

# 2022 Sustainability Report

Inolex

# We Are Ingredient Designers

Inolex is a fiercely independent company that designs sustainable ingredients for health, beauty, and wellness.

**We don't swim with the current. We create it.** We envision and realize solutions to advance the needs of our customers. We challenge ourselves and the industry to think differently.

Honoring nature, we design emerging technologies that ensure the safe and optimum performance of leading brands in more than 85 countries.

Our designers are guided by the Principles of Green Chemistry, to invent the future of sustainable ingredient platforms. By balancing conscious science with nature and artistry, our imaginative approaches become the building blocks for exceptional products that care for people and our planet.

We are Inolex. Thinkers, Designers, Creators, and Rebels.

9

Countries where our Team Members live and work

85+

Countries where our products are sold

7

Innovative Product Platforms

The data represents operations at Inolex as of 2022.  
Inolex Inc. | 601 Walnut St. Philadelphia, PA 19106

# Our 2022 Progress

Pillar	Focus Area	2022 Highlighted Updates
Stakeholder Accountability	Use reputable sustainability assessments to communicate our progress in an authentic and standardized way	Raised our EcoVadis score to 66, solidifying our silver status
	Continue to build a sustainability platform that represents our values and provides for our future	Conducted our second GRI-informed sustainability report
Innovating Sustainably	Design products and develop solutions that anticipate and meet market needs and improve upon existing ingredient options	Launched innovative new biobased products
	Assess our ingredients’ life cycles and reduce the environmental impact of our products	Commissioned our first complete LCA, slated for completion in 2023
	Utilize authentic product claims by leveraging reputable standards and certifications	Certified 41 products with ChemFORWARD SAFER™
Operating Purposefully	Set science-based targets and develop a thorough execution plan for reducing Scope 1 and 2 emissions	Disclosed to CDP for the first time in 2022 and on track to set a target with SBTi in 2023
	Track and report more elements of Scope 3 emissions with the aim to reduce	Completed our first third-party verified Scope 3 GHG assessment and second Scope 1 and 2 assessment
	Assess and improve the environmental and social impacts of our global supply chain	Engaged each supplier on improved traceability and onboarded Sedex for risk assessments
	Continuously improve the efficiency of our resource use in production	Realized a 33% reduction in water withdrawal and a 10% improvement in energy use per unit of production
Engaging Respectfully	Be a fulfilling place to work that supports employee health, growth, and wellbeing	Continued to evaluate and expand benefits as we grow
	Continuously improve our health and safety management program	Implemented a safety engagement metric and reinvigorated the Safety Committee
	Integrate sustainability into employee culture and annual individual goals	Increased sustainability engagement through volunteering and various cross-functional projects
	Serve local and industry communities as stewards of humanity and our world	Conducted leadership talks and donated our time and resources to just causes

This report covers activities and results from the January 1, 2022 to December 31, 2022, calendar year.  
 We continue to collect data and report annually.  
 Please contact Audrey Wesson | Corporate Sustainability Manager | awesson@inolex.com for questions and more information.

# From Our CEO

I am delighted to reflect on our journey in 2022 and share our vision for the future.

Inolex has emerged as a powerful community of individuals with a common purpose and brand identity that inspires positive rebellion in beauty care and our world. Our dedication to innovation and collaboration continues to drive the vitality of our business. The passions and efforts of our people allow us to make meaningful impact with our technologies.

Sustainability is and will remain at the heart of Inolex. Specifically, we innovate to bring safer, greener and more sustainable ingredients into the marketplace. We do this in service to our clients, consumer good companies, and we do this in service to consumers. We hope to lead by example, using our talents to help serve the sustainability needs of today.

Innovation and sustainability are inextricably intertwined and important together. Inolex is driven to make industry advancements through novel iteration. This is not done in isolation, but in collaboration with our internal and external stakeholders. Esteeming people and valuing relationships represents the vital underpinning of our corporate strategy.

Our approach to ESG (Environmental, Social, and Governance) management is shaped by the diverse experiences of our global Inolex team and insights from industry professionals. We have derived immense value from engaging with a broad set of stakeholders. Our senior leadership and all those who inform and participate in Inolex's corporate focus on sustainability are committed to deepening our communication with key groups to enrich our understanding of issues and create meaningful solutions.

As this report details, we accomplished significant ESG milestones in 2022, including the completion of our first Scope 3 inventory with external assurance. We continuously measure, monitor, and disclose our environmental impact and other material topics through esteemed organizations like CDP. Looking ahead, we aim to establish targets aligned with the Science Based Targets initiative (SBTi) and set our sights on achieving measured progress across all our material topics.

We know the pursuit of sustainable ingredient design will continue to shape our path. I am grateful to those who wholeheartedly embrace our Core Values, propelling our corporate sustainability and ESG efforts forward. Together, our dedication improves our business and industry, and contributes to a better world.

Let us keep pushing boundaries, fostering imagination, and embracing sustainability in every aspect of our work. I am honored to have you as our esteemed stakeholders, and I extend a heartfelt invitation for you to join us on the remarkable journey that lies ahead.



David Plimpton,  
Chief Executive Officer



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# Innovating Sustainably



# Ingredient Philosophy

**What you put out into the world, and how you do it, are the most defining elements to your impact.**

Inolex is centered on innovation that advances sustainability.

We reimagine the possibilities of existing market technologies to deliver ingredients with superior safety and environmental profiles.

Our goal is to bring to market ingredients for beauty and personal care that drive positive change, enhancing formulas for positive impact today and into the future.

The widespread acceptance of these improved ingredients contributes to greater sustainability, all while maintaining a steadfast commitment to brand performance and customer delight.



**Safe  
Preservation**



**Traceable  
Extracts**



**Sustainable  
Silicone  
Alternatives**



**Biodegradable  
Film Formers**



**Plant-Based  
Hair Care**



**Natural Sensory  
Enhancers**

# Sustainable Ingredient Design

In all our innovations, the design process is guided by the 12 Principles of Green Chemistry and underpinned by a foundation of safety, compliance, and transparency. This approach results in a sustainability profile aimed at reducing environmental impacts, ensuring consumer safety and acceptance, and improving upon the performance of existing technologies on the market.

## **Safety**

Inolex is committed to developing safer solutions and ensuring product safety through physical and chemical testing, toxicology and ecotoxicology testing. We employ emerging technologies to evaluate safety without the use of any animal testing methods.

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## **Compliance**

From regional markets with specific cosmetic regulations, to clean beauty retailer requirements, the Inolex Product Stewardship Team supports our products with the information needed to ensure compliance. Safety Data Sheets are available on our website with language translation and country-specific SDSs available upon request.

