The training and development session focused on understanding the essential characteristics of creativity and innovation.

Following the team’s greater awareness and understanding of creativity and innovation the session concluded with a team activity. The activity focused on the generation of energy reduction and plant efficiency ideas, with the following longer-term objectives:

- Translate the ideas into actions to bring about a tangible impact (on the Company)
- Convert the ideas into better ways of doing business or into new or improved products and services that are valued by both the Company and our customers

As a result of the training and development session, thirteen energy reduction and plant efficiency ideas were generated. Several of the projects are being scoped to determine their feasibility and to evaluate their justification.
Profile

Our Progress
The successful implementation of a standardised and unified global HR management information system was vital to the achievement of this target. The completion of this project during 2009 will enable future employee reporting to be efficient and effective.

Throughout the year, we have invested in many forms of learning and development. These range from structured classroom-based training and webinars to one-on-one coaching, distance learning, and leadership development groups. During 2009 our employees received, on average, 22 hours of training each.

In addition to personal skills development activities, we also run a comprehensive programme of technical sales-focused training and development. Enhancing the knowledge of our global sales teams and offering greater support to our customers is critical to our business growth.

Our Future
Employee development will continue to be core to Croda's people management strategy. In 2010, as a result of the completion of our global job evaluation project, we will undertake a comprehensive review of the development opportunities available at each stage of individual careers and across all levels of our organisation. This will ensure our development opportunities continue to deliver enhanced individual and company performance.

Occupational Health Promotion and Monitoring

Our Commitments
Providing a safe and healthy working environment has always been of paramount importance to our business. We recognise that a healthy and productive workforce is essential for sustainable business success. Historically, Croda's focus has been predominantly on our manufacturing operations, but for 2009 we set the target of ensuring that all Croda locations have health promotion and monitoring activities in operation.

Our Progress
Such activities are currently operating at 80% of our worldwide locations. Employee well-being at these locations is encouraged through group and local policies, targeted health programmes, financial assistance, and the availability of health professionals. The locations not operating any of the above were sales units employing less than 10 people.

Our Future
Through working with local management, we can ensure that Croda's absence strategy, policies, and practices genuinely reflect the realities of particular regional circumstances and needs. Data on absence due to sickness will be tracked globally to help us measure the effectiveness of our health promotion initiatives. This data will enable us to report the financial cost of absence to the business.

Openness of communication

Our Commitments
Croda recognises that our employees are highly motivated and make their best contribution to the business when there is full and open communication at work. During 2009 we were committed to ensuring that every location had channels in operation for open dialogue with employees.

Our Progress
65% of our sites provided detailed data at the end of 2009. On average, these sites held 16 communication sessions with employees during 2009. Topics discussed ranged from company performance, site performance data, and SHE to specific topics such as CSR, job evaluation, employee benefits, and community involvement projects.

The importance of communication was heightened by the economic situation, and Croda was particularly challenged when faced with the closure of two manufacturing facilities in the UK. Through working closely with the unions, the site consultation committees, and by training managers on change and personal transitions, we trust we have been able to make this difficult process as painless as possible.

Our Future
Our focus on communication will continue through 2010 with the re-launch of the Company's intranet, a review of alternative communication tools, and a continuation of site-based employee communication sessions. Through improving access to information, we believe we can have a positive impact on employee satisfaction, productivity, turnover, and morale. The employee engagement surveys will enable us to ascertain how effectively we communicate at all levels of the organisation.
Profile

Community – Our Neighbours
One of the continuing strengths of our business is the commitment that we have to the local communities in which we operate. These local communities provide many of the dedicated and talented people that make Croda what it is today. We believe that ‘Our Neighbours’ deserve to be treated with respect. As a responsible company, Croda takes a proactive role in protecting and engaging with the community.

Croda has a well established history in the area of community involvement. Placing this recognition of community engagement under the CSR umbrella has provided a framework that allows us to monitor our activities and to think more critically about what we do, how we do it and why.

Our commitment to the community in 2009 focused on two issues:
- Openness of communication with the community
- Involvement in the community.

Education – The Key to Our Future
Involvement in education based activities is vital to our future success. It is a means by which we can educate and inspire future generations to undertake careers in science and engineering. Involvement with local schools also educates the communities in which we operate as to what our factories do and the products we make.

Here are a few examples from around the Croda group on the types of activities we have been involved in during 2009.

Support Students’ Training Programme
Croda Singapore focuses its efforts on supporting a number of local polytechnics with yearly placements for students from the engineering and science faculties. This enables the students to shadow our chemists and engineers on various projects and learn about the industry in a hands-on way, providing a real opportunity for them to put what they learn into practice.

The Singapore site also sponsors two prize awards at one of the polytechnics which are given in recognition of outstanding academic performance.

STEMNET
At our Ditton site in the UK, five members of staff have recently been trained to become STEM (Science, Technology, Engineering and Mathematics) ambassadors. This enables them to visit schools in the local area and engage pupils in STEM subjects and careers.

In addition, two local primary schools have visited the site to learn about Sun Care and Biopolymers. This has involved presentations from the Research and Development team and tours of the manufacturing plants and laboratories.

Openness of Communication

Our Commitments
Open and honest communication between businesses and local stakeholders can be seen as a potentially difficult issue. The act of dialogue can lead to requests or demands that have to be addressed. It is our firm belief that avoiding a response to the issues raised by ‘Our Neighbours’ can lead to more difficult problems in future years. 2009 was the first year for which community objectives and targets were established and it was a year for baseline assessment and alignment of activities throughout the Croda group. Our target was for each manufacturing site to hold at least one face to face dialogue with their local community per annum.

Our Progress
During 2009, 17 out of 18 of our wholly owned manufacturing sites complied with the objective of having dialogue with their local communities on at least one occasion. Within our commercial offices around the world there were additional and very significant examples of good practice where dialogue and activities took place with local communities.

Our Future
During 2010, we will establish the quality, outcome and coverage of this dialogue and ensure it is relevant and meaningful to our local communities. It is our belief that supporting community aims will allow for ever improving relationships which will be beneficial for all parties.
### Community Involvement

**Our Commitments**
We believe we can be a leading example of a business operating in a manner that balances the needs of all stakeholders. In 2009 we set a challenging business objective relating to increasing community involvement through the use of paid employee time off.

**Our Progress**
The 1% Club has been operating across our UK sites for several years. To make it relevant globally, it was important to reassess the design and management of the scheme.

The UK scheme has been redesigned and adapted to make it more easily accessible to employees, as well as operating on principles of simplicity and local decision making. Site coordinators have been identified and trained to act as a local resource to assist in managing the programme. These individuals manage the communication flow and are active in identifying ideas and opportunities under which people can participate. Ownership of the scheme at a local level is critical to its ongoing success.

The focus on getting the fundamentals of the scheme correct has led to delays in achieving the complete global roll-out, but we remain committed to spreading this opportunity throughout our business.

During 2009, the level of enthusiasm for the 1% Club increased as we opened doors to shared activities that had been identified locally, as well as providing more infrastructure to allow individuals to use the 1% Club for opportunities that were more personal to them whilst still being relevant to the community. The year concluded with 459 hours of 1% Club activity. This represented a significant improvement on 2008. With the ongoing aims to increase both the geographical spread and uptake across our business, we anticipate that this growth will continue.

*The 1% Club allows employees to take off 1% of their working time to volunteer in local community activities.*

### Apprenticeship Programme
At the beginning of 2009, Croda China launched an apprenticeship programme. The objective of the scheme is to make the local academic community aware of Croda. University students have the opportunity to work with our laboratory technicians to gain a deeper understanding of Croda technology and to learn more about our products in formulations.

