



ACME-HARDESTY

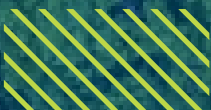


SUSTAINABILITY ANNUAL REPORT 2024

450 Sentry Parkway

Blue Bell, PA 1942

800.223.7054



www.acme-hardesty.com

A MESSAGE FROM OUR PRESIDENT:



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“At Acme-Hardesty, we are committed to sustainability and take pride in our strong culture of respect and integrity. We believe that accountability is key to our relationship with the environment and the world in which we conduct business. Our sustainability commitment enables us to attract and retain the best employees, furthering our mission of taking care of families while protecting and sustaining the environment.”

Jeff Kenton

President,
Acme-Hardesty

WHAT WE DO

- Leading provider of specialty ingredients, featuring an expanding portfolio of sustainable, responsibly sourced, bio-based products.
- Provide sustainable, high-performing ingredients paired with unparalleled technical expertise to help our customers develop solutions to meet today's market demands.
- Embrace a strong commitment to protecting the environment and are focused on advancing the sustainability of the products we provide.
- We deliver sustained profitable growth through a strong commitment to upholding our cultural beliefs.



CULTURAL BELIEFS



A strong cultural foundation is essential to how we achieve results. At Acme-Hardesty our name is synonymous with the phrase “our word is our bond”. Building upon a heritage of more than 80 years, we deliver sustainable profitable growth so we can live out our mission. “Take Care of Families”. The families that are part of the Acme-Hardesty family, include those of our employees, customers, suppliers and partners and we fulfill our promise of care by living our Cultural Beliefs.

RESPECTFUL RELATIONSHIPS

I am considerate, empathetic, and professional in all interactions; Process Perfect - I optimize all Acme-Hardesty processes and align with the enhanced processes to improve our efficiency

CONTINUOUS LEARNING

I invest in myself and others through education, technology, and collaboration to embrace and drive the changes we will encounter on our growth journey

SUPERIOR SERVICE

I proactively exceed the expectations of all my stakeholders

TEAM WON

I build trust and alignment while collaborating with everyone to achieve Acme-Hardesty goals

PEAK PERFORMANCE

I am accountable to execute my individual responsibilities to ensure the collective success of the entire organization and how they impact the way our business is run

PROCESS PERFECT

I optimize all Acme-Hardesty processes and align with the enhanced processes to improve our efficiency



A MESSAGE FROM OUR LEAD SUSTAINABILITY MANAGER

“

“The world’s population is estimated to exceed 9 billion people by 2050 according to FAO (2009). Thus, increasing in food and energy demand worldwide cannot be avoided. Many unpredicted challenges like Covid and war may even further test our ability to act responsibly and set us back.

Nevertheless, we at Acme have increased further our commitment to sustainability, e.g. achieving Ecovadis Silver Medal, enabling us and our customers to act responsibly. Rather than being controlled by price and short-term gains, our aim is to develop a strategy that will be the driving force for our business to take care of families now and in the future.”

Dr. Emi Katoh

Sustainability Manager,
Acme-Hardesty





OPERATING AS A TEAM; RESPECTFUL & RESPONSIBLE

Each individual at Acme-Hardesty is important, both as an employee and as a person. We strive to live our culture every day and work together to achieve our goals of continuously growing our business in a sustainable manner.

We understand that growth comes with challenges, but we are committed to developing and treating our employees in a way that enables them to perform at their best and provide support where and when needed. In the last couple of years, our hiring rate increased by about 50%.

RESPECT AND VALUE



Our colleagues at Acme-Hardesty hail from 10 different countries and speak a combination of 12 different languages, with that we cover the majority of the most spoken languages. Diverse- perspective, - experiences, - solutions, - innovation are important for any company that wants to succeed in the current and future market.