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## **Transparency**

Sustainability, safety, and compliance all rely on accessibility and transparency. Inolex maintains extensive documentation for each product summarized in our Technical and Regulatory Dossiers for all clients to easily access information such as plant origin, biodegradability test results, eye irritation test results, country compliance, and more.



# Ingredient Life Cycle

Our sustainable design philosophy guided by the 12 Principles of Green Chemistry results in a sustainable life cycle as evaluated by 6 key life cycle stages.

We have long been designing ingredients that result in sustainable life cycle stages. Into the future, we aim to quantify the impacts of each stage through product environmental footprint evaluations such as life cycle analysis (LCA) and carbon footprints. Our high standard to evidence the sustainable life cycle of each ingredient precludes us from conducting these easily or quickly. Nevertheless, we are investing in infrastructure to ensure these evaluations meet globally recognized standards, such as ISO 14040 / 14044 and the GHG Protocol Product Standards, and uses the best available primary and secondary data inputs.



## Feedstock selection

Placing a preference on plant feedstocks, our portfolio is comprised of majority biobased chemistries. In 2022, 59% of the carbon sold by weight was biobased, with the remaining 41% from petrochemical origin.



## Ingredient manufacture

Sustainable manufacturing is optimized in two phases: first in ingredient design, following the 12 Principles of Green Chemistry, which results in inherently safer and more environmentally benign processes. Secondly, in how we operate and manage resources.



## Ingredient transportation

Reducing our impact in transportation involves shipping over shorter distances through local sourcing, providing high active content product, and by sourcing renewable packaging. In 2022, 44% of our packaging by weight was of renewable origin.



## End of life

Key indicators of a non-harmful end of life for a material include aquatic toxicity and biodegradability. 98% of our products have been verified biodegradable through comprehensive evaluations according to the OECD standards.



## Consumer use

Sustainable materials are most impactful if they are widely used on the market – requiring high performance and robust safety assurance in addition to sustainable design.



## Product manufacture

From cold processable options, to alternatives without hazard profiles, to providing formats to reduce inhalation risk, we aim to supply materials that make finished goods manufacturing easy and safe.



# Transparency, Verification & Market Acceptability

LEARN MORE

We strive to make our sustainable solutions available in markets around the world. This includes ensuring our natural materials meet various definitions and standards for naturality and our products are compliant or certified according to religious and lifestyle preferences.

Several sections in our Technical and Regulatory Dossiers were updated in 2022 for clarity and usefulness including the regulatory table, animal testing statement, microbiological statement, allergens statement, and pesticide statement. Regulatory compliance confirms that Inolex products are compliant globally for personal care application and beyond, where requested. We had no incidents of non-compliance concerning the health and safety impacts of our products and services, and none regarding the information, labeling, or marketing communications of our products. We make continuous efforts in transparency, achieved in part through certifications and raw material tracing.

**In 2022, Inolex facilitated the renewal or approval of:**

41 products for ChemFORWARD SAFER	32 products for NATRUE	113 products for Halal by IFANCA	66 products for USDA BioPreferred®
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**Third-Party Standards and Certifications**

Inolex believes in being transparent and forthcoming about ingredient claims to enable sustainable choices in ingredient selection. We certify our ingredients with reputable organizations to verify the sustainability claims of our products, be it a natural claim, supply chain assurance, or safety verification. In 2022, we added the ChemFORWARD SAFER label to our portfolio of third-party standards and certifications. The ChemFORWARD SAFER program is a rigorous disclosure and assessment process for verifying the safety of raw material ingredients in accordance with program rules for comprehensive human and environmental impacts.

# Advancing the Industry

**Thoughtful design is the first step to creating meaningful solutions that improve people’s quality of life while reducing the burden on the planet.**

In 2022, we welcomed our new president with his fresh take on sustainability and innovation— Neil Washburn, PhD, shares his insights: “Innovation and sustainability are symbiotic processes. Both are essential for moving the future of health, beauty, and wellness in a direction that is safer for people, and more harmonious with our environment and communities. Our focus at Inolex is to advance product performance in a socially responsible way. We do this by bringing sustainably designed ingredients to market, with green chemistry principles at our core. Sometimes we do it before the rest of the industry thinks it’s needed, or even possible. Often, we partner with customers to help them adopt technologies that advance their own sustainability goals. We are on this journey together. These two core elements at Inolex—innovation and sustainability—define who we are and how we continue to develop materials to serve people and society for a better world.”



### Inolex and Rowan University Partnership

Inolex has entered a multi-year partnership with the Henry M. Rowan College of Engineering to collaborate on the development of renewable, biobased, and recyclable polymers. Inolex Research & Development has established lab space within the Joint Health Science Center (JHSC). This research and innovation hub joining Rowan University, Rutgers University-Camden, and Camden County College exemplifies the spirit of innovation and collaboration that we at Inolex champion.

### New Product Developments 2022



#### Sativa

INCI: Cannabisamidopropyl Dimethylamine

Introducing cannabis to our portfolio, this multi-functional non-quat cationic serves biodegradability and is non-toxic to aquatic life



#### GHL Natural

INCI: Caprylhydroxamic Acid (and) Glycerol Heptanoate (and) Propanediol

Leveraging Lexgard® GH70 Natural into a complete preservation system offers skin mildness and a cold processable format in a 100% biobased product



#### GH70 Natural

INCI: Glycerol Heptanoate

Delivering multi-functional preservation with skin safety and sustainably sourced plant feedstocks



To be commercialized in 2023, intellectual property behind LexSolv™ Essential is covered by pending US and foreign patent applications filed in 2022.

# Operating Purposefully



# Occupational Health & Safety

Keeping people safe is foundational. Our OH&S systems are designed to encourage participation from all team members and to broadly ensure the safety of everyone on an Inolex site. We also have an established Safety Committee, led by our Environmental Health and Safety (EHS) team. This cross-functional committee supports the OH&S programs and conducts quarterly campaigns to improve employee engagement on safety topics, increase education and awareness, and promote a positive safety culture.

### 2022 Progress and beyond

Filling the position of EHS Manager was hugely consequential for the furthering of all safety initiatives. The EHS Manager helped guide the EHS Team in developing a roadmap for continuous improvment and reinvigorated Inolex’s Safety Committee. The Safety Committee meets approximately 10 times per year to review metrics, develop monthly safety topics, conduct housekeeping inspections, submit safety observations, and conduct incident review and resolution. In 2022, the quarterly campaigns were focused on slip, trip, and fall hazards and hazardous condition identification. We also onboarded a new Occupational Medical (OccMed) provider to treat work-related injuries. Further, we updated our safety training platform for awareness-level training as well as site-specific and role-specific training modules.

