

Particulars

About Your Organisation

1.1 Member Name

Croda International PLC

1.2 Membership Number

2-0024-06-000-00

1.3 Membership Sector

Palm Oil Processors and/or Traders

1.4 Membership Category

Ordinary

1.5 Country

United Kingdom

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants - Processors and/or Traders
- I trade or broker palm oil, palm kernel oil or related products - Processors and/or Traders
- I am a refiner of palm oil or palm kernel oil - Processors and/or Traders
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related fractions/derivatives - Processors and/or Traders
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products - Processors and/or Traders
- I manufacture final consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors - Consumer Goods Manufacturers
- I retail final consumer (B2C) products containing palm oil, palm kernel oil or related products - Retailers
- I operate food retail outlets that use palm oil, palm kernel oil or related products - Retailers
- I am a conservation and environmental NGO supporting the sustainable development of the palm oil industry
- I am a social and human development NGO supporting the sustainable development of the palm oil industry

Processors & Traders

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Refiner of CPO and PKO
- Palm Kernel Crusher
- Trader with Physical Possession
- Trader without Physical Possession
- Integrated Refiner-Trader-Processor
- Intermediate Products Producer
- Power, Energy and Biofuel Processor
- Animal Feed Producer
- Oleochemicals Producer
- Distribution & Logistics
- Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Sourcing is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please include details of all certified and uncertified operations using palm oil, palm kernel oil and related products, owned and/or managed by the member and/or all entities that belong to the group.

See Croda International Plc Group named company member list and 15 RSPO Supply Chain Certified manufacturing locations.

2.1.1 In which markets do you sell goods with palm oil and palm oil-related products?

Europe ,North America ,China,India,Malaysia,Indonesia,Africa ,Latin America ,Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Volumes of uncertified and certified palm oil, palm kernel oil and related product sourced in the year

Description	Tonnes
Crude palm oil, including derivatives refined from CPO (tonnes)	38379.00
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	13068.00
Crude palm kernel expeller (tonnes)	0.00
Total	51447.00

2.3 Volume of RSPO-certified palm oil, palm kernel oil and related products sourced in the year (tonnes):

Description	Crude Palm Oil (CSPO) and CSPO Derivatives	Crude Palm Kernel Oil (CSPKO) and CSPKO Derivatives	Palm Kernel Expeller (CSPKE)
RSPO Credits from Mill / Crusher	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00
Mass Balance (MB)	31179.00	12559.00	0.00
Segregated (SG)	0.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00
Total	31179.00	12559.00	0.00

2.4 According to the volume information you have provided in Question PT.2.2 and Question PT.2.3, your company's certified palm oil, palm kernel oil and related products uptake is:

85.02%

2.4.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake calculated in PT.2.4. This may include changes due to business environment, evolving nature of operations or variations due to stock positions

in 2021, India had to source some quantity of non RSPO grade RM due to lack of availability of RSPO certified derivatives. Other RM derivatives are in process of converting to RSPO grade. Similar issue in the US and Latin America with lacking availability of specific RSPO certified derivatives. Conversion of some to RSPO for some industrial applications in China remains challenging

2.5 What is the estimated percentage of Certified Sustainable Palm Oil in the palm oil, palm kernel oil and related products sold, traded or processed by your company in the following regions:

Countries/Regions	Percentage
Europe	99
North America	98
Malaysia	100
Indonesia	60
China	10
India	91
Latin America	88
Africa	98
Rest of World	95

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification or RSPO trader/distributor licence?

2012

3.2 Which year did your company start (or expect to start) to source any RSPO-certified palm oil and oil palm products?

2012

3.2.1 If the previous target year has not been met, please explain why.

2012 was the date of the first Croda plant obtaining RSPO Supply Chain Certification to handle Mass Balance palm derivatives. By end 2018 Croda had 14 plants RSPO SCC for Mass Balance and Segregated. now 15 sites with an acquisition in 2021. These plants process 99% of our volume of palm derivatives.