It also refers to the values and practices that ensure that all people are represented, respected, and valued in the workplace, regardless of their identity or background. A diverse workforce can benefit a company in many ways, such as:

- **Improving productivity and innovation**
- **Reducing turnover and enhancing retention**
- **Increasing customer satisfaction and loyalty**
- **Driving social change and impact**

Diversity, Equity, and Inclusion

These are some of the reasons why DEI is important for a company. DEI is not only a moral obligation, but also a strategic advantage, that can help a company achieve its vision, mission, and goals. By embracing and implementing DEI, a company can create a more diverse, equitable, and inclusive workplace culture, where everyone can thrive and succeed.

Gender Diversity at Acme-Hardesty Co.



52% Female

48% Male

A MESSAGE FROM HUMAN RESOURCES:



At Acme-Hardesty, sustainability is ingrained in every aspect of our supply chain. It's not just a checkbox; it's a commitment to a culture of respect, integrity, and accountability. Our actions resonate in the environment, and we take responsibility to nurture and safeguard it.

This commitment is integral to our identity, attracting top-tier talent and empowering us to care for families while preserving the environment. It goes beyond corporate responsibility – it defines us, fostering a positive, forward-thinking workplace where each team member plays a crucial role.

Guy Kalbach

Director of Human Resources,
Acme-Hardesty

TOP EMPLOYER

Acme-Hardesty has earned the gold award for The Philadelphia Inquirer's Top Workplaces for 2023. As a five-time awardee of this honor, it speaks volumes on the workplace culture created at Acme-Hardesty. Only 171 employers in the Delaware Valley region are recognized for this achievement. The factors that influenced this award was feedback given by our employees on their perspective and experience of the culture at Acme-Hardesty.

These factors measured employees' connection to our organization, coaching opportunities available, performance of the organization from our employees' perspective, and alignment throughout the organization. The feedback provided by our employees will be used to celebrate success and identify opportunities of growth as we continue to scale.





COMMUNITY INVOLVEMENT

WE ARE ALL PART OF A COMMUNITY

At Acme, we value the importance of supporting the communities we live in. Many of our employees are located in various locations in the US, and we have decided to implement volunteer days as a way of giving back. Below are some examples of the great support our colleagues have provided in their local areas.

LIZ COLLINS

I volunteered for an organization called Fight Like Frank, this non-profit organization raises funds to support numerous charities in honor of their family member Frank who passed due to a brain aneurysm. The event I worked at was one of their biggest annual events raising money for the Brain Aneurysm Foundation, Murphy's Giving Market, and healthy after-school snacks & Christmas gifts for underprivileged children in the Philadelphia and Chester communities. This successful event raised over \$55,000 this year!



ALEXANDRA SMALLBERGER

Over Memorial Day weekend I volunteered for five days at Resica Falls Scout Reservation in East Stoudsburg, PA. Our local Scout council welcomes over 100 Scouts and Scouters from the Toronto area of Canada for a weekend of friendship, games, learning, and scouting. I loved being a part of this event that brought together youth from my area and from north of the border. They bonded over shared experiences and learned new things about each other and themselves. The youth participated in many fun events from archery to orienteering to deep frying donuts!