Continuous improvement is crucial to an excellent safety program. In 2023, we are planning to implement a digitized system to streamline OH&S management. Our quarterly safety campaigns will continue in 2023 to build up our positive safety culture. We have extended our initial projection for completing ISO 45001 certification in 2023. Expanding our timeframe allows for proactive improvements to our OH&S management system that further align to the ISO standard and allow for broad adoption by our team.

### Measuring OH&S Performance

We evaluate and monitor safety performance in a way that encourages reporting and contributes to a positive and proactive culture around safety. We focus on leading indicators to evaluate our safety program including training completion, safety observations, near miss reports, safety engagement, and corrective actions items completed. Although we are careful not to disincentivize the reporting of safety incidents, we also evaluate lagging indicators of performance. These include recordables, lost time accidents, first aid injuries, and total recordable incident rate. Both leading and lagging metrics are shared monthly with on-site employees.

Measuring OH&S			
	2020	2021	2022
OSHA recordables	2	4	2
Lost time accidents	2	1	0
First aid injuries	6	3	5
Total recordable incident rate (TRIR)	4.8	6.4	3.2
Safety engagement	Not tracked	Not tracked	85%
Corrective action items completed	Not tracked	Not tracked	86%



# Responsible Supply Chain

Inolex sits at a unique center point in our value chain. We make sustainable change possible upstream by holding our supply partners to our high standards, and downstream by passing the value of sustainable products and services to our clients. Our Supplier Code of Conduct outlines the requirements of partners to uphold the following principles.

### Environmental Protection

Supply partners are expected to comply with environmental laws and must have initiatives to reduce greenhouse gas emissions, generate less waste, prevent pollution and deforestation, and minimize harm to waterways.

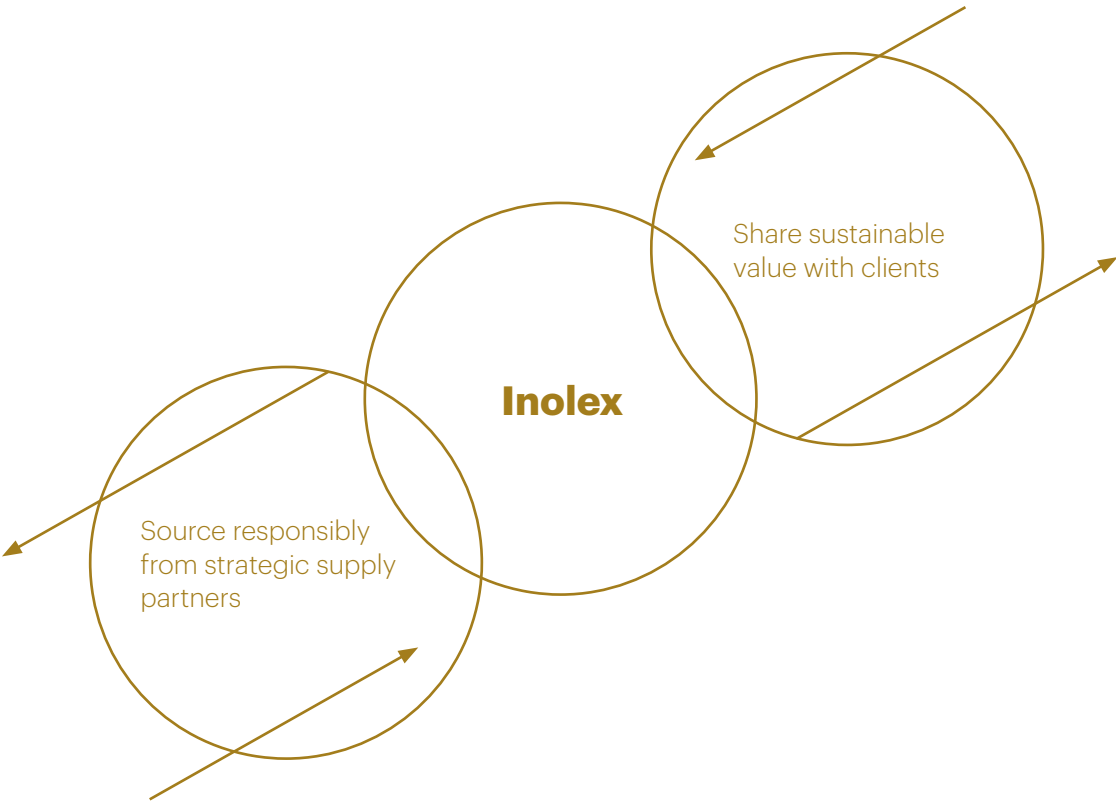
### Human Rights & Fair Labor Practices

We prohibit the use of child labor, forced labor, and human trafficking. We require support of the UN Declaration of Human Rights.

### Business Ethics & Integrity

Inolex will only work with supply partners who prohibit corruption and support fair competition in addition to complying with all legal requirements.

In 2022, we expanded our Supplier Code of Conduct to include No Deforestation, No Peat, No Exploitation (NDPE) expectations for palm oil sourcing. We also aligned our human rights and labor expectations with those outlined by the International Labour Organization (ILO).



# Leveraging Regional Supply

As Inolex expands globally, we continue to employ regional manufacturing and local supply networks. This allows us to reduce the environmental impacts of our transportation networks and increase supply security and diversification.

**34%** of our raw materials spend in 2022 was local to the Inolex manufacturing or warehousing location

Spending is considered local if the last known process in the value chain is on the same continent as the Inolex destination. Warehousing, distributing, filtering, and packaging were not considered to be a “process.”

Down from 36% in 2021, our investments in regional expansion are set up to pursue localized supply chains going forward.

## Progress in 2022 included

- Streamlining East Asian regional supply chains utilizing local manufacturers to continue to minimize transportation between North America/Europe and Asia as well as to increase regional end-market use of palm-based materials originating in Malaysia.
- Establishing blending capabilities in France to supply our Belgian logistics center with more-localized materials.
- Initiating amidoamidation capability in India to grow and support Indian and Pan-Asian markets.

# Traceability

**Traceability is a prerequisite** for improving environmental and social impact within the supply chain. In 2022, we underwent a series of responsible supply chain initiatives to expand our knowledge about our supply partners' sustainability efforts and the profiles of the raw materials we source from them. We also improved our approval process for new raw materials to formally include sustainability issues in addition to quality and supplier performance topics.

## Risk assessment and management

In 2022, we onboarded Sedex, a supply chain risk assessment platform. The platform allows us to monitor supplier performance on various sustainability measures and develop a protocol to better identify and manage suppliers that do not meet our sustainability criteria.

