

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 Total volume of RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-certified palm oil, palm kernel oil and related product sourced in the year

Description	Tonnes
Crude palm oil, including derivatives refined from CPO (tonnes)	1576.00
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	26210.00
Crude palm kernel expeller (tonnes)	0.00
Total	27786.00

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	165.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00
Mass Balance (MB)	343.00	6689.00	0.00
Segregated (SG)	0.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00
Total	508.00	6689.00	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:

25.90%

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

Customer demand in Europe for RSPO MB products increased in 2023 while demand in USA and Asia-Pacific region saw a decrease. However overall we saw an increase in RSPO MB certificated products sold in 2023 compared to 2022. Innospec, purchased RSPO PO credits to make up the short fall of our Shared Responsibility targets.

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	30
North America	20
Malaysia	0
Indonesia	0
China	16
India	13
Latin America	20
Africa	27
Rest of World	38

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.

2026

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

Although the demand for certified RSPO MB products increased in 2023, overall customer demand is still increasing at a slower rate than anticipated when setting our target year. This resulted in a lower than expected increase in the quantity of CSPO and CSPKO raw materials purchased by Innospec to meet demand. Innospec continues to encourage its customers to purchase RSPO MB certified products.

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 ESG 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 website.

Innospec are members of 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.

Innospec have entered into a social partnership with International Justice Mission (IJM). IJM are a longstanding international not-for-profit organization dedicated to combating modern slavery through the strengthening of local government justice systems and provision of victim support in over 18 countries. The partnership will focus on addressing the issue of forced labor and labor trafficking in the palm sector in Southeast Asia. The proposed interventions include education and sensitization campaigns, training for law enforcement and government officials, and capacity-building for palm oil plantation labor unions, as well as ensuring the provision of trauma-informed survivor services for those who have experiences forced labor and labor trafficking. By addressing the root causes of modern slavery and empowering key stakeholders, the collaboration will strengthen protection for palm oil workers in Southeast Asia

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.

SR 1. Transparency

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

Yes

SR 2. Ethical Conduct

1.2 Does your organisation have a publicly-available policy covering Ethical Conduct, including for recruitment and contractors?

Yes

SR 3 and SR 4. Legal Compliance

1.3 Does your organisation comply with all applicable legal requirements?

Yes

1.4 Does your organisation require its third party contractors to comply with legal requirements?

Yes

SR 7. Claims and labels

1.7a Does your organisation promote the use of off-product RSPO claims and labels?

No

SR 8. Information and outreach activities

1.8 Does your organisation implement transparent communication and outreach activities to promote sustainable palm oil?

Yes

SR 9. Human Rights

1.9 Does your organisation have a publicly-available Policy on respect for human rights, including for suppliers and sub-contractors?

Yes

SR 10. Complaints & Grievances**1.10 Does your organisation have a Grievance Mechanism that is accessible to all affected parties?**

Yes

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

Yes

SR 11 and SR 12. Land Use and FPIC**1.11a Does your organisation have a policy covering Commitment to respect Free Prior and Informed Consent (FPIC) in the operational Palm Oil Supply chain?**

Yes

1.11a.1 Does your organisation have a procedure in place to identify legal, customary or user rights, and people entitled to compensation?

No

SR 13 and SR 14. Smallholders inclusion**1.13 Does your organisation support oil palm smallholders (groups)?**

No

SR 15 - SR 20. Labour & Labour Rights**1.15 Does your organisation have a publicly-available policy covering Labour & Labour Rights?**

Yes

1.15.1 Does the policy cover:

- No discrimination and equal opportunities
- Pay and conditions of the workers.
- Freedom of association and Collective bargaining
- Protection of children and remediation for suppliers and third party contractors.
- Prevention of all forms of harassment, including sexual harassment
- No forced or trafficked labour

SR 21. Occupational Health & Safety**1.21 Does your organisation have a publicly-available Policy covering Occupational Health & Safety?**Yes

SR 22. Waste Management**1.22a Does your organisation have a waste management plan that includes reduction, recycling, reusing and disposal based on the hazardous characteristics?**Yes

1.22a.1 Is this plan implemented?Yes

SR 23. Water Management**1.23 Does your organisation have a water management plan to promote efficient use and continued availability of water sources?**Yes

1.23.1 Is this plan implemented?Yes

SR 24. Energy Use**1.24 Does your organisation have an energy use plan to improve the efficiency of the fossil fuels used and to optimise renewable energy?**Yes

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

SR 25. Climate Change and Greenhouse Gases (GHG)**1.25 Does your organisation 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

SR 26. Promotion of certification/uptake

1.26b Does your organisation meet the SR CSPO uptake target?

Yes

SR 27. Sustainable Palm Oil Policy

1.27a Does your organisation have other relevant policies as a sustainable palm oil sourcing policy?

Yes

SR 28 and SR 29. Support and resourcing

1.28 Does your organisation provides services and support to RSPO and resources to implement SR?

No

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

The availability of sufficient certified PKO volume to meet demand remains a challenge in the market. As a result the certified raw materials that are available are offered at a higher premium charge which hinders the uptake of certified products with some customers. The implementation of the EUDR is likely to worsen this situation in terms of limited availability of EUDR MB palm based raw materials and higher premiums for available material. This along side 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 an increasing number of customers requesting coconut versions of our palm-based products. These challenges are resulting in a slow down in the customer demand for certified products. We continue to work with our suppliers and customers to address these obstacles and increase awareness of CSPO.

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

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/governance/sustainable-sourcing/>

Our sustainable palm sourcing policy: https://innospecsustainability.com/wp-content/uploads/2024/02/Innospec_Sustainable_Palm_Sourcing_Policy_Jan_2024.pdf

Our Action plan and progress report: https://innospecsustainability.com/wp-content/uploads/2024/02/Sustainable_Sourcing_of_Palm_Action_Plan_and_Progress_Update_Jan_2024.pdf

Our annual ESG report: https://innospecsustainability.com/wp-content/uploads/2024/01/Innospec_ESG_Report_2022.pdf