SOURCING NOW AND WITH THE FUTURE IN MIND



ABOUT THE PALM OIL INDUSTRY

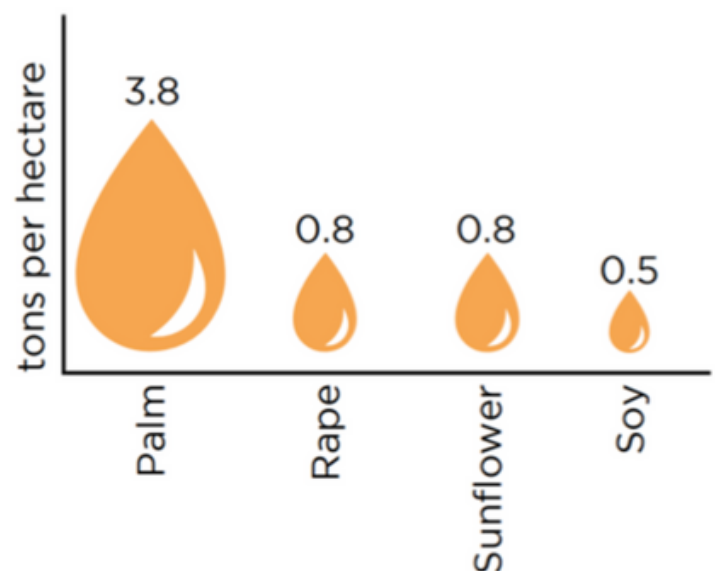
According to the World Economic Forum, the world's population will reach 9.8 billion by 2050, with significant growth in the least developed countries. Meanwhile, the amount of arable land per person is shrinking, with projected decline of 0.38 hectares in 1970 to 0.15 hectares per person by 2050. The world's consumption of vegetable oils has more than doubled in the past two decades, from 87 million tons in 2000/2001 to 208 million tons in 2020/2021. This begs the question: how can we produce sustainable vegetable oils to feed the growing world population while safeguarding the natural environment?

Palm oil tops the list of oil crops for yield. It required less than one-eighth as much as soy to produce the same quantity of oil. Today, palm oil accounts for 6% of all cultivated land for vegetable oils globally; but produces over one-third of the total output.

Challenges in the Palm Oil Industry

Palm oil is a key role to our portfolio used in various industries, including in such as food manufacturing, beauty industry, cleaning products and animal feed. It is found in 50% of consumed-packaged products. Palm oil is mainly produced in Indonesia and Malaysia, accounting for about 85% of the global production.

The production of palm oil has been associated with negative impacts on environmental and social concerns, such as deforestation, biodiversity loss, greenhouse gas emissions, human rights violations, and social conflicts. To address these issues, some organizations and stakeholders have developed standards and certifications for producing and sourcing sustainable palm oil, such as the Roundtable on Sustainable Palm Oil (RSPO).



Source: [World Economic Forum](#)

