

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

Processors & Traders

1. Operational Profile

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

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

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

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

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

PO & PKO derivatives are used as raw materials to manufacture a number of intermediate oleochemical products at 7 Innospec Inc. manufacturing locations in Europe & USA. These products are sold to end product manufacturers in a variety of markets including personal and home care. 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)	1468.00
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	26509.00
Crude palm kernel expeller (tonnes)	0.00
Total	27977.00

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

Description	Crude Palm Oil (CSPO) and CSPO Derivatives	Crude Palm Kernel Oil (CSPKO) and CSPKO Derivatives	Palm Kernel Expeller (CSPKE)
RSPO Credits from Mill / Crusher	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00
Mass Balance (MB)	263.00	4462.00	0.00
Segregated (SG)	0.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00
Total	263.00	4462.00	0.00

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

16.89%

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 increased customer demand for RSPO MB products seen in 2020 slowed significantly in 2021 due to higher costs and limited availability of RSPO MB CSPO / CSPKO derivatives. This resulted in a lower than expected increase in the quantity of CSPO and CSPKO raw materials purchased by Innospec 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	20
North America	10
Malaysia	0
Indonesia	1
China	1
India	1
Latin America	2
Africa	1
Rest of World	1

3. TimeBound Plan

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

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.

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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.

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

2024

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

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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)

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

Other

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 to meet demand 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 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 2021, for the fourth 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
- reaching 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. Innospec are active in ASD working groups: 'Transparency and monitoring', 'positive impact' and 'supply and Market Transformation'. ASD work collectively with other players in order to increase the demand for RSPO certified materials and encourage an increase in the availability certified PO and PKO derivatives from upstream players. 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 2023/2024.

Shared Responsibility

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

Information & Public Availability

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

Yes

Ethical Conduct & Human Rights

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

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Suppliers and Sub-Contractors

Legal Compliance

1.3 Does your company comply with all applicable legal requirements?

Yes

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

Yes

Complaints & Grievances

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

Yes

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

Yes

Land Use & FPIC

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

Yes

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

No

Smallholders

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

No

Labour & Labour Rights

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

Yes

1.8.1 Does the policy cover:

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

Occupational Health & Safety

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

Yes

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

Yes

Waste Management

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

Yes

1.10a.1 Is this plan implemented?

Yes

Water Management

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

Yes

1.11.1 Is this plan implemented?

Yes

Energy Use

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

Yes

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

Yes

Climate Change & Greenhouse Gas (GHG)

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

Yes

Challenges and Support

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

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

Others

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 availability of certified PKO volume to meet demand remains a challenge in the market. 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?

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

Others

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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

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-2020.pdf