## Information management

In 2022, we invested significantly in our database infrastructure to manage the expansive data we collect on each of our raw materials and account for new traceability requirements as needed.

We updated and expanded our information collection, which now includes topics such as halal status, feedstock percentage and location of origin, animal testing status, impurities, pesticide residues, allergen information, and more. We began conducting an internal audit of this information starting in 2022 and continuing into 2023.

**49%** of our supply by weight has completed the renewed traceability audit

Notes on audit progress: 11% of the remaining un-verified volume is representative of supply partners who we are holding to the standard of requiring their suppliers complete the traceability audit (i.e. Tier 2 supplier audit). Another approximately 15% of the volume has the majority of the information collected but does not meet our standard for completeness. The remaining volume was in the auditing process at the end of 2022.

# Feedstock Management

On a volume and strategic basis, the agricultural crops most material to our supply chain are palm, coconut, brassica, sugarcane, and castor. We continue to monitor the sustainability risks and opportunities that these plants inherently present and seek out sustainable supply options through various means including certification models, trade group involvement, direct farmer engagement, and more.

**Palm**

100% of Inolex palm oil and palm kernel oil derivatives are RSPO Mass Balance certified.

**Coconut**

We are starting to engage stakeholders and industry groups on the development of assurance models and risk mitigation.

**Brassica**

We continue to value this crop for its unique properties and use as a cover crop, indicating its potential for sequestering carbon and protecting soil.

**Sugarcane**

78% of sugarcane-derivatives by weight purchased are Bonsucro certified.

**Castor**

We joined several peers and suppliers in becoming inaugural members of the Sustainable Castor Association.



**Spotlight on castor**

Castor is a little-known plant with big benefits. This year we took a closer look at the castor plant throughout its supply chain and are thoroughly invested in protecting and improving its sustainability as a chemical feedstock for Inolex. Castor is a non-food crop that is primarily grown in India. High in ricinolenic acid, the castor bean offers a unique and versatile fatty acid combination made into numerous chemical feedstocks for Inolex.

**Environmental benefits**

- No deforestation
- Non-water intensive
- Thrives in marginal soil, making it a good use of land that is otherwise less occupied and good for biodiversity

**Social & Community benefits:**

- Smallholder-owned and operated farms
- Can be stored for long periods of time, serving smallholders as a “cash crop”

While the castor crop has minimal sustainability risks as detailed above, there is always opportunity for improvements to be made. Key challenges with the feedstock include ensuring fair labor practices and keeping workers safe from the inherent toxic components of the plant. We look forward to the sustainable management of the castor supply chain and all castor stakeholders, including smallholders, crushers, and their communities, through our engagement with the Sustainable Castor Association.

# Energy Management

Managing energy use is key to reducing our environmental impact. We are focused on improving our energy efficiency while we increase the capacity and productivity of our flagship manufacturing plant. Over the past three years we have maintained a near zero increase of energy while increasing productivity, demonstrating improved efficiency in our energy management.

We continue to seek efficiency improvements and strive towards a goal of improving overall equipment efficiency (OEE). These goals are measured through the energy per pound product produced metric and OEE performance.

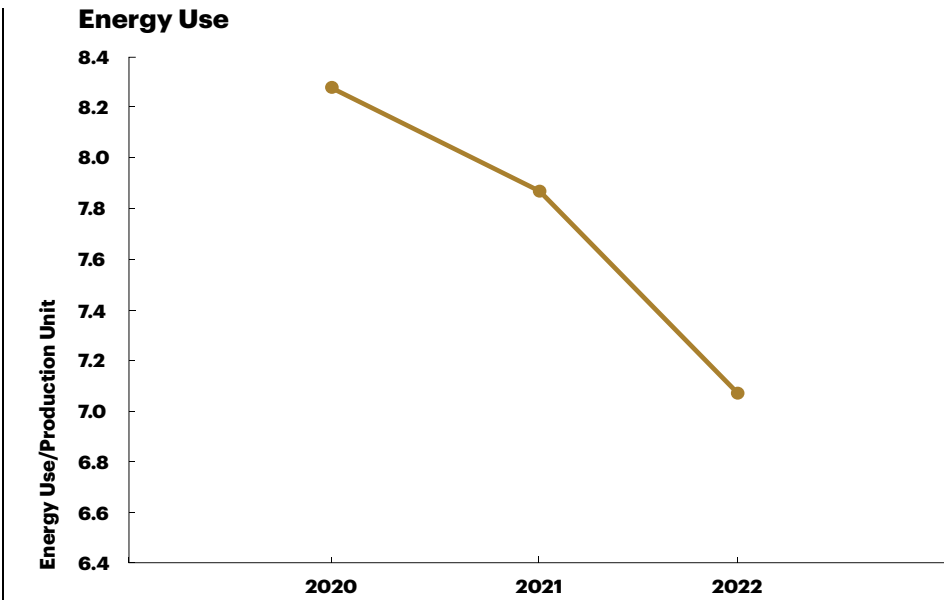


10%

From 2021 to 2022 we used 10% less energy per unit of production in our flagship manufacturing facility in Charlotte, NC, USA

Global Energy Use (GJ)			
	2020	2021	2022
Total fuel consumption (natural gas, propane)	37,816	37,324	37,187
Electricity consumption	19,926	21,420	21,283
Heating consumption	37,311	36,776	36,642
Total energy consumption within the organization	57,742	58,744	58,417

All cooling and steam are generated with the above energy sources. No steam, cooling, heating, or electricity are sold. Currently no renewable energy is being sourced outside of the grid mix. Energy data is collected via utility provider invoices. Conversions used include 1 GJ = 277.779 kWh = 0.10548 therms



We’ve, for two consecutive years, reduced the amount of energy used per unit of product produced.



# Emissions Management

Effective greenhouse gas emissions management is key to reducing our impact on the global environment by way of climate change. In 2021 we conducted our first third-party verified Scope 1 and 2 corporate carbon footprint for our Philadelphia site and flagship manufacturing plant in Charlotte, NC, USA. In 2022, we expanded this assessment to represent our global enterprise as well as Scope 3 emissions. We are on track to submit a target to be verified by the Science Based Targets initiative (SBTi).

### Efficiencies beyond steady state

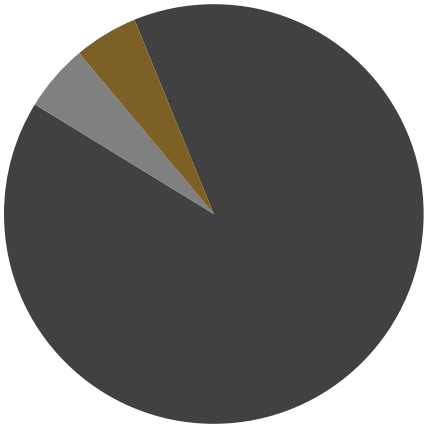
Emissions reduction is an inherent part of our sustainability approach, and therefore understanding and managing the data behind our carbon impact is key to further transparency and evaluate the effectiveness of our abatement initiatives.