### School ‘Sniff Around’ Visit
In the Netherlands, our Gouda site hosted 23 children for a site visit. The children were divided into small groups and each group was guided to various departments across the site. They asked various questions such as: “What kind of job do you do? Do you like it? How long have you been working with Croda? What is your salary and what kind of education do you need for this job?”

During 2010, several similar school visits will take place to make it possible for young people to see a small glimpse of their possible future and, who knows, maybe we will see some of them back as our employees.

### Omega 3 Awareness
The Health Care sales and marketing team in Europe identified that a lack of understanding of Omega 3 in the general population is a potential obstacle to future Omega 3 sales growth for the business. An education programme to teach the public of the benefits could be achieved by various means, but it was thought that educating children, parents and teachers by visiting local schools was a good starting point.

A team of Croda employees met with the CEO of the School Food Trust and were delighted to receive her endorsement of the Croda School Meals Project. The team had to prepare a day’s nutritional teaching at a local primary school during School Meals Week. Games were constructed to involve the children in nutritional fun, using Croda’s new Omega 3 mascot, ‘Sam the Salmon’, to praise the virtues of Omega 3 as part of a healthy and nutritious diet.

The day was a resounding success. The children took home a ‘Sam the Salmon’ Omega 3 fact sheet for their parents to learn about the benefits and the teachers at the school are now equipped with Omega 3 knowledge for their own use and future pupils’ education.

The School Meals Project roadshow will now venture further afield, with a day’s nutritional education planned for other primary schools local to our UK sites.
## Profile

### Our Future

We will actively encourage broad uptake of the 1% Club within our workforce. The number of employees using the scheme will be determined by a business commitment to increase the number of participants over the coming years. To achieve the global roll-out, we appreciate that the scheme will require modification to take account of local cultural differences, legal issues and resource requirements, but we are committed to completing the roll-out of the 1% Club during 2010.

### Donations and visits to Fundación Nordelta

Barrio Las Tunas is a poor and over populated neighbourhood located approximately ten miles from Croda Argentina. As government funding is not enough to cover the needs of the deprived children and families that live there, Fundación Nordelta is an organisation that offers help to the community. They provide basic needs such as food, clothes and also run a local school. For this reason, Croda Argentina chose Fundación Nordelta as a partner to reach the people of Las Tunas by collaborating with them on the work they do.

The Croda team has already collected clothes for the children that attend Fundación Nordelta School, with ten bags of clothes being delivered. They also discussed future engagement opportunities, which include a programme to help collect pencils and equipment for the 2010 education year.

### Main Challenges, Objectives, Targets and Performance

Our key challenges and targets are summarised in the 2009 CSR report. This is our second GRI Report and you will see that we have continued to report in a transparent way regarding the challenges that we face. We encourage dialogue on our approach to addressing the challenges we face and will remain committed to responsible corporate management.

While 2009 was a challenging year for the industry, I am pleased with Croda’s progress on its CSR agenda. The use of the ‘4 Pillars’ - Our Partners, Our World, Our People and Our Neighbours - has improved communication throughout the organisation and has really helped to share best practice with our 3400 employees around the world. I am delighted we achieved our target GRI rating in 2009.

In 2010, we will focus on further improving our performance in all areas and we will also look at finding additional ways to communicate with all of our key stakeholders. I would like to thank all our employees, neighbours, customers, shareholders and other stakeholders for their support in 2009.

**Bryan Dobson**

Chairman – Corporate Social Responsibility Steering Committee

President, Global Operations

Further statements on corporate social responsibility and sustainability can be found in our 2009 CSR report.

Strategic priorities and key priorities

Our position as one of the world’s leading speciality chemical manufacturers brings with it many responsibilities. We recognise that Croda is not just about products, or how they are made, or how they are used, but also the impact of our activities on:

- **Market place – Our Partners**
- **Environment – Our World**
- **Employees – Our People**
- **Community – Our Neighbours**

Sustainability and social responsibility have always been synonymous within Croda; our emphasis on ‘natural chemistry’, using raw materials from renewable resources to make our products, our ongoing drive to develop ‘cleaner’, safer processes and technology to make these products, our quest to find the best people to join us, to train them and develop their skills and our relationships with our neighbours in the community, schools and education.

Our CSR Steering Committee review and prioritise the issues and risks facing the group now and in the future. Through stakeholder engagement we have been able to review our issues and objectives and ensure we have in place a process to enable thorough, open and transparent dialogue with all our key stakeholders. This activity led to the identification and ranking of a number of priorities relating to our employees, our communities and the environment.

Our commitments and targets have been carefully selected to align with the priorities across our ‘4 Pillars’. A comprehensive description of our commitments and targets can be found in our 2009 CSR report on pages 11, 16-17, 21 and 27. For each of our ‘4 Pillars’ we identify our commitments, our targets, our achievements, our progress and our future. This plan will be reviewed annually to ensure the priorities remain relevant and to set new objectives if necessary. Ownership and delivery of these objectives and targets rests with the Executive Committee of Croda.
## Our CSR and Sustainability Strategy

### Profile

During 2009 we set new objectives and targets to focus our efforts and to make sure everything we are doing is material to the business. There are four new targets associated with ‘responsible sourcing and use of natural and renewable raw materials’. A new objective and target for the ‘assessment of process risk’, a new objective and target for ‘personal accidents’, a new target for ‘employee development’, two new targets for ‘best practice in occupational health promotion and monitoring’, one new target for ‘openness of communication’, two new targets for ‘community involvement’ and one new objective for ‘community education – science’. These new objectives and targets represent the outcome of an intensive process of looking at the trends facing our industry and our Company. Our performance on these new objectives and targets will be reported each year.

For the medium to long term Croda have identified Carbon footprinting and palm oil as key and strategic issues. As detailed elsewhere in this report, a project has been undertaken which has profiled the carbon footprint of a number of products manufactured in the USA. More recently, similar profiling has also been done for products manufactured at Gouda in the Netherlands and in the medium term we aim to continue this work by extending the same profiling to other product ranges. Looking more towards the long term we have chosen to align ourselves with the BSI (PAS) 2050 standard for the life cycle assessment of greenhouse gas emissions of our products and we have identified a number of Carbon management systems that are available to us. We will look to review these management systems, along with our Group policies, to ensure that any system we employ will be the most suitable.

As a company manufacturing oleochemicals we do use modest quantities of palm oil derivatives and as such we continue to be an active member of the Roundtable on Sustainable Palm Oil (RSPO). We are currently developing a method for calculating the equivalent volume of palm oil needed to produce our products and in the medium term hope to complete this system, which will enable us to provide our customers with the information they need to support certified sustainable palm oil (CSPO) via the ‘Book and Claim’ method. Looking towards the long term we have joined an RSPO technical working group, along with a number of other derivatives users, which will look to develop the currently absent policy and methods needed for derivatives users to support CSPO through purchases.

More information on our approach to CSR is available on Croda.com/CSR.

### 1.2 Description of Key Impacts, Risks and Opportunities

We have continued to pursue the broad opportunities available to us as defined by our commitments and targets in our 2009 CSR report. We aim to continue focusing our efforts on strengthening our relationships with key stakeholders and with the communities in which we operate, continuing to develop and improve our product stewardship and innovation and to reduce our environmental impact.

