

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 the palm oil-related activity(ies) that describe your company or organisation as multiple selections are allowed. ACOP reporting is 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)
- ☐ I represent a palm oil Independent Smallholder farmer Group
- ☐ I own and operate palm oil mills
- ☐ I own and operate 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, 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)	835.00
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	33526.00
Crude palm kernel expeller (tonnes)	0.00
Total	34361.00

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	200.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00
Mass Balance (MB)	108.00	7547.00	0.00
Segregated (SG)	0.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00
Total	308.00	7547.00	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:

22.86%

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

Overall market demand for RSPO MB certified products slowed in 2024 compared to 2023. Innospec purchased RSPO PO credits to make up the shortfall 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	24
North America	26
Malaysia	0
Indonesia	0
China	0
India	28
Latin America	20
Africa	0
Rest of World	15

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.

2030

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

Market demand for certified RSPO MB products slowed in 2024 and has not reached the volumes anticipated when setting our initial target year of 2026. This resulted in a lower than expected increase in the quantity of CSPO and CSPKO raw materials purchased by Innospec to meet demand. A new target of 2030 has been set. 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 Sustainability 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.

In 2024, Innospec 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 experienced 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.

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 and higher premium charge remains a challenge in the market, hindering 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 combined with 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 market 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 including our latest palm sourcing policy and action plan and progress report: <https://innospecsustainability.com/governance/sustainable-sourcing/palm-and-palm-kernel-oil-derivatives/>

Our latest annual Sustainability report: <https://innospecsustainability.com/publications/>