### In 2023, we will focus on 3 key actions

- 1. Annual data collection and data-precision improvement
- 2. Target setting to SBTi
- 3. Evaluating various abatement initiatives

Global Carbon Footprint (tCO2e)			
	2020	2021	2022
Scope 1	1,929	1,888	1,909
Scope 2: market-based	1,810	1,808	1,663
Scope 2: location-based	1,963	2,051	1,730
Scope 3	Not calculated	26,434	41,029

### Total Emissions

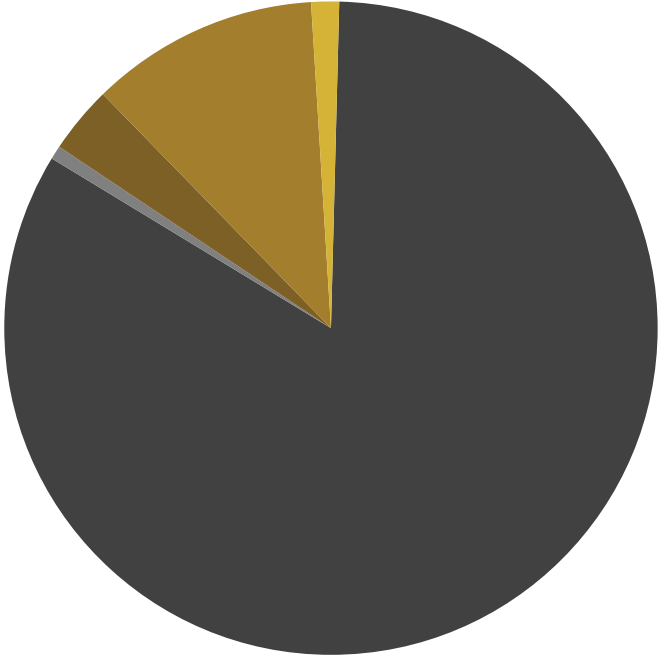


**Scope 1** refers to our direct emissions from on-site emissions

**Scope 2** refers to purchased electricity

**Scope 3** refers to our all other emissions from indirect sources and our value chain upstream and downstream

### Scope 3

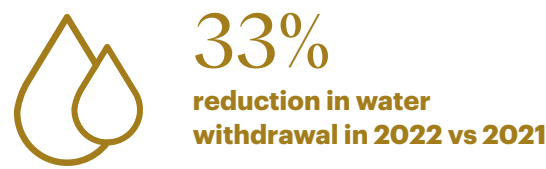


- Purchased goods & services
- Capital goods
- Fuel & energy not related to Scope 1 and 2
- Upstream transportation & distribution
- Waste
- Not shown (<1%): Business Travel, Employee Commuting, and Investments

# Water Management

Effective water management for Inolex consists of two key principles: maintaining compliance with city discharge limits, which contributes to a healthy water ecosystem in our local communities, and continuing to improve our water use efficiency.

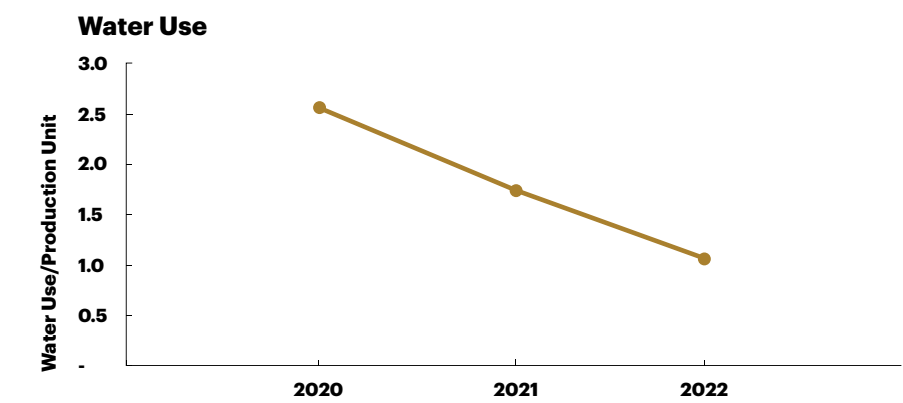
Our Environmental Health and Safety (EHS) Team oversees all issues pertaining to water and wastewater management local to our flagship manufacturing site. Inolex discharges water directly to the Charlotte Water sewer system. This wastewater is then treated by the municipality prior to being discharged as surface water. Effluent discharge standards are determined by Charlotte Water, the largest public water and wastewater utility in the Carolinas, which applies headworks analysis and any applicable categorical standards.



### Water use efficiency updates

Our overall efficiency improvements in production over the year 2022 have resulted in less water withdrawal and more efficient water use. For future improvements, we continue to scope out the installation of new cleanout technology with higher efficiency as a promising solution to significantly reduce our water withdrawal.

Water Metrics			
	2020	2021	2022
Water withdrawal (CCF)	15,499	11,138	8,394
Water discharge (CCF)	N/A	8,628	8,642



We’ve, for two consecutive years, reduced the amount of water we use per pound of product produced.

### Water discharge compliance updates

We have invested substantially in new pre-treatment technology alongside our local municipality to improve the quality of our process wastewater and meet a more stringent requirement for oil and grease concentration. The installation of our new Dissolved Air Flotation unit was completed in 2022. Before it was fully operational, we received 16 instances of non-compliances of our wastewater permit in 2022. We are working at understanding the causes of the non-compliances so we can effectively implement solutions.

# Material Circularity & Waste

We strive to use materials efficiently and embrace circular practices to decrease the footprint of our ingredients and reduce waste. Despite our efforts, in 2022 we experienced a notable increase in waste for disposal. At the same time, we had several achievements in diverting waste from landfill. The fate of our waste (incineration, recycling, or landfill) as well as the total waste we generate are both important for evaluating the environmental impact of how we manage materials.

### Understanding waste increase drivers and improving data collection

We estimate that the increase in pounds of waste disposed of is due to three main drivers:

- a backlog of non-sellable inventory that was disposed of in calendar year 2022
- a 12% increase in production
- our cautious interpretation of waste manifests in 2022

To properly identify all drivers and address the largest impact areas, we recognize the need to implement more precise data collection. In 2023, we will conduct more detailed waste manifest tracking and monitor rework and inventory disposal fates more closely.