We use our formal internal risk assessment processes to help us identify the opportunities and challenges associated with our corporate responsibility and the CSR Steering Committee conducted a full CSR risk assessment in 2009, based on their knowledge of the external and internal environments and shifts in the expectations of the stakeholder groups they are in contact with. We talked to our stakeholders in order to identify and understand developments not directly under our span of control. A comprehensive description of our commitments and targets can be found in our 2009 CSR report on pages 11, 16-17, 21 and 27. These will be reviewed annually to make sure that they continue to be relevant. The salient details are:

**Our Partners**

The ‘responsible sourcing and use of natural and renewable raw materials’ and ‘climate change’ objective are still our key priorities. During 2009 we successfully completed a pilot study in the USA to assess the carbon footprints of individual products. We also began dialogues with a number of major customers to better understand their expectations of Croda in relation to product sustainability. We have set four new targets for the ‘responsible sourcing and use of natural and renewable raw materials’ objective which can be found in our 2009 CSR report.

**Our World**

Croda has established and measured performance against a set of stretching objectives and targets in this area for many years. We have set a new objective and target for ‘assessment of process risk’ and have established a new objective on the reduction of ‘personal accidents’, more information on these can be found in our 2009 CSR report.

**Our People**

We have identified a range of objectives and targets relating to employee engagement and satisfaction, communication and openness, employee development and best practice in occupational health. We have set a new target for ‘employee engagement’ and two new targets for ‘best practice in occupational health promotion and monitoring’. More information can be found in our 2009 CSR report.

**Our Neighbours**

The commitment of Croda to its communities has been a focus for a number of years. The ‘Croda in the Community’ policy declares our intent to be a good neighbour. Specifically, we are committed to four elements of engagement:

- Protecting the community
- Employment for the community
- Standards within the community
- Engaging with the community

Our responsibility is to ensure our engagement both globally and locally but we believe our influence and contribution is greater with the communities and neighbourhoods where we have a presence. We have set a new target under ‘openness of communication’ and two new targets for ‘community involvement’. A new objective has been established ‘community education – science’ more information on this can be found in our 2009 CSR report.
Profile

2 Organisation Profile

2.1 Name of the Organisation
Croda International Plc
More information can be found on Croda.com website.

2.2 Major Brands, Products and/or Services
Croda uses a variety of technologies to manufacture a uniquely broad portfolio of oleochemical and speciality products. These products provide enhanced functionality when used as ingredients, additives, or processing aids within a wide cross section of industries, including many of the following

<table>
<thead>
<tr>
<th>Consumer Care</th>
<th>Health Care</th>
<th>Crop Care</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Markets:</strong></td>
<td><strong>Markets:</strong></td>
<td><strong>Markets:</strong></td>
</tr>
<tr>
<td>Croda is a leading global supplier of speciality ingredients that meet customer demands in the skin, sun and hair care markets.</td>
<td>Croda is a leading supplier of high purity ingredients for the pharmaceutical, dermatological, animal health, nutraceutical and functional food markets.</td>
<td>Croda is a leading supplier of formulation inert ingredients and adjuvants for the full spectrum of agrochemical applications.</td>
</tr>
<tr>
<td><strong>Products:</strong></td>
<td><strong>Products:</strong></td>
<td><strong>Products:</strong></td>
</tr>
<tr>
<td>The Personal Care product portfolio includes inorganic UV absorbers, lanolins, emollients, polymers, proteins, surfactants, skin care actives and much more.</td>
<td>The Health Care portfolio includes concentrated omega 3 fatty acids, ultra pure medical grade lanolins, Super Refined™ excipients and a wide range of surfactants, solubilisers, emulsifiers and fatty acid esters.</td>
<td>The Crop Care portfolio includes polymeric surfactants, dispersants, wetting agents, emulsifiers, stabilisers, adjuvants and seed coating binders.</td>
</tr>
</tbody>
</table>

**Industrial Specialities**

<table>
<thead>
<tr>
<th>Home Care</th>
<th>Process Additives</th>
<th>Polymer Additives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Markets:</strong></td>
<td><strong>Markets:</strong></td>
<td><strong>Markets:</strong></td>
</tr>
<tr>
<td>Croda is a leading supplier of ingredients for laundry, household, industrial and institutional cleaning applications, as well as for wipes, tissues, diapers and hygiene articles</td>
<td>Croda is a leading supplier of ingredients and additives for use in markets such as rubber, candles, textiles, leather and surfactants.</td>
<td>Croda is a world leader in providing specialty effects for a wide range of industrial and consumer plastics, packaging and rubber applications.</td>
</tr>
<tr>
<td><strong>Products:</strong></td>
<td><strong>Products:</strong></td>
<td><strong>Products:</strong></td>
</tr>
<tr>
<td>The Home Care portfolio includes a wide range of products including proteins and derivatives, softeners, surfactants, solvents, emulsifiers, solubilisers, hydrodopes, tissue lotions, botanical extracts, fatty acids and glycerine.</td>
<td>The Process Additives portfolio includes the full range of the group’s products from base oleochemical fatty acids and glycerine to esters, polymeric surfactants and amides.</td>
<td>The Polymer Additives portfolio includes slip and anti-block agents, antistatic agents, antifog agents, UV absorbers, mould release agents, torque release agents, dispersants and concentrates.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coatings and Polymers</th>
<th>Lubricant Additives</th>
<th>Geo Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Markets:</strong></td>
<td><strong>Markets:</strong></td>
<td><strong>Markets:</strong></td>
</tr>
<tr>
<td>Croda provides environmentally friendly, high performance solutions to resin manufacturers, paint formulators and additive producers.</td>
<td>Croda is a leading global supplier of renewable ingredients to the automotive and industrial lubricant markets.</td>
<td>Croda serves the markets of oilfield, mining and water treatment and is a leading supplier of emulsifiers, demulsifiers and additive components.</td>
</tr>
<tr>
<td><strong>Products:</strong></td>
<td><strong>Products:</strong></td>
<td><strong>Products:</strong></td>
</tr>
<tr>
<td>Croda's Coatings and Polymers portfolio includes a wide range of natural, high performance oleochemicals and specialty surfactants.</td>
<td>Croda’s Lubricant Additives deliver high performance energy efficient solutions to meet the challenging demands of the lubricant industry and includes multifunctional esters, polyalkylene glycols and specialty lubricity additives.</td>
<td>Croda provides demulsifiers and drilling additives for the oilfield industry, emulsifiers for use in emulsion explosives and supplies formulation components for the manufacture of water soluble polymers in water treatments.</td>
</tr>
</tbody>
</table>

More information on our products, markets and applications can be found on the Croda.com website.
Profile

2.3 Operational Structure of the Organisation
Croda’s corporate headquarters are at Cowick Hall in East Yorkshire, England. We have technical centres and manufacturing plants throughout the world and are a world leader in natural based speciality chemicals, sold to virtually every type of industry.
Our activities can be broadly classified into two sectors:
- Consumer Care which consists of global businesses in Personal Care, Health Care and Crop Care.
- Industrial Specialities which comprises of Lubricant Additives, Coatings and Polymers, Geo Technologies, Polymer Additives, Home Care and Industrial cleaning and Process Additives.
In addition, the group has an Enterprise Technology function which identifies and integrates new technology into the global business structure.
More information on the organisation structure can be found on the Croda.com website under: Worldwide Facilities and Locations and Company Overview.

2.4 Location of Organisations Headquarters
Croda’s corporate headquarters are at Cowick Hall in East Yorkshire, England.
More information can be found on the Croda.com website under: Worldwide Facilities and Locations.