3.3 Which year did your company achieve (or expects to achieve) 100% RSPO certification of all palm product processing facilities.

2018

3.3.1 If the previous target year has not been met, please explain why.

The 15 RSPO Supply Chain Certified manufacturing sites process 99% of our volume of palm derivatives. All major manufacturing sites were certified by 2017. Two smaller Croda plants were additionally certified in 2018 and a further acquired company added to Croda Group membership in 2021.

3.4 Year expected to only source RSPO-certified palm oil and oil palm products.

2023

3.4.1 If target has not been met, please explain why.

During 2021 we faced supply issues and availability constraints for certain RSPO Supply Chain Certified PO and PKO derivatives in India, US and Latin America. Conversion of some ingredients for industrial applications remains challenging. RSPO conversion in Europe was 99.7%.

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

TBP commitments apply to all countries and all industries in which we sell palm derived ingredients.

4. Actions For Next Reporting Period

4.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

- Participation in RSPO Working Group or Task Forces
- Support Independent Smallholders (ISH)
- Contribute to the RSPO Smallholder Trainer Academy
- Financial contribution to the RSPO Smallholder Support Fund
- Direct investments in Smallholder Certification projects
- Involvement/direct investments in Jurisdictional/Landscape approach
- Direct/collective investments in conservation and restoration initiatives
- Financial contribution to support members with Remediation and Compensation (RaCP) process, direct/collective investments in conservation and restoration initiatives
- Allocating FTE to promote the production or consumption of certified sustainable oil palm products
- Specific policies and action plans by the member to promote CSPO production or consumption in the upstream or downstream supply chain, including target dates or broader policies that include such efforts
- No activities planned
- Others

Other

We submitted Resolution GA18-2c named Enhancing the robustness of the RSPO Mass Balance model to accelerate uptake of Certified Sustainable Palm Oil during the RSPO's 18th General Assembly. The Resolution was adopted with 144 votes in favor (83,13%).

Working with Action for Sustainable Derivatives (ASD) we support the Inobu Mosaik Initiative, to build an enabling environment for sustainable palm oil production at scale while empowering local communities. The Fund has officially begun supporting the Inobu-led Mosaik Initiative, which is focused on finding ways to sustainably restore the landscape and drive economic growth in two of the largest palm producing districts in Central Kalimantan, Indonesia – Seruyan and Kotawaringin Barat. Contributing ASD members source on average 8% of their palm derivatives from Central Kalimantan.

With the help of Inobu, the two districts, which cover an area almost as large as Belgium, are developing ways to restore forest ecosystems while protecting the remaining forests. Among other activities, the project will:

- create a jurisdictional farmers association for agroforestry products to increase their value and encourage local communities to protect and restore natural forests in their villages;
- provide upfront financing and technical support for smallholders' sustainable farming practices and RSPO certification; and establish programs to ensure all palm oil production is aligned with sustainability principles and criteria.

We have RSPO Supply Chain Certified plants in all regions in which we operate: Europe, Asia, North America and Latin America together with global distribution of our products. This reflects our corporate target to support the physical supply chains for CSPO derivatives as a global issue. During the reporting period we have systematically continued implementation of our program to convert our finished ingredients based on PO/PKO derivatives to Mass Balance and changed our trademark nomenclature and SAP codes to reflect this. Supporting RSPO Certification and physical supply chains is a material issue with time bound corporate targets which are publicly stated on our website and sustainability report. During the reporting period We have participated many industry presentations, panel debates, media interviews and articles on the issues around sustainable palm.

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility (SR) requirements will be done through ACOP and MyRSPO. As the process of verification of the reports is in development, the Shared Responsibility section in ACOP may change in future ACOP cycles. Evidence to show compliance to the SR requirements shall be uploaded via your membership profile in MyRSPO. Please login to your MyRSPO account and upload the relevant policies, plans and relevant reports there. If you do not have a policy or your policy does not cover all items, you will be required to provide a Declaration of Support for the relevant policy items in your MyRSPO profile. Additional information on the required policies and plans applicable to all sectors as well as the annual uptake targets for supply chain actors can be found on <https://rspo.org/members/shared-responsibility> or email the Shared Responsibility team at sharedresponsibility@rspo.org.