### Reducing waste to landfill

Although the total waste is expected to remain steady in 2023, we have made significant improvements already in diverting various waste streams from landfill:

1. The sludge of oil and grease previously sent to landfill is now being handled by CERT for feeding microbes.
2. We identified one waste stream that can be sent for fuels blending due to its high BTU value.
3. We implemented a wash and reuse program for chemical spill pads and clean-up rags with a third-party partner.
4. We are increasing awareness of proper recycling to improve recycling rates of cardboard and metals.
5. We are increasing efforts to reuse and rework non-sellable material.

We are committed to bettering this area of our operations by reducing waste generation and diverting waste from landfill. An example, will be implementing a waste-related key performance indicator in 2023 in order to further momentum and support all related initiatives.

Waste			
	2020	2021	2022
Hazardous chemical waste (MT)	7.7	3.4	16.3
Non-hazardous chemical waste (MT)	475.6	467.4	908.5
Cardboard recycled (MT)	11.2	10.0	12.3
General waste* (MT)	138.6	134.3	146.8
Chem waste per product processed	0.08	0.07	0.13
Total (MT)	600.2	573.9	1074.4

\*Accounts for Philadelphia, PA, USA and Charlotte, NC, USA waste volumes. Remaining values include Charlotte, NC, USA only, due to negligible volume in Philadelphia.

# Engaging Respectfully





# Team Member Wellbeing

## Our values

Inoex is committed to a work environment in which all individuals are treated with respect and dignity. Everyone has the right to work in a professional atmosphere that promotes equality and inclusion. Employee conduct expectations are outlined in our employee handbook, which each team member agrees to and signs during onboarding and upon updates.

**Our core values underpin all that we do and how we engage with others:**

**We are Respectfully Engaged, Person to Person**

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**We Bring Our Greatest Strengths Every Day**

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**We are Entrepreneurial**

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**We are True to our Word**

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**We are Results Oriented**

## Health and work-life blend

We are dedicated to the physical and mental health and safety of our employees both within and outside the workplace. Moreover, our comprehensive benefits platform reflects our commitment to fostering the health and well-being of our team members and their families.

### Educational Assistance

Tuition Reimbursement | Continuing Education

### Wellbeing Resources

Maternity and Paternity Leave | EAP

### Health Insurance

Medical | Dental | Vision | HRA | FSA

### Additional Insurance

Life | AD&D | Disability

### Work-Life Blend

Vacation | Sick | FlexWork

### Financial Resources

401K | Company Match



# Talent Stewardship

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Inolex continues to improve upon our Talent Stewardship program, which serves to retain employees, nurture talent, and foster growth and excellence within our teams.

In 2022 and into 2023 we are building on the improvements made over the past several years, directing our focus now toward evaluating and improving compensation, retention, and upskilling:

## Compensation

In 2022, our Human Resources Team worked with a compensation analyst to review our pay structure and offer recommendations for every role, ensuring that we are hiring at competitive rates and paying employees appropriately. This analysis resulted in two market adjustments across the organization for the calendar year 2022. Going forward, HR will be evaluating this information annually and adjusting as needed.

## Retention

To identify areas for improvement, we are tracking turnover rates and reviewing the reasons why employees leave roles.

## Upskilling

We have strengthened our focus on upskilling and continuous education. As an example, in 2022 we sent Operations Leads and Supervisors to local leadership training classes. We continue to offer broad opportunities for education at all employee levels.

100%  
of employees received a regular performance and career development review



# Diversity, Equity & Inclusion

We aim to create an inclusive workplace where all team members are encouraged to bring diverse ideas and perspectives forward. Our model supports professional and personal growth and empowers individuals to identify organizational improvements at all levels. Fostering a diverse and inclusive work environment allows our team to live our Core Values each day in the jobs that we do and in the important relationships we build throughout the industry.

Beginning in 2023, we plan to collaborate with an external expert in this area to consult and help us establish our vision for a formalized DE&I program.

42%  
Women at Inolex

13%  
Women in Senior  
Leadership

13%  
Racial/Ethnic Minority in  
Senior Leadership

46%  
Women in Global  
Management

Inolex is proud to be a manufacturer and the statistics here reflect our global team inclusive of manufacturing and operations positions.



# Community Engagement

We find community everywhere we are in the world and seek to engage with our communities in ways that contribute to the UN Sustainable Development Goals. We seek opportunities to recruit employees locally and support job growth in the local communities in which we operate. We consider where our strengths meet the world’s needs, within our daily business operations and beyond, and how our assets and our time can best be mobilized.

Beyond our day-to-day business, we align our community engagement programs with the SDGs.



### Supporting our Ukrainian community

Philadelphia is home to the second largest Ukrainian American population in the US. At the onset of the Ukrainian invasion, Inolex acted by supporting aid efforts through various channels. Inolex came alongside the newly formed American Ukrainian Relief Association (AURA), a non-profit founded in Warminster, PA, in response to the crisis in Ukraine. Members of the Inolex team and AURA organization coordinated supplies for direct relief efforts to Ukraine. We provided our warehouse as a packing and shipping hub for humanitarian aid, supported an Inolex family member serving in defense of Ukraine on the front lines, sponsored travel for US volunteers working with refugees evacuating the war zone and raised awareness and monetary donations for AURA.



### Access to clothes and supplies

Our Philadelphia team engaged in a company volunteering event during the holidays to support Cradles to Crayons, an organization whose mission is to provide children up to age 12 living in homeless or low-income situations with the essential items they need to succeed and grow.



### Supporting local food drives

Our Charlotte team partnered with the local Loaves & Fishes during the holiday season, donating 453 pounds of food to help those in need within the community. Loaves & Fishes’ mission is to provide groceries, meals, and hope through a network of food pantries and as the primary Meals on Wheels program for Mecklenburg County.

# Industry Engagement

Progressing a sustainability vision is not an endeavor to handle alone. Collective action and ongoing stakeholder engagement are crucial for a robust, honest, and impactful sustainability program. We partner with various groups in and out of the health, beauty, and wellness community.

## Strengthening community

We engage current and aspiring scientists and professionals on topics regarding our communal sustainable future, sharing knowledge of Inolex advancements in green chemistry, and educating them on the impact sustainable ingredients can have.

We aim to actively engage in the evolving sustainability landscape through our membership and/or involvement with these organizations, among others. This third-party engagement and in some cases, verification, provides objectivity, collaboration, and standardization to our sustainable development.