2.5 Number of Countries Where the Organisation Operates
Croda is a truly international company with 3400 employees working across 34 countries. The strength of the research, development and manufacturing capabilities is underpinned by a global network of sales offices and technical/customer support teams.
Countries of Operation
As at 31st December 2009

Asia Pacific | Europe and the Middle East | The Americas
---|---|---
Australia | UK | Chile
China | France ** | Argentina
Korea | Germany * | Mexico
Thailand | Italy | Peru
Japan | Poland | Columbia
Singapore * | Russia | Brazil *
India * | Spain * | USA **
South Africa | Sweden | Canada
Hong Kong | Belgium |
Zimbabwe | Hungary |
Taiwan | Czech Republic |
The Netherlands | United Arab Emirates |

Croda are involved in two joint ventures. These are in: Indonesia * and South Korea *

Key
◆ Head Office  * Manufacturing site

More information can be found on the Croda.com website under: Worldwide Facilities and Locations.

2.6 Nature of Ownership and Legal Form
Croda International is a Public Limited Company.
The Articles of Association can be found on the Croda.com website under: Corporate Governance
The ownership structure and major shareholders can be found in the 2009 Annual report on Croda.com.

2.7 Markets Served
Markets served can be found under disclosure 2.2.
The markets served and their geographic breakdown can be found on the Croda.com website under: Products and Markets and Worldwide Facilities and Locations.
Profile

2.8 Scale of the Reporting Organisation
The Group employed, on 31 December 2009, 3400 employees worldwide.
In 2009, 51% of sales revenue was to the Consumer Care market and 49% to Industrial Specialties.
In 2009, the net sales by revenue and destination were: Europe 47%, Americas 32%, Asia 16% and ROW 5%.
In 2009, revenue from continuing operations was £916.2 million.
At 31 December 2009 total capitalisation was £1373.5 million, £288.5 million debt and £1085.0 million equity.
These figures apply to Croda International Plc in total.
Further information can be found in the Annual report on Croda.com.

2.9 Significant Changes to the Organisation During the Reporting Period
During the year we closed our loss-making commodity oleochemical factory at Bromborough. We also ceased production at our Wilton site
following Dow’s decision to close a vital raw material site in the UK. Almost all of Wilton’s output has been transferred to other Croda sites
around the world.

2.10 Awards Received in the Reporting Period
- Britain’s Most Admired Companies 2009. Croda International Plc came 3rd in the peer group assessment conducted by Management Today
  magazine.
- Croda Mexico was recognised with ‘Quality Award’ by Procter and Gamble.
- Croda was awarded the HCF Innovation Award (Humber Chemical Focus) for Incromega V3, a plant (echium) derived omega 3 ingredient
- Croda was awarded Responsible Care Special Award for Process Safety Leadership 2009.
- Croda Sederma Site receive an award for Advertising Excellence from Cosmetics and Toiletries Magazine. The research, carried out by
  Redex Research, obtained qualitative and quantitative feedback from readers in such areas as visual appeal, ease of reading, clear
  communication of benefits and overall effectiveness. Sederma won the award for its Aqualance advertisement.
- Croda was recognised for Quality and Service in South Africa by Johnson & Johnson South Africa. The award recognised excellent service,
  Croda achieved 100% in all aspects including quality, on time deliveries and administration.
- Croda Mexico was recognised by GSK with a special award for ‘15 years of commercial relationship’.
- Croda Singapore was awarded the 2009 Responsible Care Award in collaboration with SCIC for their Emergency Response and
  Preparedness and Pollution Prevention.
- Croda Singapore was awarded Supplier Appreciation Award from Cargill for quality, delivery and service.
- Croda was recognised with Supplier Excellence Award. Both Croda Inc and Croda Europe were awarded The Estée Lauder Companies
  Supplier Excellence Award. Outstanding supplier performance for quality and service is measured by Estée Lauder using on-time delivery
  and rejection rates. Croda has regularly scored 98-100% on a monthly basis.
- Croda Peru received recognition from Hewllett-Packard Peru as Plant Partner Permanent Contributor.
- Croda Europe achieved Silver Supplier Award from Alberto Culver (UK) as part of the Continuous Improvement Scheme demonstrating
  sustained commitment to quality and both commercial and technical service.

3 Report Parameters

3.1 Reporting Period for Information Provided
The Reporting Period is the 2009 calendar year. Reporting on objectives and target covers the period of application and not just performance
in 2009.

3.2 Date of Most Recent Previous Report
The CSR Report for 2009 can be found on the Croda.com
With the implementation of GRI Reporting in 2008, this report is our second GRI Report and reflects our application at level C.

3.3 Reporting Cycle
Croda have an annual reporting cycle and our printed CSR Report is published each year and released in conjunction with the Annual Report.

3.4 Contact Point for Questions Regarding the Report or its Content
The contact point is Sarah Millns – Global CSR Coordinator.
Contact details: ourresponsibility@croda.com
### Profile

#### 3.5 Process for Defining Report Content
We have prioritised key issues based on an external review with stakeholders and an internal review conducted across all divisions worldwide. The GRI indicators were selected following a process of assessment against these priorities and accounting for relevance and materiality as set out in the GRI G3 Guidelines.

#### 3.6 Boundary of the Report
This report covers all of our international manufacturing and business locations. Detailed reporting on ‘Our World’ key performance indicators is for the manufacturing locations only.

#### 3.7 State Any Specific Limitations on the Scope or Boundary of the Report
There are no specific limitations with concern to the scope or boundary of the report. However, entities over which the business does not have control or significant influence are excluded from the scope of the report unless otherwise stated.

#### 3.8 Basis for Reporting on Joint Ventures, Subsidiaries, Leased Facilities, Outsourced Operations and Other Entities that can Significantly Affect Comparability
The basis for reporting on joint ventures, subsidiaries, leased facilities and other entities does not significantly affect comparability from period to period.

#### 3.10 Explanation of the Effect of Any Re-statements of Information Provided in Earlier Reports and the Reasons for such Re-statements
There were no significant re-statements with relevance for GRI reporting.

#### 3.11 Significant Changes from Previous Reporting Periods in the Scope, Boundary or Measurement Methods Applied in this Report
A new set of four year continuous improvement targets for the key safety and environmental objectives were issued in 2007 using 2006 as the baseline and running until the end of 2010.

Where necessary the performance against these objectives and targets has been re-based on current manufacturing operations at the end of 2009. For example, in 2009 the site at Bromborough, UK, was closed and all data relating to the site has been removed from the statistics.

#### 3.12 Table Identifying the Location of the Standard Disclosures in the Report
The table can be found on pages 2-5 of this report.

### 4 Corporate Governance

#### 4.1 Governance Structure of the Organisation
The Board of Croda International Plc is committed to high standards of corporate governance as outlined in the Combined Code (“the Code”) on Corporate Governance appended to the UK Listing Authority Listing Rules. The Board, which meets at least eight times a year has a formal schedule of matters specifically reserved to it for decision. It is primarily responsible for the strategy needed for the successful direction of an international company and currently comprises of the Chairman, the Group Chief Executive, the Group Finance Director and three independent non-executive directors. The Chairman is an independent (non-executive) director. All members of the Board have full access to the advice and services of the Company Secretary. Under the Company’s Articles of Association all directors must offer themselves for re-election at least once every three years.