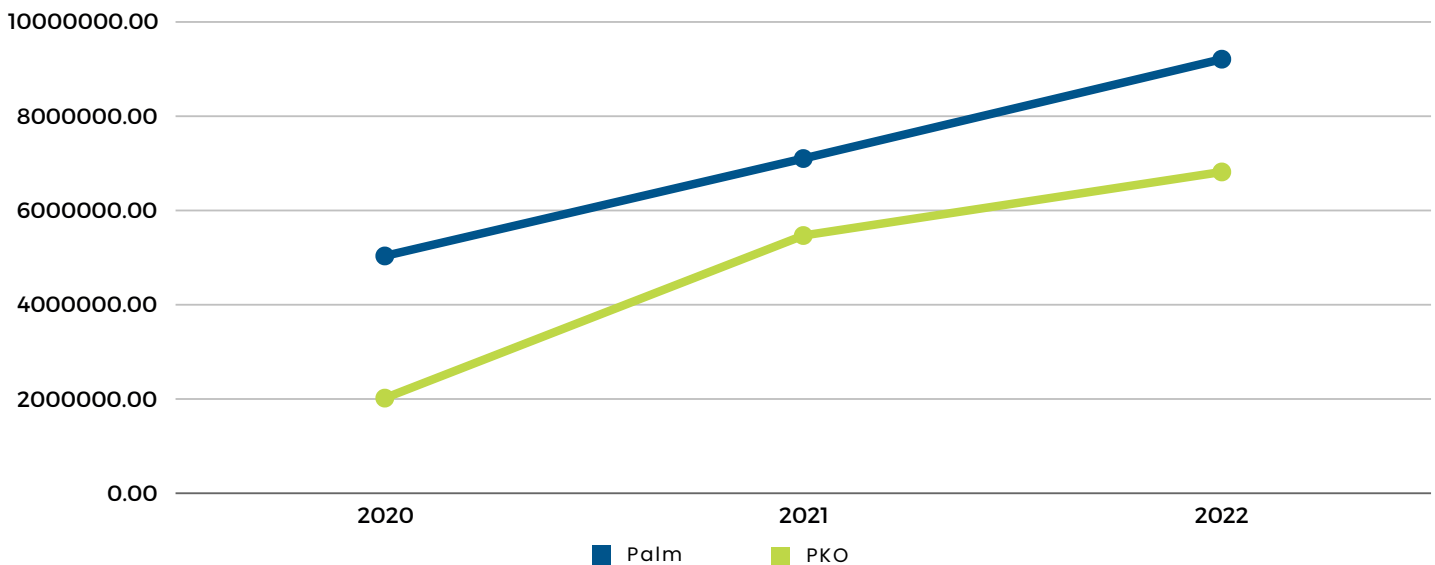
SUSTAINABLE PALM OIL



RSPO stands for Roundtable on Sustainable Palm Oil, a global organization that sets the environmental and social standards for producing and sourcing certified sustainable palm oil. RSPO was established in 2004 to promote the growth and use of sustainable palm oil products through global standards and multistakeholder governance. RSPO has more than 4000 members, including the biggest palm oil producers and traders. RSPO certification assures individuals that RSPO members who produce or physically handle RSPO certified sustainable palm oil (CSPO) have obtained RSPO certification.

To become RSPO certified, organizations are required to demonstrate compliance with the applicable RSPO standards, which are developed based on inputs from various stakeholders. They must also complete a thorough and continued verification process through a systematic annual audit process by accredited third party certification bodies.

**We are a Proud Member of
RSPO and Certified Mass
Balance and Segregated**



RSPO certification aims to provide benefits such as protection of workers' rights and enhanced productivity, reduction of greenhouse gas emissions and waste, improved compliance with regulatory requirements, market confidence, and innovation. RSPO certification also helps to address the challenges and impacts of unsustainable palm oil production, such as deforestation, biodiversity loss, human rights violations, and social conflicts.

To this end, we have endorsed the Roundtable on Sustainable Palm Oil (RSPO) since 2014 and we consider that through supporting and advocating the sustainable palm production to develop a more sustainable palm industry overall. We purchased 16 million pounds of palm oil and palm kernel oil in 2022, increasing RSPO palm by more than 50% and palm kernel oil by more than 30% since 2020. We are aiming to continuously increase the purchase of RSPO products and working closely with the RSPO organization to communicate the benefits of purchasing RSPO products.



SOURCING NOW AND WITH THE FUTURE IN MIND

ABOUT THE CASTOR INDUSTRY

The castor industry is a global sector that involves the production and consumption of castor oil and its derivatives. Castor oil is a vegetable oil extracted from the seeds of the castor plant, *Ricinus communis*. Castor oil has unique chemical properties that make it useful for various applications in different industries. Castor is mainly produced in India, which accounts for more than 85% of the global castor oil seed production.

The castor industry is expected to grow in the future, as the demand for castor oil and its derivatives increases in various sectors. The castor industry also offers environmental and economic benefits, as castor oil is a renewable and biodegradable resource that can reduce carbon emissions and create employment opportunities. With growing demands comes more responsibilities to support the castor industry to grow sustainably, we have been involved with several organizations including the Solvent Extractor Association of India (SEA) and the Sustainable Castor Association, as well as supporting project to enhance the industry in a sustainable and responsible manner.





HISTORIC MILESTONE AS THE FIRST SuCCESS CERTIFIED DISTRIBUTOR IN THE US

We proudly announced in 2024 our groundbreaking achievement as the first distributor and the first company in the United States to receive SuCCESS certification from the Sustainable Castor Association (SCA). This landmark certification underscores Acme-Hardesty's dedication to promoting sustainable practices within the castor industry. The SCA, a non-profit organization, is focused on enhancing the livelihoods of castor farmers and contracted workers by supporting efforts to optimize yield and reduce environmental impact. In addition to its broader sustainability code for the supply chain, the SCA has introduced SuCCESS, a standardized certification criteria for sustainable castor. This certification facilitates a more traceable and verified supply chain, promoting ethical practices, and supporting the well-being of castor farmers. Acme-Hardesty's SuCCESS certification signifies a significant step forward in the company's commitment to sustainable sourcing and ethical business practices.

