

The difference we make for

# Our investors

Addressing the world's changing needs creates opportunity as well as challenge. We seek to leverage this ethically with accountability for what we produce and how we produce it. It is how we will continue to achieve attractive financial returns with excellent environmental, social and governance performance.



## Climate change

Investors are increasingly concerned about the negative impacts of climate change on the planet and on businesses. Already a relatively low emitter of greenhouse gas emissions (GHGs), we are carrying out extensive work to mitigate against climate change and GHG emissions. For instance, in our North American bio-surfactant plant we have invested to produce a new bio-based ECO range, reducing our reliance on petrochemical feedstocks, using an increased level of renewable energy and eliminating rail transportation of ethylene oxide. We are also assessing the total lifecycle impact of our products to identify where we can make further reductions in our carbon footprint.

Our aim is to do more with fewer of the planet's precious resources. Minimising our negative impact will enable us to fulfil environmental obligations and put us in

the best position to avoid potential impact on profitability as the world seeks to achieve challenging carbon reduction targets.

## Positive impact

Increasingly important are the positive impacts of our ingredients in customer applications. From enabling the delivery of active pharmaceuticals, to improving crop yields, during 2018 we have carried out extensive work to document the benefits in use of our ingredients; how they enable the use of lower levels of active ingredients and reduce or avoid GHG emissions in their end application.

Our innovations have the power to help tackle the global challenges associated with feeding and supporting a growing, ageing population, satisfying the expectations of digitally empowered and environmentally aware consumers who

expect greater performance levels from products and services than ever before.

## Low risk and ethical

Increasingly, customers and investors measure the sustainability of not just our own performance, but that of our whole supply chain. We strive to ensure that all supply chain risks are identified, prioritised and controlled.

A sustainable business also means active management of all the risks that could affect the reliability of our service and the investment opportunity we offer. We continue to work to raise our own and our supplier standards in the areas of ethics, human rights, process safety, product safety, quality assurance and business continuity. In addition, we make sure that manufacturing sites are certified against appropriate safety, environment, quality and Good Management Practice (GMP) standards.

## Sustainable future

The United Nations Sustainable Development Goals (SDGs) provide 169 targets in 17 areas that address the challenges facing our planet, as well as creating real opportunities for the business world. We are now working with experts at the University of Cambridge to establish ambitious sustainability goals for 2030 that align with the SDGs, helping to futureproof our business and leverage new opportunities ahead of the competition.

Many of our new acquisitions align with the detailed SDG targets, for example our new vaccine business, Biosector, aligns to SDG target 3.8, providing access to safe, effective quality vaccines. Our existing businesses have great alignment with the targets too. For example, our Plant Impact biostimulants can mitigate abiotic stress in crops. This is a 'direct hit' on SDG target 2.4, providing resilient

agricultural practices that strengthen capacity for adaptation to climate change. We continue to identify more 'direct hits' on the SDG targets throughout our businesses.

## In Focus: Investors experience Croda

In addition to our Capital Markets Day, which we hold every two years, we invite existing and potential investors to visit our premises across the world on a regular basis. This is a chance to meet our management teams, ask questions and see our facilities first hand. It also includes practical demonstrations of the benefits in use of some of our ingredients, to help investors understand the positive impact they can have on society and the environment. These visits are an opportunity to showcase our latest technology acquisitions, so that we can raise awareness of the growing opportunities we have gained to

accelerate growth and offer superior Return on Investment.

This openness in communicating with key stakeholders is part of our culture. It is how we work to ensure ethical and responsible operations throughout our supply chain. We believe that this same proactive approach to our investors gives them the information and experience they need.