

## **Implementation of Innospec’s Sustainable Sourcing of Palm and Palm Kernel Oil Derivatives Policy** **Action Plan and Progress Update.**

To fulfill the commitments outlined in Innospec’s Sustainable Sourcing of Palm and Palm Kernel Oil Derivatives Policy, we have or are in the process of implementing the following action and time scales:

- **Sustainable Sourcing of Palm Policy**
  - We developed our first Sustainable Sourcing of Palm and Palm Kernel Oil Derivatives Policy in 2014 and have subsequently reviewed and updated the policy annually to reflect best practice. In 2018, as part of our commitment to increased transparency, we published our policy onto our website.
  
- **RSPO Membership, Certification and Certified Raw materials / Products**
  - Innospec has been an Ordinary member of RSPO since 2013. Full details of our progress can be found on the [RSPO web site members page](#).
  - Since 2015, all Innospec manufacturing facilities that handle or process palm or palm kernel oil derivatives have a valid RSPO mass balance (MB) certification enabling us to offer sustainably certified products to our customers on request.
  - We continue to increase the amount of RSPO MB certified raw materials purchased by Innospec to reach our target of only using sustainable palm and palm kernel oil derivatives in our manufactured products by 2023 – On going activity.
  - We continue to encourage those suppliers not able to offer RSPO certified raw materials to do so – On going activity.
  - We continue to promote and increase the sale of RSPO certified products to our customers – On going activity.
  
- **Transparency and Risk Assessment**
  - In 2018, we initiated a transparency and risk-mapping exercise using an independent third party, to provide an understanding of our 2017 palm based raw material volumes. This provided 99% transparency up to the refineries, 95% transparency up to the Mills and 20% Transparency up to the plantations. It also provided a risk assessment\* of the deforestation, social and regulatory risks at geographical level.
  - In 2019, we committed to conducting the transparency and risk-mapping exercise on an annual basis. For 2018 palm volumes, we achieved 99% transparency up to the refineries, 92% transparency up to the Mills and 11 % Transparency up to the plantations. We also updated our risk assessment\* at geographical level based on 2018 volumes. In 2019, we double the volume of palm oil and palm oil derivatives handled compared to 2017 and introduced a number of new suppliers who had not previously taken part in transparency exercises. This affected our transparency results for 2018 volumes.
  - In 2020, we will be working with our direct and indirect suppliers initially targeting full transparency at mill level by 2020 – On going activity.

- In 2020, Innospec have joined the collaborative initiative; [Action for Sustainable Derivatives \(ASD\)](#) which aims to develop a harmonized approach to supply chain transparency, risk monitoring and evaluation.
- **Supplier & Stakeholder Engagement**
  - In 2019, we developed and applied a methodology to evaluate and monitor our direct suppliers along with identified mills and refineries for their public commitments to the compliance of NDPE principles. Monitoring and evaluation includes public reporting of grievances raised, time-bound action plans and reporting progress towards NDPE compliance.
  - In 2020, we will communicate our 2020 Sustainable Sourcing of Palm and Palm Kernel Oil Derivatives Policy to our direct suppliers, ensuring they are aware of the requirement for them to implement the principles throughout their operations - On going 2020.
  - In 2020, we will work to align our methodology for direct & indirect supplier evaluation with the common approach agreed by the ASD members – Ongoing 2020.
  - We will engage with and support our direct suppliers to develop time bound action plans to address any identified areas of non-compliance with our Sustainable Sourcing of Palm and Palm Kernel Oil Derivatives Policy – On-going 2020 / 2021.
  - Through our membership of the ASD, we will 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 2021.
- **Grievance**
  - In 2020, as part of our continued efforts to increase transparency, we published our [Palm Supply Grievance Procedure](#). The procedure details the process to be followed and time scales to ensure any palm grievance or concern received is investigated and resolved.

Further details of these activities and progress can be found at:

- [RSPO web site members page](#)
- [www.innospecsustainability.com/environment/sustainable-sourcing](http://www.innospecsustainability.com/environment/sustainable-sourcing)



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