

## Particulars

### About Your Organisation

#### 1.1 Name of your organisation

Innospec Inc.

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#### 1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

#### 1.3 Membership number

2-0415-13-000-00

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#### 1.4 Membership category

Palm Oil Processors and/or Traders

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#### 1.5 Membership sector

Ordinary

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## 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
- Food and Non-Food Ingredients 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 - Palm Oil and Certified Sustainable Palm Oil Sourcing is a mandatory declaration in your ACOP. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOP reports without reported volume data will be considered incomplete and will not be accepted.*

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

PO & PKO derivatives are used in 7 Innospec Inc manufacturing locations in Europe & USA. All 7 sites are RSPO Supply Chain Certified to handle Mass Balance materials.

##### 2.1.1 In which countries does your company sell goods with palm oil and palm oil products?

Applies globally

##### 2.2 Total volume of all palm oil and palm oil products sourced in the year:

Description	Tonnes
Crude palm oil, including derivatives refined from CPO (tonnes)	1074.0
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	34539.0
Crude palm kernel expeller (tonnes)	0.0
Total	35613.0

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

<b>Description</b>	<b>Crude Palm Oil (CPO) and CSPO Derivatives</b>	<b>Crude Palm Kernel Oil (CSPKO) and CSPKO Derivatives</b>	<b>Palm Kernel Expeller (CSPKE)</b>
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)	89.0	3420.0	0.0
Segregated (SG)	0.0	0.0	0.0
Identity Preserved (IP)	0.0	0.0	0.0
Total	89.0	3420.0	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 and palm oil products uptake is:**

9.85%

**2.5 What is the estimated percentage of Certified Sustainable Palm Oil in the palm oil and palm oil products sold by your company in the following regions:**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	98.0
North America	0.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	0.0
Africa	0.0
Rest of World	2.0

### 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 for PT.3.2 has not been met, please explain why.**

Target met.

**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 for PT.3.3 has not been met, please explain why.**

Target met.

**3.4 Which year did your company begin (or expects to begin) sourcing only 100% RSPO-certified palm oil and oil palm products.**

2024

**3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member sells goods with palm oil or palm oil products, please explain why**

2014 saw the introduction of RSPO MB certified material into our supply chain enabling us to offer and promote RSPO MB certified products to our customers. Since this time, we have seen a gradual increase in the quantity of RSPO MB certified materials handled by our manufacturing facilities and the demand for certified products from our customers. Customer demand continues to increase though more slowly than expected. As the availability of CSPO and CSPKO in the market increases and more of our customers move over to RSPO MB certified products, this will over time, result in the gradual increase in the quantity of CSPO and CSPKO raw materials purchased by Innospec to meet demand. RSPO MB certified versions of all applicable Innospec manufactured products are now available to our customers. We will continue to promote the availability of RSPO MB Certified products to our customers and work with our suppliers of CSPO and CSPKO raw materials to increase the % of certified material handled in order to meet our 2024 target date of only processing 100% RSPO certified PO and PKO derivative raw materials and products.

**3.6 How does your company proactively promote RSPO and RSPO-certified sustainable palm oil and oil palm products to your customers?**

Sustainable and ethical sourcing of raw materials to enable the supply of sustainable products (which includes RSPO certified PO/ PKO derivative based products) to our customers continues to be a focus area of Innospec's sustainability program. We promote our sustainability strategy, focus areas, activities, time bound plans and progress on both our website and in our Annual Responsible Business Report. The report is proactively distributed to our customers and investors and is also publically available to download on our website. We promote Innospec's membership of RSPO, our RSPO certified facilities and our commitment to using PO & PKO derived materials from RSPO certified sources using a variety of methods including: our website, annual report, external presentations and social media accounts. Innospec now offer RSPO MB certified versions of all Innospec manufactured PO & PKO based products. These are clearly promoted in our product guides and product data sheets which are available to our customers. We continue to work with our sales teams, distributors and a number of our suppliers to promote RSPO and the availability of RSPO certified products. We provided our sales teams and global distributors with specific training on the RSPO certification process, its requirements and details of available RSPO certified products to enable them to promote to customers. In addition, where applicable, we have encouraged any distributors who are not members of RSPO to join. In December 2019, Innospec became a member of ASD (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.

