

Date: June 2021

Ref: Sime Darby Plantation Berhad (“SDP”) Grievance

Innospec has a zero-tolerance policy towards forced labor and child labor, exploitation and abuse in its operations and supply base. We are committed to the responsible sourcing of palm based raw materials through our [Sustainable Sourcing of Palm Oil \(PO\) and Palm Kernel Oil \(PKO\) Policy](#) and specifically the commitment to No-Deforestation, No-Peat, No-Exploitation (“NDPE”).

Grievance background

Following notification of suspected breaches of No Deforestation, No Peat, No Exploitation (“NDPE”) commitments by Sime Darby Plantation Berhad (“SDP”), Innospec has conducted an investigation in accordance with our [Palm Grievance Procedure](#).

The notification relates to the decision made on 30 December 2020 by the U.S. Customs and Border Protection (“CBP”) to issue a ["Withhold Release Order"](#) (“WRO”) on palm oil and palm-oil derived products made by SDP, its subsidiaries, joint ventures and affiliated entities in Malaysia. This decision follows a [petition submitted by the NGO Liberty](#) shared in April 2020 alleging the use of forced and child labor.

Actions taken by SDP

SDP has responded to the allegations and clarified its position, summarised as follows:

- Responding to CBP’s decision, SDP published an immediate [statement](#) on 31 December 2020 reiterating its pledge to combat forced labor. The statement also indicated that CBP has still not provided sufficient information to allow SDP to meaningfully address the allegations that triggered the issuance of the WRO. They asked the CBP to share any information that would allow for RSPO to properly investigate this matter and report transparently on the findings.
- On 1 March 2021, SDP announced the establishment of its [Experts Stakeholder Human Rights Commission](#) (the Commission), and appointed Impactt Ltd, an ethical trade consultancy and expert in the detection and remediation of labor issues in the supply chain as a third-party assessor to the Commission.
- SDP initially indicated that they expect the independent assessment by Impactt to be completed in May 2021, following which the Commission’s findings and remediation measures will be shared by SDP to all key stakeholders and the public.
- On 4 June 2021 SDP [announced](#) that they have appointed a Human Rights Expert to its Commission and that they expect Impactt’s comprehensive evaluation of its labour practices across Malaysia, using the International Labour Organization’s 11



indicators of forced labour as a framework, to be completed in June 2021. SDP has committed to transparent disclosure of the Commission's findings, as well as any remediation measures required to ensure safe working and living conditions for all its workers, now and into the future.

Outcome of Innospec's supply chain links investigation

We can confirm that Innospec does not purchase palm derivatives directly from SDP. Further to questions asked about our direct suppliers, we can provide the following information based on the responses received:

- the majority of Innospec's direct suppliers have confirmed that they do not have links to SDP or that they have since suspended purchase links to SDP;
- a small number of Innospec's direct suppliers have confirmed although they do not purchase directly from SDP, they are unable to guarantee that there are no links to SDP due to the complex nature of the market and supply chain.
- ongoing potential indirect links to SDP have been identified with one direct supplier representing less than 1% of our 2020 global sourcing activities.

The direct supplier with confirmed potential indirect links to SDP has clarified their position and are closely monitoring the development of the case to ensure improvements continue to be made through independent monitoring and reporting of progress. Innospec is supportive of this approach and will conduct regular engagement with our direct supplier to obtain feedback on their actions with regard to the SDP grievance and its progress.

We will continue to monitor the case on an ongoing basis and will review our approach in the event of failure to act or if timely improvement is not achieved. Should you have any questions then please contact sustainability@innospecinc.com.