As a pioneering force in the industry, Acme-Hardesty invites its suppliers, customers, and stakeholders to join hands in fostering a more sustainable and responsible castor industry for a better future. We source certified sustainable Palm, and now are able to source certified sustainable castor. Considering that the castor demand will only increase, it is even more important to assure that castor is produced in a sustainable manner. We have been supporting sustainable efforts in the castor industry for many years now, and to be able to source sustainable castor products is a huge achievement. We are undoubtedly proud to be certified, yet a whole industry cannot become sustainable by the efforts of a few companies; it takes all of us to develop a more sustainable castor industry.





SOLVENT EXTRACTORS' ASSOCIATION OF INDIA

The Solvent Extractors' Association of India (SEA) is an organization that represents the interests and promotes the development of the solvent extraction industry in India. The SEA was formed in 1963 and has 875 members, including about 350 working solvent extraction plants that process oilseeds and oilcakes. The SEA aims to increase the availability of vegetable oils in the country, to make India self-reliant in this sector, and to adopt scientific methods and best practices in the industry.

The SEA also provides statistical updates, organizes conferences and seminars, and engages with the government and other stakeholders on policy issues related to the vegetable oil industry. The SEA is the premier association of vegetable oil industry and trade in India. Acme is a member of the Association since 2017 and supports castor projects.



THE SOLVENT EXTRACTORS' ASSOCIATION OF INDIA

The Premier Association of Vegetable Oil & Trade of India

ISO 9001:2015 Organisation | NGO Recognised by Ministry of Agriculture, Govt. of India | TPO Recognised by Ministry of Commerce, Govt. of India

THE CASTOR MODEL FARM PROJECT

As the first international company contributing to the Castor Model Farm Project, we are proud to be part of the progress of the project. With the inclusion of 600 model farms in districts like Amreli, Rajkot, Kutch, Mehsana, Banaskantha, and Jalore, the project now spans 400 hectares.

The project focuses on establishing model farms in collaboration with agriculture experts who engage with local farmers, providing them with comprehensive information about the project. The meticulous selection process, involving expert consultations with farmers and soil analysis, has paved the way for the distribution of 2 kg high-quality castor seeds, 50 kg Ammonium Phosphate Sulphate (20:20:0:13) fertilizer, and 100 kg castor organic fertilizer to each farmer per 0.64 hectare, free of charge.

In the ongoing year, the SEA distributed these resources to 600 farmers, resulting in 544 successful plantations.