More information together with the Articles of association can be downloaded from Croda.com: Corporate Governance

#### 4.2 Indicate Whether the Chair of the Highest Governance Body is Also an Executive Officer
The Chairman is an independent (non-executive) director.

More information on the Board of Directors can be found in the Annual report.
Profile

4.3 Members of the Board of Directors that are Independent and/or Non-executive Members

The Board is committed to high standards of corporate governance and to complying with the provisions of The Financial Reporting Council’s Combined Code on Corporate Governance (“the Code”) where practicable. This statement, together with the directors’ remuneration report, set out on pages 27 to 36 of the 2009 Annual report, describes how the relevant principles of governance set out in the 2006 version of the Code are applied to the Company.

The Board has ultimate responsibility for the overall leadership of the Company and in this role it assists in the development of a clear strategy for the Group, monitors operational and financial performance against agreed goals and objectives and ensures that appropriate controls and systems are in place to manage risk. It comprises the Chairman, the Group Chief Executive, the Group Finance Director and three independent non-executive directors who have a range of business, financial and international skills and experience. This provides an appropriate balance within the Board. Biographical notes appear on pages 22 - 23 of the 2009 Annual report. The Chairman and the Group Chief Executive have written accountabilities that have been approved by the Board. It is the Board’s opinion that all non-executive directors who served throughout the period under review were independent in accordance with the Code.

The Board has a formal schedule of matters specifically reserved to it and this is posted on the Company’s website.

The Chairman and non-executive directors meet together without the executive directors present on an ad hoc basis and the non-executive directors meet at least annually in the absence of the Chairman in order to appraise his performance. In addition to formal Board meetings, the Chairman and the Group Chief Executive meet on a regular basis.

4.4 Mechanisms for Shareholders and Employees to Provide Recommendations or Direction to the Highest Governance Body

Croda holds an annual general meeting each year to which all shareholders are invited to attend and ask questions relating to the business of the meeting which customarily deals with the annual report and accounts including the report on directors’ remuneration. In addition, UK company law provides statutory mechanisms for shareholders to require directors of companies to hold shareholder meetings and propose resolutions submitted by shareholders.

Croda believes that effective internal communication is vital to achieving its business objectives and communication and consultation strengthen the relationship between Croda and its employees. The Croda Vision states that:

■ We can only achieve our goals through excellent and constant communication, creativity and setting clear objectives at every level.

The Vision also states that:

■ All employees have the courage to question, and all functions and individuals are valued.

The company promotes a transparent and open way of working and is committed to developing and improving the effectiveness of the communication and consultation process.

Communication and consultations may take various forms that include, but are not limited to:

■ Face to face meetings that may be formal or informal
■ Letter
■ Notice
■ E-list
■ Article in company magazine
■ Group meetings
■ Focus groups
■ Team consultations
■ Telephone calls
■ E-mail
■ Memo
■ Announcements on intranet
■ Team briefing and cascades
■ Meeting with Union representatives and/or consultative bodies
■ Questionnaire

The appropriate method of communication and/or consultation will be decided by the Company dependant upon the nature of the topic involved.

4.5 Linkage Between Compensation of the Highest Governance Body and the Organisation’s Performance

Remuneration of the executive members of the Board includes performance related aspects rewarding contribution to sustained increases in Company performance and value.

More information can be found in the 2009 Annual report in the Director’s remuneration report.
Profile

Internally Developed Mission and Values Statements, Codes of Conduct and Principles Relevant to Economic, Environmental and Social Performance and the Status of Their Implementation

In 2005 the Croda Vision was set out as a statement of six values inherent to the Croda business. Since its conception the Vision has remained unchanged, but has become the underlying statement against which all social, economical and ecological policies and procedures are carried out.

Every new employee is given a copy of the Croda Vision and Group policies are available on our company intranet, Connect.

Social Performance

Two key social policies outlined in the Group CSR policy document state that; “we will be a good neighbour. Not just keeping our own house in order but also reaching out to support, aid and relate to those in our neighbourhood. In particular we will focus on providing educational and academic support and engaging in projects that will benefit our local communities”. Secondly; “we will seek out opportunities for dialogue with all our stakeholders.”

At Croda, it is firmly believed that social performance depends not only on the actions of the Group as a whole, but is also reflected by the actions of individual employees. As such a ‘Code of Conduct’ has been developed that sets the high standards to which all individual employees are expected to conduct themselves with respect to colleagues, stakeholders and company.

Economic Performance

Enshrined within the Croda Vision is Croda’s key economic mission; “to remain an independent Company and operate as one global team”. As an established multi-national company economic performance policies and indicators have been developed in areas such as finance, risk management, acquisitions and disposals with significant issues in these areas being communicated to all employees. Furthermore, the authority to act in any area of group economic importance is detailed in a freely available document, which explains at what level of the business specific decisions should be made.

Environmental Performance

Croda has many policies that govern environmental performance and these are best summed up in the Group’s CSR policy, which states that; “we will minimise any negative impact on the environment that might be associated with our operations or our products, searching out new ways to conserve natural resources and innovating to improve our products and processes”.

Our performance is monitored and externally audited against the ISO14001 environmental management standard. Croda aim to have all global manufacturing sites certified to this standard by Q4 2010. Croda has also implemented the ’12 principles of green chemistry’ in R&D centres around the group. These principles guide the development of new products in such a way that reduces waste, improves efficiency and ensures that new product ranges will continue Croda’s ‘green’ ethos in the future.

Commitments to External Initiatives

Externally Developed Economic, Environmental and Social Charters, Principles or Other Initiatives to Which the Organisation Subscribes or Endorses

Croda International actively participates in a number of organisations and bodies. Many relate to the speciality chemical sector and the responsible management of our products and to social responsibility and sustainability.

1. Charters
   • Responsible Care®

   Responsible Care

   We are signatories to Responsible Care® which is the chemical industry’s global voluntary initiative under which companies, through their national associations, work together to continuously improve their health, safety and environmental performance and to communicate with stakeholders about their products and processes. The Responsible Care® ethic helps our industry to operate safely, profitably and with due care for future generations and was commended by UNEP as making a significant contribution to sustainable development at the World Summit on Sustainable Development in 2002.

   • Round Table on Sustainable Palm Oil (RSPO)

   The mission of RSPO is to advance the production, procurement and use of sustainable oil palm products through the development, implementation and verification of credible global standards and the engagement of stakeholders along the supply chain. We are members of the RSPO, which collectively brings oil palm growers, oil processors, food companies, retailers, NGOs and investors to work together towards a global supply of palm oil that is produced in a socially and environmentally responsible way. The Roundtable promotes palm oil production practices that help reduce deforestation, preserve biodiversity, and respect the livelihoods of rural communities in oil-producing countries. It ensures that no new primary forest or other high conservation value areas are sacrificed for palm oil plantations, that plantations apply accepted best practices and that the basic rights and living conditions of millions of plantation workers, smallholders and indigenous people are fully respected.
Memberships of Associations

The Company is a signatory to the Responsible Care® Initiative of the chemical industry trade associations in UK and USA and more recently has endorsed the Global Charter agreed amongst the members of the International Council of Chemical Associations. Croda has also demonstrated its commitment to Sustainable Development by endorsing the principles developed in cooperation with stakeholders and member companies of the Chemical Industries Association.