#### 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 PO/PKO derivative based products) to our customers will continue to be a focus area of Innospec's 2020 sustainability program. We will continue to promote our activities and progress in this area using our website, annual Responsible Business Report, external presentations and social media accounts. We will continue discussions and encouragement of existing and new suppliers who are not yet currently able to offer CSPO and CSPKO derivatives and will identify alternative CSPO / CSPKO supply options where required. We will communicate the progress of our efforts and promote our CSPO / CSPKO products to customers for purchase through; product guides, promotional literature, one to one customer visits, trade events and on our corporate web site. In 2020, we will provide our distributors, customers and suppliers with training and support on our RSPO activities, the supply chain certification process and details of our certified product ranges. In Dec 2019, we joined ASD (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. In 2020, we will support ASD's efforts and long-term commitments of only using PO/PKO from sustainable sources manufactured products through our active participation in the ASD Transparency, Monitoring and Engagement Working Groups. In 2020, we will, through our membership of ASD, conduct an exercise to map our 2019 palm volumes, to further increase the transparency and understanding of our palm based raw material supply chain and identify our key sourcing geographical regions. 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 by 2020 " "to monitor and mitigate the risks identified in the supply chain " "promote progress on our website with all our stakeholders."

## 5. Shared Responsibility

*The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) 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](mailto:acop@rspo.org)*

### Labour & Labour Rights

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

Yes

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##### 5.1.1 Does the policy cover:

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

#### 5.1.2 Has your company previously uploaded or linked its Labour & Labour Rights policy in previous ACOP reporting cycles?

Yes

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### Ethical Conduct & Human Rights

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

Yes

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##### 5.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

#### 5.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

Yes

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### Land Use

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

Yes

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##### 5.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

#### 5.3.2 Has your company previously uploaded or linked its Land Use policy in previous ACOP reporting cycles?

Yes

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**Occupational Health & Safety****5.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**

Yes

**5.4.1 Has your company previously uploaded or linked its Occupational Health & Safety policy in previous ACOP reporting cycles?**

No

**Climate Change & Greenhouse Gas (GHG)****5.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

**5.5.1 Does the policy cover:**

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

**5.5.2 Has your company previously uploaded or linked its Climate Change & Greenhouse Gas policy or report in previous ACOP reporting cycles?**

Yes

**Complaints & Grievances****5.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

**5.6.1 Is your Complaints & Grievances mechanism in line with the RSPO's grievance mechanism? For details of the RSPO's grievance mechanism, please go to <https://askrspo.force.com/Complaint/s/>**

Yes

**Smallholders****5.7 Does your company support oil palm independent smallholder groups?**

No

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

Yes

## 6. Challenges

### 6.1 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

The number of our suppliers who are certified continues to increase however the accessibility of MB CSPO / CSPKO derivatives in the form of Oleo chemicals still remains limited due to demand exceeding availability. Certified raw materials that are available are offered at a higher premium charge which hinders the uptake of these certified products with some customers. Customer demand continues to increase though more slowly than expected. We continue to work with our suppliers and customers to address both these obstacles and increase awareness of CSPO / CSPKO. 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, use of social media accounts and during internal and external presentations and training of employees, distributors and customers.

### 6.2 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 2019, we again 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 now committed to conducting the transparency risk-mapping exercise on an annual basis. Our long term aim being to; *â€œ* engage our direct and indirect suppliers towards sustainable sourcing *â€œ* monitor the compliance with Innospec<sup>â€™</sup>s palm NDPE policy which includes zero deforestation *â€œ* obtain 100% supply chain transparency back to the mills by 2020 *â€œ* to monitor and mitigate the risks identified in the supply chain *â€œ* promote progress on our website with all our stakeholders. In addition in Dec 2019, we joined ASD (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.

### 6.3 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 web site: <https://innospecsustainability.com>, in our sustainable palm policy: [https://innospecsustainability.com/downloads/Sustainable\\_Sourcing\\_of\\_Palm\\_and\\_Palm\\_Kernel\\_Oil\\_Derivatives\\_Policy\\_Jan\\_2020.pdf](https://innospecsustainability.com/downloads/Sustainable_Sourcing_of_Palm_and_Palm_Kernel_Oil_Derivatives_Policy_Jan_2020.pdf) and in our annual responsible business report: [https://innospecsustainability.com/images/content/latest-report/Innospec\\_Responsible\\_Business\\_Report\\_2018.pdf](https://innospecsustainability.com/images/content/latest-report/Innospec_Responsible_Business_Report_2018.pdf) Note: A Membership of RSPO is held under the group name of Innospec Inc.. A 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."