

Date: January 2023

**Ref: FGV Holding Berhad (“FGV”) Grievance**

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

The notification relates to the decision made on 30 September 2020 by the U.S. Customs and Border Protection (“**CBP**”) to issue a ["Withhold Release Order"](#) on palm oil and palm oil products made by FGV. This decision follows a complaint submitted by a [coalition of NGOs in 2019](#) alleging the use of forced labor and human trafficking on FGV owned plantations across Malaysia.

We can confirm that neither Innospec nor its direct suppliers purchase palm derivatives directly from FGV. A small number of Innospec’s direct suppliers confirmed that although they do not purchase directly from FGV, they are unable to guarantee that there are no links to FGV due to the complex nature of the market and supply chain. These potential indirect links represent less than 0.5% of our palm supply.

The direct suppliers who have confirmed potential indirect links to FGV are engaging with the organization. FGV has also responded to the allegations and clarified its position, summarised as follows:

- In November 2019, FGV [affiliated](#) with the Fair Labor Association “**FLA**”. Through this affiliation, FGV’s top management committed to upholding the FLA standards, address labor issues and drive long-term improvement to manage working conditions in its own operations and those in its upstream supply chain.
- In March 2020, FGV developed and published a [2020 action plan](#) based on findings from the FLA’s internal management systems gap analysis, feedback from field visits and recommendations from civil society organizations working on human and labor rights and migration issues.
- In line with FGV’s commitment to on-going open and transparent publication of progress, the FLA released a [progress report](#) of FGV’s Action Plan. The report confirms that action steps were being taken in the right direction but with more work needed.
- FGV will continue to progress actions and to work with the FLA for regular progress reviews which will be published.
- In October 2021, FGV appointed ELEVATE, an independent sustainability and supply chain service provider, as their independent auditing firm to carry out an assessment of FGV’s operations against the International Labor Organization (ILO) Indicators of Forced Labor.

Our direct suppliers are working with FGV to ensure improvements continue to be made through the FLA action plan and independent monitoring and reporting of progress. Innospec is supportive of this approach and will conduct regular engagement with our direct suppliers to obtain feedback on their actions with regard to FGV and its progress.



We will continue to monitor the case indirectly through our annual transparency exercises 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](mailto:sustainability@innospecinc.com).