Number of Model Farms: 600
Project span in hectare: 400





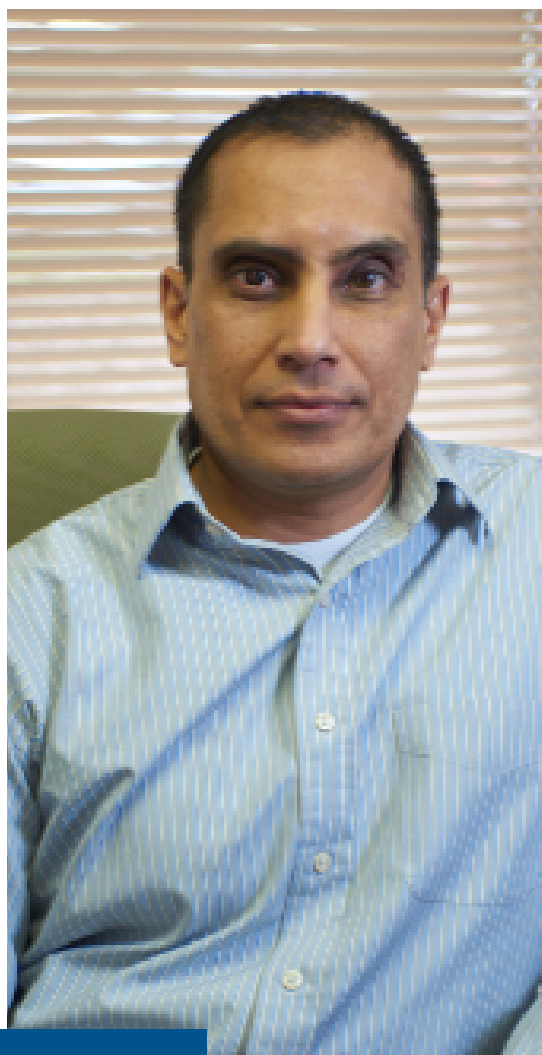
A MESSAGE FROM OUR VICE PRESIDENT OF GLOBAL SOURCING

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In the face of the challenges that defined 2023, Acme-Hardesty remains unwavering in our commitment to our cultural beliefs, mission, and vision. It is in these steadfast principles that we distinguish ourselves, uniting under a common goal: the care of families. This shared objective permeates our sourcing practices and guides our collaborations with select partners. In alignment with our core values and ethical business practices, we take great pride in introducing Dr. Emi Katoh as our Lead Sustainability Manager. Dr. Katoh will lead the strategic initiatives shaping our sustainability efforts, collaborating seamlessly across the supply chain to pave the way for a brighter tomorrow. We are excited about the positive impact she will bring to our ongoing sustainability journey.

Ravi Shaheed

Vice President, Global Sourcing
Acme-Hardesty



ASSOCIATIONS AND ORGANIZATIONS

In addition, we are involved and support various associations and organizations to promote and increase sustainable products to our customers and therefore to the consumers.



Ecovadis Silver

EcoVadis is a company that provides sustainability ratings and intelligence for businesses. It uses a cloud-based platform to assess the environmental, social, ethical, and procurement impacts of companies across various sectors and regions. EcoVadis aims to help companies manage their value chain risks, improve their performance, and drive positive change.



ACD Certified

ACD, Alliance for Chemical Distribution (formerly NACD), promotes Responsible Distribution throughout its membership. Sustainability is an increasingly important philosophy in today's business and consumer world. Now more than ever, our industry is being faced with higher expectations from interested parties on how chemical distributors and those responsible for the warehousing, transportation, storage, and related servicing of chemical products are meeting those sustainability challenges. Acme operates within the Responsible Distribution guidelines.



Sedex

Acme-Hardesty is Sedex member since 2016. Sedex's technology, data insights and services help companies build socially and environmentally sustainable businesses and supply chains.



NASPON Member

Formed in 2017, NASPON (North American Sustainable Palm Oil Network) is an independent group of associations, civil society organizations, consumer goods manufacturers, food-service retailers, retailers, and palm oil traders and producers who are collaboration to achieve a common goal of reaching 100% Certified Sustainable Palm Oil in North America. We are proud member since 2023 and aiming to contribute to achieve the goal.

RELATIONSHIPS MATTER



At Acme-Hardesty, we believe that building strong and lasting relationships with our partners is essential for our success. We work closely with our partners to understand their needs, expectations, and challenges, and to provide them with the best solutions and services. We also collaborate with our partners to ensure that our suppliers and customers are satisfied with the quality, quantity, and delivery of our products.

By maintaining trust, communication, and cooperation with our partners, we aim to create a win-win situation for all parties involved. Below are examples of our strategic partners and their sustainability efforts.

KLK OLEO

KLK is a socially responsible corporate citizen, committed to the communities around where they operate in to deliver a sustainable future. They believe that corporations are platforms for social change, contributing time and resources to build a better tomorrow. KLK is taking major steps to deepen its commitment to sustainable practices. These commitments stem from the strong sustainability foundation that have been laid over the past two decades. It is a result of thorough assessment and identification of the most critical areas of sustainability at KLK.



