

Date: February 2023

## 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 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.

### Outcome of Innospec’s supply chain links investigation

Our investigation in June 2021 identified that neither Innospec nor its direct suppliers purchased palm derivatives directly from SDP. A small number of Innospec’s direct suppliers confirmed that although they did not purchase directly from SDP, they were unable to guarantee that there are no links to SDP due to the complex nature of the market and supply chain. This represented less than 1% of our palm volumes.

### Actions taken by SDP

SDP 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 expected the independent assessment by Impactt to be completed in May 2021, following which the Commission’s findings and remediation measures would be shared by SDP to all key stakeholders and the public.



- On 4 June 2021, SDP [announced](#) that they had appointed a Human Rights Expert to its Commission and that they expected Impactt's comprehensive evaluation of its labor practices across Malaysia, using the International Labor Organization's 11 indicators of forced labor 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.
- In November 2022, SDP reported that they were still waiting for a decision and feedback from the U.S. law enforcement agency after submitting a full report to U.S. CBP.
- On 2 February 2023, U.S. CBP, with the approval of the Secretary of the Department of Homeland Security, [determined](#) that the palm oil and derivatives products produced by SDP, imported on or after 3 February 2023, are no longer being produced with the use of forced labor in violation of section 307 of the Tariff Act.

Based on the evidence provided to CBP of the actions taken by SDP, we consider the case as closed. Should you have any questions, please do not hesitate to contact [sustainability@innospecinc.com](mailto:sustainability@innospecinc.com).