13

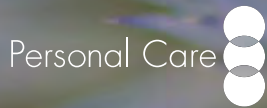
In 2022, we spoke at thirteen industry events around the globe focused on the topics of the importance of biodegradability of ingredients, overall corporate sustainability development, and the safety of Inolex preservation ingredients.



United Nations  
Global Compact



american cleaning institute



Products Council



Sustainable Castor  
Association



CDP

DRIVING SUSTAINABLE ECONOMIES



# Thank You

# Inolex

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# Restatements of Information in 2021 Report

We identified an error in our energy efficiency calculations as it relates to the intensity metric of energy use per unit of production. The amount of 20% YoY improvement CY20 vs CY21 was overstated. The correct value is 4% YoY improvement of energy efficiency, which is reflected in this report. This error was due to a change in the production unit denominator used for calculations. The production unit has been changed to represent a consistent metric used for other business-related and efficiency-related evaluations.

We identified an error in our water efficiency improvement calculations for CY20 vs CY21, which impacted the disclosure of our water efficiency. This been corrected in this year's report. The amount of 43% improvement was overstated and the correct value is 32% YoY improvement of water efficiency. This error was due to a change in the production unit denominator used for calculations. The production unit has been changed to represent a consistent metric used for other business-related and efficiency-related evaluations.



# GRI Content Index



# GRI Content Index

## Statement of Use

Inolex, Inc. has reported the information cited in this GRI content index for the period January 1, 2022, to December 31, 2022, with reference to the GRI Standards.

## GRI Standards Used

GRI 1: Foundation 2021

## Material Topics

The material topics discussed in this report are the result of a materiality assessment that was conducted in 2021. The exercise was administered by a third party for objectivity and involved engaging employees, customers, and suppliers on material issues. The material topics presented here align with our sustainability pillars and are discussed in relevant sections throughout this report.

Sustainability Pillars	Material Issues	Boundary
Stakeholder Accountability	Anti-Corruption	Global Enterprise, Value chain
Innovating Sustainably	Materials	Global Enterprise, Value chain
	Marketing and Labeling	Global Enterprise
	Consumer Health & Safety	Global Enterprise
Operating Purposefully	Energy	Global Enterprise
	Emissions	Global Enterprise
	Water & Effluents	Flagship Manufacturing Facility
	Waste	Flagship Manufacturing Facility
	Environmental Compliance	Global Enterprise, Value chain
	Child Labor	Global Enterprise, Value chain
	Forced or Compulsory Labor	Global Enterprise, Value chain
	Human Rights	Global Enterprise, Value chain
	Supplier Social Assessment	Global Enterprise, Value chain
Engaging Respectfully	Employment	Global Enterprise
	Occupational Health & Safety	Global Enterprise
	Training & Education	Global Enterprise
	Diversity & Equal Opportunity	Global Enterprise
	Local Communities	Global Enterprise
	Non-discrimination	Global Enterprise

Global Enterprise: Labs, offices (including headquarters) and flagship manufacturing facility  
Flagship Manufacturing Facility: Charlotte, NC, USA

GRI Content Index

GRI Standard	No.	Name	Information	Page
GRI 2: General Disclosures 2021	2-1	Organizational details	Employees: Total: 139   US: 110   International: 29; Permanent: 78 Male; 59 Female   Temporary: 2 Male; Employee and employee contract information has been gathered through our HRIS system and self identification of employees.	Introduction, pg. 2
	2-2	Entities included in the organization’s sustainability reporting		<a href="#">Global Footprint</a> GRI Content Index, pg. 30
	2-3	Reporting period, frequency and contact point		Our 2022 Progress, pg. 3
	2-4	Restatements of information		Appendix, pg. 38
	2-5	External assurance	Internal controls were employed to assure accuracy of the reported information.	Emissions Management, pg. 19
	2-6	Activities, value chain and other business relationships		Introduction, pg. 2
	2-7	Employees		Engaging Respectfully, pg. 22 onwards
	2-8	Workers who are not employees		Engaging Respectfully, pg. 22 onwards
	2-9	Governance structure and composition		<a href="#">ESG / Sustainability Oversight</a>
	2-10	Nomination and selection of the highest governance body	Our board is an advisory board and not a voting board. The CEO nominates board members according to his discretion taking into account the views of different stakeholders as well as the diversity, independence, and competencies of board members that are relevant to the organization.	<a href="#">ESG / Sustainability Oversight</a>
	2-11	Chair of the highest governance body	The CEO is the chair of the highest governance body, as the President is not an acting officer. Conflicts of interest are covered by policies in our employee handbook.	<a href="#">ESG / Sustainability Oversight</a>
	2-12	Role of the highest governance body in overseeing the management of impacts	The strategic planning process is led by a member of the board and followed by the President to ensure regular progress. Leadership is engaged and open to evaluating data-driven lagging and leading indicators of performance to inform whether we are living our values on sustainability. Meetings with internal decision-makers and the Senior Leadership Team (SLT) occur regularly and business system impacts such as human capital management, operations, financial results, and safety are reviewed.	<a href="#">ESG / Sustainability Oversight</a>
	2-13	Delegation of responsibility for managing impacts	The SLT meets at least three times per month in the context of different meetings such as FCOM (financial committee), EXCO (executive committee), and Board meetings.	<a href="#">ESG / Sustainability Oversight</a>
	2-14	Role of the highest governance body in sustainability reporting	Our memberships in industry and business associations further our knowledge, understanding, and ability to advance the industry. To better understand our local impacts we belong to regional and local industry and business organizations as well as local chambers of commerce.	From Our CEO, pg. 4



GRI Standard	No.	Name	Information	Page
	2-15	Conflicts of interest		<a href="#">ESG / Sustainability Oversight</a>
	2-16	Communication of critical concerns		<a href="#">ESG / Sustainability Oversight</a>
	2-17	Collective knowledge of the highest governance body	Board members are included in communication and participate in educational events relevant to ESG topics on a case-by-case basis.	<a href="#">ESG / Sustainability Oversight</a>
	2-18	Evaluation of the performance of the highest governance body		<a href="#">ESG / Sustainability Oversight</a>
	2-19	Remuneration policies		Talent Stewardship, pg. 24
	2-20	Process to determine remuneration		Talent Stewardship, pg. 24
	2-22	Statement on sustainable development strategy		From Our CEO, pg. 4 <a href="#">Policy Center</a>
	2-23	Policy commitments		<a href="#">Policy Center</a>
	2-24	Embedding policy commitments		<a href="#">Policy Center</a>
	2-25	Processes to remediate negative impacts		<a href="#">ESG / Sustainability Oversight</a>
	2-26	Mechanisms for seeking advice and raising concerns		<a href="#">ESG / Sustainability Oversight</a>
	2-27	Compliance with laws and regulations	We discovered an oversight in a previous version of the 2022 Sustainability Report pertaining to General Disclosure 2-27. This information was updated 5, January 2023.  There were 16 cases of non-compliance related to wastewater management, which resulted in fines totaling \$16,200. There was 1 instance of non-compliance related to hazardous waste management which resulted in no fines.	Sustainable Ingredient Design, pg. 8 Transparency, Verification & Market Acceptability, pg. 10 Water Management, pg. 20 <a href="#">Policy Center</a>
	2-28	Membership associations		Industry Engagement, pg. 27
	2-29	Approach to stakeholder engagement		Our 2022 Progress pg. 3 Industry Engagement pg. 27
	2-30	Collective bargaining agreements	During calendar year 2022, 0% of employees were represented by collective bargaining agreements.	
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics		GRI Index, pg. 30
	3-2	List of material topics		GRI Index, pg. 30
	3-3	Management of material topics		GRI Index, pg. 30