- The Chemical Industry Association (CIA) in the UK
- European Oleochemical Industry Association (APAG)
- The European Federation for Cosmetic Ingredients (EFIC)
- The Soap and Detergents Association in the USA (SDA)
- The Chemical Industry Association in The Netherlands (VNCI)
- The Chemical Industry Association in Italy (Federchimica)
- Business in the Community (BITC) in the UK
- The International Pharmaceuticals Excipients Council (IPEC)
- The Global Organisation for EPA and DHA Omega 3 (GOED)
- Brazilian Chemical Industry Association (ABQIUM)
- Chilean Society of Cosmetic Chemists (SchQC)
- Society of Cosmetic Chemists in Mexico (SQC)
- Singaporean Chemical Trade Associations
- Worldwide Cleaning Industry Association (ISA)
- Independent Lubricant Manufacturers Association
- Society of Plastics Engineers
- Personal Care Products Council
- American Chemistry Council
- National Safety Council
- Pennsylvania Chemical Industry Council (PCIC)
- Center for Chemical Process Safety (CCPS)
- Chemistry Council of New Jersey (CCNJ)
- Canadian Association Of Chemical Distributors (CADC)
- Canadian Sanitation Supply Association
- International Society for Agrochemical Adjuvants (ISAA)
- North Central Weed Science Society (NCWSS)
- Korea Pharmaceutical Traders Association (KPTA)
- Korea Cosmetic Association (KCA)
- The Sung Nam Chamber of Commerce & Industry (SNCCI)
- Thane Belapur Industries Association – Inda (TBIA)
- Bombay Chambers of Commerce
- Indian Chemical Council
- The European Chemical Industries Federation (CEFIC)
- European Surfactants Industry Association (CESIO)
- American Chemistry Council in the USA (ACC)
- The British Association for Chemical Specialties in the UK (BACS)
- The Chemical Industry Association in Germany (VCI)
- Cosmetics, Toiletries and Perfumery Association in the UK (CTPA)
- Round Table for Sustainable Palm Oil (RSPO)
- The Council for Responsible Nutrition in the UK (CRN)
- The Chemical Producers and Distributors Association in the USA (CPDA)
- Peruvian Association of Cosmetics Chemists (APQC)
- Colombian Association of Cosmetic and Tec (ACCyTec)
- Consumer Specialty Products Association (CSPA)
- Responsible Care Initiative there (Singapore)
- Society of Tribologists and Lubrication Engineers
- Society of Cosmetic Chemists
- Cosmetic Executive Women
- New Jersey Chemistry Council
- Ethylene Oxide Panel
- Delaware Safety Council (DSC)
- International Pharmaceutical Excipient Council (IPEC) of Americas
- UK Lubricants Association
- Canadian Cosmetic,Toiletry & Fragrance Association (CCTFA)
- Toronto North CAER Group
- American Society for Testing and Methods (ASTM)
- The Korea International Trade Association (KITA)
- The Korea International Trade Association (KITA)
- American Chemistry Council in the USA (ACC)
- European Union Chamber of Commerce on Korea (EUCCK)
- The Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Specialty Chemicals Manufacturers Association

List of Stakeholder Groups Engaged by the Organisation

We encourage and facilitate engagement with a wide selection of stakeholders including our employees, the communities we operate in, our suppliers and customers, public bodies, capital market, the scientific community and responsible Non-Government Organisations (NGOs).

During 2009, we met with key stakeholders across many of our sites to discuss our approach to CSR and stakeholder engagement. We primarily engaged with them to ask for feedback and sought their views which led to the identification and ranking of current and new objectives focused on our 4 pillars. As a result we have identified carbon footprinting and responsible sourcing as priority areas in terms of working with and engaging with stakeholders.

We are aware that although we have an established company framework to facilitate stakeholder engagement we also have to consider the different social, environmental and economic circumstances of the countries in which we operate. As such we are currently in the process of collating a formal list of our key stakeholders from across our global regions of operation in order to better identify and engage with them.

We have also established a team of regional champions who are empowered to work with their colleagues in order to support their commitment and enthusiasm in progressing local initiatives. This is a vital part of our strategy which supports and encourages local action.

Basis for Identification and Selection of Stakeholders with Whom to Engage

Our CSR Steering Committee has identified our stakeholders and this has been integrated into our approach to CSR and Sustainability. Croda’s stakeholders are individuals or groups who can have an impact on the company’s ability to function. They can also be individuals or groups who are impacted by our activities, such as consumers.
Our CSR and Sustainability Performance

Performance Indicators

Economic Performance Indicators

**EC1** Direct Economic Value Generated and Distributed

- Turnover £945.8m
- Bought in materials and services £639.9m
- Value added £276.9m
- Other £29.0m

Distribution of value added:
- To providers of capital £41.6m
- To employees £172.7m
- To governments £31.1m
- Retained in the business £31.5m

**EC3** Coverage of the Organisation’s Defined Benefit Plans

GRI Indicator - EC3 Partial reporting

- Defined benefits plan coverage - Based on sample of 66.6% of employment population
  - Total number of employees in sample: 2,806
  - Number of employees covered by DB Schemes (expressed as a percentage): 1,764 (63%)
  - Countries in sample: UK, India, Brazil, Netherlands, Singapore, Malaysia, US/Canada, France, Spain, Italy

Environmental Performance Indicators

**EN1** Materials Used by Weight or Volume

We are recognised as one of the world’s leading suppliers of speciality chemicals based on renewable raw materials. Our definition of ‘natural’ and ‘renewable’ relates to both source and the capacity for replacement and renewal which means only plant and animal sources qualify. In 2009, over 70% of the raw materials we used were from renewable sources. During 2010, it is our intention to seek to develop new products based on natural raw materials and to continue actively engaging with RSPO and other such bodies promoting the growth and use of sustainable raw materials.

Raw material sources

- Renewable (71%)
- Non renewable (29%)
Performance Indicators

**EN3 Direct Energy Consumption by Primary Source**

Our performance on this indicator is linked to our objective to improve the energy efficiency of our processes. The direct energy used as classified by source shows natural gas to be predominant with our direct investment in renewable energy projects beginning to make a contribution. 2009 experienced the full effects of the wind turbine and bio-fuel projects that were completed in late 2008. There are several energy saving projects that have been identified for 2010, to read more about these see page 15 of our 2009 CSR Report.

Total direct energy consumption by the Group reduced by 0.3% compared to 2008 and has reduced by 18.0% since 2006.

Our progress with energy reduction projects is demonstrated by our continued compliance with energy reduction targets of the UK Climate Change Agreement and the EU Emissions Trading Scheme.

**Direct energy used by source**

- Natural Gas (94%)
- Combined light & heavy fuel oils (4%)
- Biofuel (0.5%)
- Wind (1.4%)
- LPG (0.1%)

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**EN4 Indirect Energy Consumption by Primary Source**

In 2009, the company estimates that indirect energy to produce product totalled 1,151,048 GJ (gigajoules).

![Indirect energy consumption chart](chart.png)
Performance Indicators

Our CSR and Sustainability Performance

EN8 Total Withdrawal of Water by Source
- Our use of water as defined by source shows 20.5% from surface water, 66.6% from ground water, 12.5% from mains water and 0.4% from municipal process water.
- Our objective is to reduce the Group’s requirements for mains water. Our target is for all manufacturing sites to reduce the use of mains water (m³ per tonne manufactured) by 2.5% each year (10% in total) until the end of 2010.
- Our performance in 2009 showed a decrease of 18.2% in mains water per manufactured tonne compared to 2008.
- We have made significant progress at our Singapore manufacturing site in the replacement of mains water through the use of ‘Newater’, which now accounts for 90% of the total water consumption on this site and has reduced mains water consumption by over 200 tonnes per day. ‘Newater’ is reclaimed water derived from treated waste water through a combination of stringent purification techniques, including dual membrane reverse osmosis and ultra violet treatment.