25%



reductions in **Greenhouse Gas emission** intensity by 2029/30 (compared to 2018/2019) and **Net Zero** emissions by 2050 (Scope 1 and Scope 2)

100%



Traceability to Plantation for Refinery & Kernel Crushing Plant and to Mill for Oleo

50



products with **Product Carbon Footprint** data by 2025

KLK SUSTAINABILITY COMMITMENTS

Continue to invest in **education, environment, community and employee development**



Maintain **zero tolerance** of **forced and child labour**



Zero fatalities and reduce **Loss Time Injury** by 25% on average by 2025/26 (compared to 2019/2020)



Safeguard biodiversity through conservation and continued commitment to NDP, HCS and HCV



SHARON LABORATORIES

Sharon's decisions are guided by a commitment to sustainability. We carefully choose resources and design and develop our products in response to the market demand for environmentally friendly solutions derived from natural and renewable sources. These serve as ideal formulation building blocks for modern cosmetics, placing us at the forefront of the latest trends in the cosmetic industry.



SUSTAINABLE BUSINESS DEVELOPMENT



**Environmentally
Friendly Effective
Products**



**Considering the whole
life cycle, ie from initial
production process to
disposal in nature**



**Cold pressing process
without any refining
process. Respecting the
natural ripening time.
Reusing the leftovers
husks and pulps**



**100% natural ingredients.
Fully biodegradable. Free
from synthetic chemical
agents. Environmentally-
friendly life cycles without
damage to nature**

WHAT WE DO

HOW WE DO IT

WHY WE DO IT

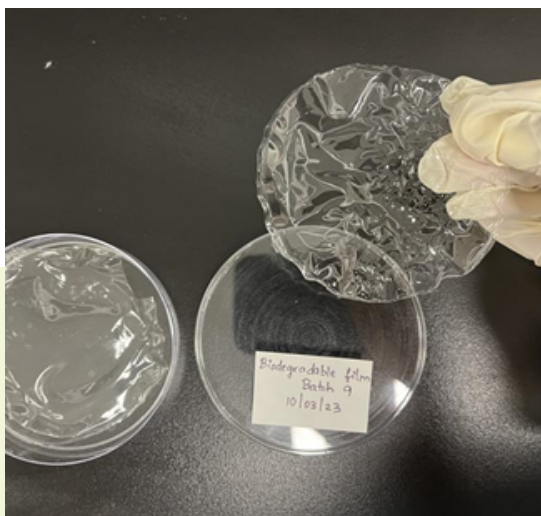


CitroBio®
Brazilian Biodiversity

CITROLEO GROUP

The Citróleo Group stands out for its notable efforts towards sustainability, focusing on creating opportunities and sustainable development for agroextractive communities that depend on Brazilian biodiversity. It seeks not only to minimize environmental impact, but also to generate a positive socio-environmental impact, acting with ethics, transparency, and integrity in all its operations. By connecting biodiversity with natural well-being, the company generates value not only for itself, but also for the communities involved, the people who depend on these resources and, above all, for the environment, thus promoting a vital balance for harmony between nature and society.

INNOVATION WITH THE NEXT GENERATION IN MIND



Biodegradable films are typically formulated using a variety of naturally sourced materials such as starch, and cellulose. These materials are combined with other biodegradable polymers to create a film that is strong, flexible, and able to protect food and beverages from external factors such as moisture, oxygen, and light.

The sustainability aspect of biodegradable films is that they are made from renewable resources and are designed to break down naturally over time, unlike traditional plastic films. The R&D Team is currently working on trials to optimize the composition, dissolution time and tensile strength.

Ketogenic coffee bombs are formulated using ingredients such as MCT oil, and plant protein powder. These ingredients are combined to create a bomb that when added to hot coffee, disintegrates. The sustainability aspect of ketogenic coffee bombs is that they are made from plant-based ingredients that are renewable and eco-friendly. They are also free from preservatives and artificial flavors, making them a healthy alternative to traditional dairy-based coffee creamers.

Another sustainability aspect of ketogenic coffee bombs is that they are solid, water-less, and can be easily transported, unlike traditional liquid creamers that require more packaging and are prone to spillage. This makes them an eco-friendlier option for coffee drinkers who are always on the go.





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