Information & Public Availability

1.1 Does your company have organisational management documents publicly-available?

Yes

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Suppliers and Sub-Contractors

Legal Compliance

1.3 Does your company comply with all applicable legal requirements?

Yes

1.4 Does your company require its third party contractors to comply with legal requirements, i.e. including a clause on legal compliance in the contracts?

Yes

Complaints & Grievances

1.5 Does your company have a Grievance Mechanism that is accessible to all affected parties?

Yes

1.5.1 Is your Grievance mechanism in line with the principles of the RSPO's Complaints System?

Yes

Land Use & FPIC

1.6 Does your company have a publicly-available policy covering Commitment to respect Free Prior and Informed Consent (FPIC) in the Palm Oil Supply chain?

Yes

1.6.1 Does your company have a procedure in place to identify legal, customary or user rights, and people entitled to compensation?

Yes

Smallholders

1.7 Does your company support oil palm smallholders (groups)?

Yes

1.7.1 Does your company report on the actions to support the inclusion of smallholders?

No

Labour & Labour Rights

1.8 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.8.1 Does the policy cover:

- No discrimination and equal opportunities
- Pay and working conditions at least at legal or industry minimum standards and are sufficient to provide decent living wages (DLW)
- Freedom of association and Collective bargaining
- Protection of children, as well as the workforce of suppliers and third-party contractors
- Prevention of all forms of harassment, including sexual harassment
- No forced or trafficked labour

Occupational Health & Safety

1.9 Does your company have a publicly-available Policy covering Occupational Health & Safety?

Yes

1.9.1 Does your company have a Standard Operating Procedure (SOP) for Occupational Health & Safety?

Yes

Waste Management

1.10a Does your company have a waste management plan that includes reduction, recycling, reusing and disposal based on the hazardous characteristics?

Yes

1.10a.1 Is this plan implemented?

Yes

Water Management

1.11 Does your company have a water management plan to promote efficient use and continued availability of water sources?

Yes

1.11.1 Is this plan implemented?

Yes

Energy Use

1.12 Does your company have an energy use plan to improve the efficiency of the fossil fuels used and to optimise renewable energy?

Yes

1.12.1 Are there records of implementation of the plan ie. monitoring and reporting?

Yes

Climate Change & Greenhouse Gas (GHG)

1.13 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG) including identification and assessment of GHG emissions and implementation of a plan to reduce or minimise them?

Yes

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

During the reporting period we faced some supply constraints due to lack of availability of some RSPO SCC derivatives. For the wide range of complex ingredients we manufacture which are derivatives of derivatives, Mass Balance is currently the only feasible way to physically support CSPO. Not all suppliers have RSPO SCC but the number is increasing with greater awareness throughout the supply chain. We have a vigorous program for the promotion of CSPO derivatives and the uptake continues to be very significant during the reporting period. We promote the issues, our targets and activities to all of our key stakeholders, including our suppliers, customers, investors, local community and employees through our annual Sustainability Report and summary, our Annual Report & Accounts, our online GRI, our CDP Forest return and by completing the ACOP.

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Communication and/or engagement to transform the negative perception of palm oil
- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Engagement with peers and clients
- Promotion of CSPO through off product claims
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

We consistently support the RSPO in all our engagement with customers, press, industry meetings, NGOs, social media and across all industries. The RSPO continually strives to improve the sustainability of palm supply chains and has created the tools to do this. Over the last 10 years Croda has led the transformation in the complex derivative supply chain particularly in Home & Personal Care and other consumer businesses.

1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

<https://www.croda.com/en-gb/sustainability/procurement-and-sustainable-sourcing>