EN16 Total Direct and Indirect Greenhouse Gas Emissions by Weight
- Our overall objective is to work progressively towards a reduction in carbon emissions. We have taken the decision to be an active contributor to the Carbon Disclosure Project reporting on greenhouse gas emissions and energy. We also support our customers by participating in the supply chain leadership cooperation.
- In 2009 the total direct and indirect GHG emissions were 246,133 tonnes CO2. The breakdown between direct and indirect GHG emissions was 77.8% and 22.2% respectively.

EN20 NOx and SOx and Other Significant Air Emissions by Type and Weight
- The Group has set an objective to minimise the mass of volatile organic compound (VOC) emissions released to air from our processes, with a target of all manufacturing sites to reduce VOC emissions (kg/tonne manufactured) relative to 2006.
- VOC emissions were down by 3.9% on 2008 and 21.2% on 2006 from normalised figures. In absolute terms this corresponds to a reduction of 13.0% from 2008 and 41.2% from 2006.
- This improvement was due to major investments during this period to control the releases of VOCs, including the installation of triple steam generators on the Emmerich manufacturing site in Germany that are capable of using the site’s VOC streams. This investment has eliminated VOC emissions on this site.
- The global figures for NOx and SOx emissions in 2008 were 741 and 1,479 tonnes respectively.
- We have a clear objective associated with emissions:
  - To minimise the mass volatile organic compound (VOC) emissions released to air from our processes.
- We have already achieved our targets relating to this objective therefore new projects are already planned that are projected to achieve a further 5% reduction in VOC/tonne in 2010.
Performance Indicators

EN21 Total Water Discharge by Quality and Destination

The Group has an objective to reduce the environmental impact on controlled waters with a target that all manufacturing sites achieve greater than 97.5% compliance with their effluent discharge consents every year and for year on year continuous improvement towards 100% compliance.

In 2009, the compliance with our effluent discharge consents was 96.8% compared to 97% in 2007 and the baseline compliance of 91.6% in 2006.

We have two objectives relating to water:
- To reduce the environmental impact the Group has on controlled waters via waste water discharges
- To reduce the Group requirement for mains water

EN22 Total Weight of Waste by Type and Disposal Method

The total breakdown of weight of hazardous and non hazardous waste was 9,225 tonnes and 32,696 tonnes respectively. The proportion of hazardous to non hazardous waste was 22% and 78% respectively.

- Total waste
  - Hazardous waste (22%)
  - Non hazardous waste (78%)

The disposal of hazardous waste was by landfill (0.6%), incineration (31.7%), recycling (63.7%) and other methods (4%).

- Hazardous waste
  - Landfill (0.6%)
  - Incineration (31.7%)
  - Recycled (63.7%)
  - Other (4%)

For non hazardous waste, disposal methods were landfill (12.5%), incineration (14%), recycling (47.1%) and other methods (26.3%).

- Non hazardous waste
  - Landfill (12.5%)
  - Incineration (14.1%)
  - Recycled (47.1%)
  - Other (26.3%)

Our objective relating to waste can be seen below:
- Waste disposal
  - To minimise the quantities of waste disposed to landfill
  - We aim to reduce waste to landfill by 5% each year until the end of 2010.
GRI Reporting and 2009 CSR Performance

Our CSR and Sustainability Performance

### GRI Indicator

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>EN23</th>
<th>Total Number and Volume of Significant Spills</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>There were no significant and reportable spills in 2009.</td>
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</table>

<table>
<thead>
<tr>
<th>EN26</th>
<th>Initiatives to Mitigate Environmental Impacts of Products and Service and Extent of Impact Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Our goal is to improve our products and actively search out new ways of maximising the use of all resources used in their manufacture. Our foundation approach to applying the principles of ‘Green Chemistry’ across our Research and Development organisation represents our intent to design and develop technologies for the future which reduce or eliminate the use and generation of substances hazardous to human health and the environment.</td>
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<td></td>
<td>At Croda, we are constantly striving to optimise our processes through initiatives and investment, with environmental improvement always being a factor in our decisions. In 2009 such initiatives included buying back the responsibility for the operation of a large combined heat and power (CHP) plant from a third party at our Gouda manufacturing site in the Netherlands, with the intention of maximising the efficiency of the unit.</td>
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<tr>
<td></td>
<td>We are also seeking to reduce environmental impact by working with ‘Our Partners’ and in 2009 we initiated a project with a supplier to improve the efficiency of their woolgrease scouring process. Woolgrease, used to produce Lanolin and its derivatives, is one of Croda’s most important raw materials but the traditional recovery process is inefficient, resulting in wash water effluent with a high biological and chemical oxygen demand (BOD and COD). By working with the supplier to increase recovery efficiencies, the environmental performance of the scouring process has been improved and the CO2 released by the biodegradation of the effluent stream reduced. We aim to continue with this project through 2010.</td>
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<tr>
<td></td>
<td>We also recognise that it is our responsibility to maintain and improve our environment through our product range so have added to our portfolio of natural based and eco-friendly specialty chemicals one product that enables our customers to reduce the energy input of formulation and another that has potential to reduce indirect CO2 emissions.</td>
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<td></td>
<td>The 'Blue' range from Croda Singapore offers new technology that enables emulsifications to be processed at ambient temperature and so removes the need to add heat during formulation. This switch to cold processing provides obvious energy savings and reduces the carbon footprint of products formulated using this new technology.</td>
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<tr>
<td></td>
<td>Crothix OG-CS is a new polymer, made from over 70% renewable carbon content, which stabilises and thickens formulations with low water content meaning that formulators can design super concentrated detergents with very little water content. By reducing the water content and so the volume of the final product, CO2 emissions from transportation are reduced as is the amount of packaging required.</td>
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<tr>
<td></td>
<td>To highlight our commitment to the environment we have set an objective to encourage the use of natural and renewable raw materials:</td>
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<tr>
<td></td>
<td>To source and use renewable raw materials in line with responsible supply chain management</td>
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<tr>
<td></td>
<td>An example of this from our 2009 CSR report is one of our sustainable product ranges, LoVOCoat™ emulsifiers.</td>
</tr>
</tbody>
</table>

### Sustainable Products

Reducing solvents in alkyd based paints

Croda’s Polymers and Coatings business has developed LoVOCoat™ polymeric emulsifiers for the decorative paint industry. LoVOCoat™ provides an environmentally friendly solution to meet the European Volatile Organic Compound (VOC) legislation limiting the use of VOCs as from January 2010.

LoVOCoat™ allows the incorporation of water in a solvent borne alkyd based paint as partial replacement for the solvent. The paint producer can formulate a high quality, low VOC paint with no compromise on performance such as drying time, dry film properties and stability over time. Experimental research work has also shown that drying time can even be reduced dramatically when incorporating water in paints based on high solids alkyds.

An example of our investment in efficiency projects is our ‘Improving Efficiency at Atlas Point’ case study from our 2009 CSR report.

### Improving Efficiency at Atlas Point

In September 2007, Croda Inc acquired the assets and land from an adjacent company SPI Polyols at the New Castle, Delaware site. Part of the acquisition included a steam generation plant that provided steam for both Croda Inc as well as SPI Polyols. The plant had minimal investment under the previous owner and Croda completed an energy efficiency study in early 2008, which identified several areas for significant improvement. A capital project was sanctioned for $1.0 million to capture energy losses throughout the system. The project installed a flue gas economiser on the main boiler, boiler feed water pre-heater to recover heat from boiler water blow-down, a variable frequency drive on the boiler feed water pump and extended condensate recovery across the site.