GRI Standard	No.	Name	Information	Page
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	Confidentiality constraints: Inolex treats this information as confidential company information.	
	201-2	Financial implications and other risks and opportunities due to climate change		<a href="#">Climate Change</a>
	201-3	Defined benefit plan obligations and other retirement plans		Team Member Wellbeing, pg. 23 Talent Stewardship, pg. 24
	201-4	Financial assistance received from government	Confidentiality constraints: Inolex treats this information as confidential company information.	
<b>GRI 202: Market Presence 2016</b>	202-2	Proportion of senior management hired from the local community		Community Engagement, pg. 26
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1	Infrastructure investments and services supported	There were no infrastructure investments for the reporting period January 1, 2022, to December 31, 2022.	
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers		Leveraging Regional Supply, pg. 15
<b>GRI 205: Anti-corruption 2016</b>	205-1	Operations assessed for risks related to corruption		<a href="#">Code of Conduct</a>
	205-2	Communication and training about anti-corruption policies and procedures		<a href="#">Code of Conduct</a>
<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume		Material Circularity & Waste, pg. 21
	301-2	Recycled input materials used		Material Circularity & Waste, pg. 21
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization		Energy Management, pg. 18
	302-3	Energy intensity		Energy Management, pg. 18
	302-4	Reduction of energy consumption	In 2022, a third party conducted our first Scope 3 GHG assessment.	Energy Management, pg. 18
	302-5	Reductions in energy requirements of products and services		Energy Management, pg. 18
<b>GRI 303: Water and Effluents 2018</b>	303-1	Interactions with water as a shared resource		Water Management, pg. 20
	303-2	Management of water discharge-related impacts		Water Management, pg. 20
	303-3	Water withdrawal		Water Management, pg. 20
	303-4	Water discharge		Water Management, pg. 20
	303-5	Water consumption		Water Management, pg. 20

GRI Standard	No.	Name	Information				Page
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions					Emissions Management, pg. 19
	305-2	Energy indirect (Scope 2) GHG emissions					Emissions Management, pg. 19
	305-3	Other indirect (Scope 3) GHG emissions					Emissions Management, pg. 19
	305-5	Reduction of GHG emissions					Emissions Management, pg. 19
<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts					Material Circularity & Waste, pg. 21
	306-2	Management of significant waste-related impacts					Material Circularity & Waste, pg. 21
	306-3	Waste generated					Material Circularity & Waste, pg. 21
	306-4	Waste diverted from disposal					Material Circularity & Waste, pg. 21
	306-5	Waste directed to disposal					Material Circularity & Waste, pg. 21
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover		2021	2022	Percent Change	Engaging Respectfully, pg. 22
			Male	67	78	+16%	
			Female	34	59	+74%	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees					Team Member Wellbeing, pg. 23
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system					Occupational Health & Safety, pg. 13
	403-2	Hazard identification, risk assessment, and incident investigation					Occupational Health & Safety, pg. 13
	403-4	Worker participation, consultation, and communication on occupational health and safety					Occupational Health & Safety, pg. 13
	403-5	Worker training on occupational health and safety					Occupational Health & Safety, pg. 13 Talent Stewardship, pg. 24
	403-6	Promotion of worker health					Occupational Health & Safety, pg. 13 Talent Stewardship, pg. 24

GRI Standard	No.	Name	Information	Page
	403-8	Workers covered by an occupational health and safety management system		Occupational Health & Safety, pg. 13
	403-9	Work-related injuries		Occupational Health & Safety, pg. 13
	403-10	Work-related ill health		Occupational Health & Safety, pg. 13
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee		Talent Stewardship, pg. 24
	404-2	Programs for upgrading employee skills and transition assistance programs		Talent Stewardship, pg. 24
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees		Diversity, Equity & Inclusion, pg. 25
	405-2	Ratio of basic salary and remuneration of women to men	Confidentiality constraints: Inolex treats this information as confidential company information.	
<b>GRI 408: Child Labor 2016</b>	406-1	Incidents of discrimination and corrective actions taken	Sedex onboarded for monitoring supplier risks	Traceability, pg. 16
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sedex onboarded for monitoring supplier risks	Traceability, pg. 16
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs		Community Engagement, pg. 26
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria		Traceability, pg. 16 <a href="#">Code of Conduct</a>
<b>GRI 416: Customer Health and Safety 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories		Sustainable Ingredient Design, pg. 8 Transparency, Verification & Market Acceptability, pg. 10
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Sustainable Ingredient Design, pg. 8 Transparency, Verification & Market Acceptability, pg. 10
<b>GRI 417: Marketing and Labeling 2016</b>	417-2	Incidents of non-compliance concerning product and service information and labeling		Transparency, Verification & Market Acceptability, pg. 10
	417-3	Incidents of non-compliance concerning marketing communications		Transparency, Verification & Market Acceptability, pg. 10



# SDG Index



# SDG Index


## Sustainability Pillars

- Stakeholder Accountability
- Innovating Sustainably
- Operating Purposefully
- Engaging Respectfully

## Inolex SDG Alignment



Stakeholder Accountability	
Material Issues	Information
Anti-corruption	

Innovating Sustainability	
Material Issues	Information
Materials	 
Marketing and Labeling	
Consumer Health & Safety	

Operating Purposefully	
Material Issues	Information
Energy	
Emissions	 
Water & Effluents	 
Waste	
Environmental Compliance	
Child Labor	 
Forced or Compulsory Labor	 
Human Rights	
Supplier Social Assessment	

Engaging Respectfully	
Material Issues	Information
Employment	
Occupational Health & Safety	
Training & Education	 
Diversity & Equal Opportunity	 
Local Communities	
Non-discrimination	