

Particulars

About Your Organisation

1.1 Member Name

Innospec Inc.

1.2 Membership number

2-0415-13-000-00

1.3 Membership sector

Palm Oil Processors and/or Traders

1.4 Membership category

Ordinary

1.5 Country

United States

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
- I trade or broker palm oil, palm kernel oil or related products
- I am a refiner of palm oil or palm kernel oil
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related ingredients
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products
- I manufacture consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors.
- I retail consumer (B2C) products containing palm oil, palm kernel oil or related products
- I operate food retail outlets that use palm oil, palm kernel oil or related products
- I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- I support the sustainable development of the palm oil industry as a social and human development NGO

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

-

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.

PO & PKO derivatives are used as raw materials to manufacture a number of products at 7 Innospec Inc. manufacturing locations in Europe & USA. All 7 sites are RSPO Supply Chain Certified to handle Mass Balance materials and are listed on the RSPO Company profile.

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)	1369.0
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	30180.0
Crude palm kernel expeller (tonnes)	0.0
Total	31549

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	0.0	0.0	0.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0
Mass Balance (MB)	84.0	4834.0	0.0
Segregated (SG)	0.0	0.0	0.0
Identity Preserved (IP)	0.0	0.0	0.0
Total	84.0	4834.0	0.0

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:

15.59%

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

The company has seen a significant uptake in our customer demand for RSPO MB certified products in 2020 compared to 2019. This has resulted in an increase in the RSPO MB certified PO / PKO derivative volumes purchased to meet demand.

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	95.0
North America	2.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	0.0
Africa	0.0
Rest of World	0.0

3. TimeBound Plan

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

2014

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

2014

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

-

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

2015

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

-

3.4 Year expected to only source 100% RSPO-certified palm oil and oil palm products.

2023

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

-

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

Commitments declared above are applied globally to all sanctioned countries.

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)

Sustainable and ethical sourcing of raw materials to enable the supply of sustainable products (which includes RSPO certified palm based products) to our customers will continue to be a focus area of Innospec's sustainability program. We will continue to promote our activities and progress in this area on our website in our annual Responsible Business Report and through industry presentations.

We will continue discussions and encouragement with those suppliers who are not currently able to offer CSPO and CSPKO derivatives and will identify alternative CSPO / CSPKO supply options where required. We will communicate our progress in our efforts and promote our CSPO / CSPKO products to our customers as they become available for purchase through our, product guides, promotional literature, one to one customer visits, trade events and on our corporate web site.

In 2020, for the third consecutive year, we engaged an external and independent third-party, to increase the transparency and understanding of our palm based raw material supply chain to identify our key sourcing geographical regions. We have committed to conducting the transparency risk-mapping exercise on an annual basis. Our long term aim being to;

- engage our direct and indirect suppliers towards sustainable sourcing
- monitor the compliance with Innospec's palm NDPE policy which includes zero deforestation
- obtain 100% supply chain transparency back to the mills
- to monitor and mitigate the risks identified in the supply chain
- promote progress on our website with all our stakeholders.

In addition, in Dec 2019, we joined ASD (Action for Sustainable Derivatives: <https://www.bsr.org/en/collaboration/groups/action-for-sustainable-derivatives>), a collaborative initiative that promotes responsible sourcing and collective action to increase sustainable production of palm oil and palm oil derivatives. The initiative aims to create global, transparent mapping of the palm derivatives supply chain, and to harmonise approaches on transparency, risk monitoring and evaluation. We support ASD's efforts and long-term commitments of only using PO/PKO from sustainable sources manufactured products. Through our membership of the ASD, we are exploring the options to identify a sustainable field project, connected to the priority sourcing areas identified in Innospec supply chain during our risk mapping exercise, to take forward in 2022/2023.

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 indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

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

Yes

1.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

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
- Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

Yes

1.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

Occupational Health & Safety

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

Yes

Climate Change & Greenhouse Gas (GHG)

1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?

Yes

1.5.1 Does the policy cover:

- Identification and assessment of GHG
- Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances

1.6 Does your company have a Complaints & Grievances Mechanism?

Yes

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes

Smallholders

1.7 Does your company support oil palm independent smallholder groups?

No

1.7.3 Do you have any future plans to support oil palm Independent Smallholders?

Yes

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

Yes _____

Waste Management

1.9 Does your company have a waste management plan?

Yes _____

Water Management

1.10 Does your company have a water management plan?

Yes _____

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes _____

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

No _____

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

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

Not all our suppliers hold RSPO certification however the number that do continues to increase. Certified raw materials that are available are offered at an higher premium charge which hinders the uptake of certified products with some customers. The reputation of non certified palm oil in the market especially its links to human rights and negative impact on the environment has resulted in a small number of customers requesting coconut versions of our palm based products. Despite these challenges customer demand for certified product is starting to increase. We continue to work with our suppliers and customers to address these obstacles and increase awareness of CSPO.

In addition, we continue to actively promote RSPO through a variety of methods including; clear identification of certified products in our product guides, product data sheets, annual Responsible Business Report, external Innospec website, social media accounts including LinkedIn, Facebook, Instagram and during internal and external presentations and training of employees, distributors and customers.

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?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- 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

In 2020, for the third consecutive year, we engaged an external and independent third-party, to increase the transparency and understanding of our palm based raw material supply chain to identify our key sourcing geographical regions. We have committed to conducting the transparency risk-mapping exercise on an annual basis. Our long-term aim being to;

- engage our direct and indirect suppliers towards sustainable sourcing
- monitor the compliance with Innospec's palm NDPE policy which includes zero deforestation
- obtain 100% supply chain transparency back to the mills
- to monitor and mitigate the risks identified in the supply chain
- promote progress on our website with all our stakeholders.

In addition, in December 2019, we joined ASD (Action for Sustainable Derivatives: <https://www.bsr.org/en/collaboration/groups/action-for-sustainable-derivatives>), a collaborative initiative that promotes responsible sourcing and collective action to increase sustainable production of palm oil and palm oil derivatives. The initiative aims to create global, transparent mapping of the palm derivatives supply chain, and to harmonise approaches on transparency, risk monitoring and evaluation. We support ASD's efforts and long-term commitments of only using PO/PKO from sustainable sources manufactured products.

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

Further details of Innospec sustainability activities can be found on our website
<https://innospecsustainability.com>

Activities relating to our Sustainable Sourcing program:
<https://innospecsustainability.com/environment/sustainable-sourcing>

Our sustainable palm policy: https://innospecsustainability.com/downloads/Sustainable_Sourcing_of_Palm_and_Palm_Kernel_Oil_Derivatives_Policy_Jan_2021.pdf

Our Action plan and progress report: https://innospecsustainability.com/downloads/Sustainable_Sourcing_of_Palm_Action_Plan_and_Progress_Update_Jan_2021.pdf

Our annual responsible business report: https://innospecsustainability.com/images/content/latest-report/Innospec_Responsible_Business_Report_2019.pdf

Note: Membership of RSPO is held under the group name of Innospec Inc.. Innospec Ltd, Innospec Active Chemicals LLC, Innospec Deutschland GmbH, Innospec Performance Chemicals Spain S.L, Innospec Performance Chemicals Italia s.r.l, Innospec Performance Chemicals France S.A.S and Innospec Performance Chemicals BVBA are all subsidiary companies of Innospec Inc.