The capital investment was completed in early 2009. The changes are currently delivering savings of $590,000 per year, resulting in a payback of less than two years.

For more information about the boiler house and savings made from the project please see our 2009 CSR report.

There are other examples of innovative developments featuring mitigation of environmental impact for products and services in our 2009 CSR report and on www.croda.com/CSR.
GRI Indicator

EN28 Monetary Values of Significant Fines and Total Number of Non-monetary Sanctions for Non-compliance with Environmental Laws and Regulations

In 2009 there were no prosecutions against the Group and no non-monetary sanctions to report.

Labour Practises & Decent Work Performance Indicators

LAI Total Workforce by Employment Type, Employment Contract and Region

We recognise that business success depends on retaining the skilled and motivated employees who are part of our global team. 65% of our workforce is based at manufacturing sites, sales offices and administration centres in Europe. The remaining 35% are split between the Americas and Asia Pacific. Retaining a committed workforce is a key element of our people management strategy and offering permanent employment is a vital component of this. Only 2% of our global workforce is employed on temporary contracts and many of this group are undergraduate interns or apprentices to whom permanent employment is normally offered upon successful completion of a training period.

<table>
<thead>
<tr>
<th>Total workforce by region</th>
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<tbody>
<tr>
<td>Europe</td>
</tr>
<tr>
<td>Asia</td>
</tr>
<tr>
<td>The Americas</td>
</tr>
<tr>
<td>Total</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees by gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males (70%)</td>
</tr>
<tr>
<td>Females (30%)</td>
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</table>

<table>
<thead>
<tr>
<th>Employees working on temporary contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent contract (98%)</td>
</tr>
<tr>
<td>Temporary contract (2%)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees working part time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time (94%)</td>
</tr>
<tr>
<td>Part time (6%)</td>
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</tbody>
</table>
## GRI Reporting and 2009 CSR Performance

### Our CSR and Sustainability Performance

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LA2</strong></td>
<td><strong>Total Number and Rate of Employee Turnover by Age Group, Gender and Region</strong>&lt;br&gt;Croda’s global voluntary turnover figure of 5% is comparable to the industry standard. The level of turnover in Europe is relatively low compared to country averages. In the UK exit interviews are conducted so that detailed reasons for leaving can be ascertained, trends spotted and strategies put in place to ensure turnover does not increase.</td>
</tr>
<tr>
<td><strong>LA7</strong></td>
<td><strong>Rates of Injury, Occupational Diseases, Lost Days, Absenteeism and Number of Work Related Fatalities by Region (Partial Reporting)</strong>&lt;br&gt;In 2009 there was a decrease in the reportable accident rate of 0.33 to 0.25 per 100,000 man hours. There were no work related fatalities.</td>
</tr>
<tr>
<td><strong>LA10</strong></td>
<td><strong>Average Hours of Training per Year per Employee by Employee Category (Partial Reporting)</strong>&lt;br&gt;Throughout the year we have invested in many forms of learning and development. These range from structured classroom based training and webinars to one on one coaching, distance learning and leadership development groups. During 2009 our employees received, on average, 22 hours of training each. In addition to personal skills development activities, we also run a comprehensive programme of technical sales focused training and development. Enhancing the knowledge of our global sales teams and offering greater support to our customers is critical to our business growth. Employee development will continue to be core to Croda’s people management strategy. In 2010, as a result of the completion of our global job evaluation project, we aim to undertake a comprehensive review of the development opportunities available at each stage of individual careers and across all levels of our organisation. This will ensure our development opportunities continue to deliver enhanced individual and company performance. Data was gathered for 97.8% of our employee population, of this 85% had training records. On average they received 26 hours of training each. The average amount of hours training per employee was 22 hours.</td>
</tr>
</tbody>
</table>

#### Employee turnover by region
<table>
<thead>
<tr>
<th>Region</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>5%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>4%</td>
</tr>
<tr>
<td>The Americas</td>
<td>9%</td>
</tr>
<tr>
<td>Global average</td>
<td>5%</td>
</tr>
</tbody>
</table>

Calculations based on voluntary turnover as defined by GRI indicator LA2<br>Calculations based on resignations only - global average - 2%

#### Average hours of training per employee

<table>
<thead>
<tr>
<th>Description</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total hours of training for all employees</td>
<td>74,802</td>
</tr>
<tr>
<td>Employees receiving training</td>
<td>2877</td>
</tr>
</tbody>
</table>

Average hours of training per employee for 2009 = 22hrs<br>Average hours of training for those who received training = 26hrs
GRI Indicator

Product Society Performance Indicator

SO1 Nature and Effectiveness of Any Programmes and Practises that Assess and Manage the Impact of Operations on Communities, Including Entering, Operating and Exiting

The commitment of Croda to its communities has been a focus for a number of years. The ‘Croda in the Community’ policy statement describes our intent of being a good neighbour, not only by managing our own affairs in a proper manner, but by also reaching out to support and relate to the local community. Specifically, Croda has committed to four elements of engagement with our neighbours:

- Protecting the community
- Employment for the community
- Standards within the community
- Engaging with the community

This defines our attitude towards the community, allowing us to proactively pursue and positively respond to projects and opportunities that support it. For example, activities such as our employee volunteering programme ‘The 1% Club’, our association with relevant local charities and good causes and our development and educational programmes. In summary; ‘Our Responsibility’ is to act responsibly and with integrity towards our neighbours and we are committed to having a positive impact on the local community, wherever we operate in the world.

Product Responsibility Performance Indicator

PR3 Type of Product and Service Information Required by Procedures and Percentage of Significant Products and Services Subject to such Information Requirements

Our commitment to product performance, quality and safety is represented by product stewardship being a key element of our approach to business. We look beyond regulatory compliance and our policies encompass the protection of our customers and the public by the assessment and management of the potential risks posed by our products throughout their lifecycle – covering research and development, raw material sourcing, manufacture, storage, distribution and ultimate application including safe handling and use. Equally, quality is fundamental to everything we do through independently accredited quality management systems for all manufacturing locations and the integration of quality management into our enterprise management systems, ensuring the delivery of high quality products to our customers.

PR9 Monetary Value of Significant Fines for Non-compliance with Laws and Regulations Concerning the Provision and Use of Products and Services

In 2009, there were no prosecutions against the group.

Report Application Level C C+ B B+ A A+

G3 Profile Disclosures Report on:
1.1
2.1 – 2.10
3.1 – 3.8, 3.10 – 3.12
4.1 – 4.4, 4.14 – 4.15 Report on all criteria listed for Level C plus 1.2
3.9, 3.13
4.5 – 4.13, 4.16 – 4.17 Report on all criteria listed for Level C plus 1.2
3.9, 3.13
4.5 – 4.13, 4.16 – 4.17 Same as requirement for Level B

G3 Management Approach Disclosures Not Required Management Approach Disclosures for each Indicator Category Management Approach Disclosures for each Indicator Category

G3 Performance Indicators & Sector Supplement Performance Indicators Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental. Report on a minimum of 20 Performance Indicators, including at least one from each of: Economic, Human Rights, Labour, Society, Product Responsibility and Environmental. Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.

* Sector supplement in final version

For further details, please contact
Sarah Millns – Global CSR Coordinator – at ourresponsibility@croda.com