



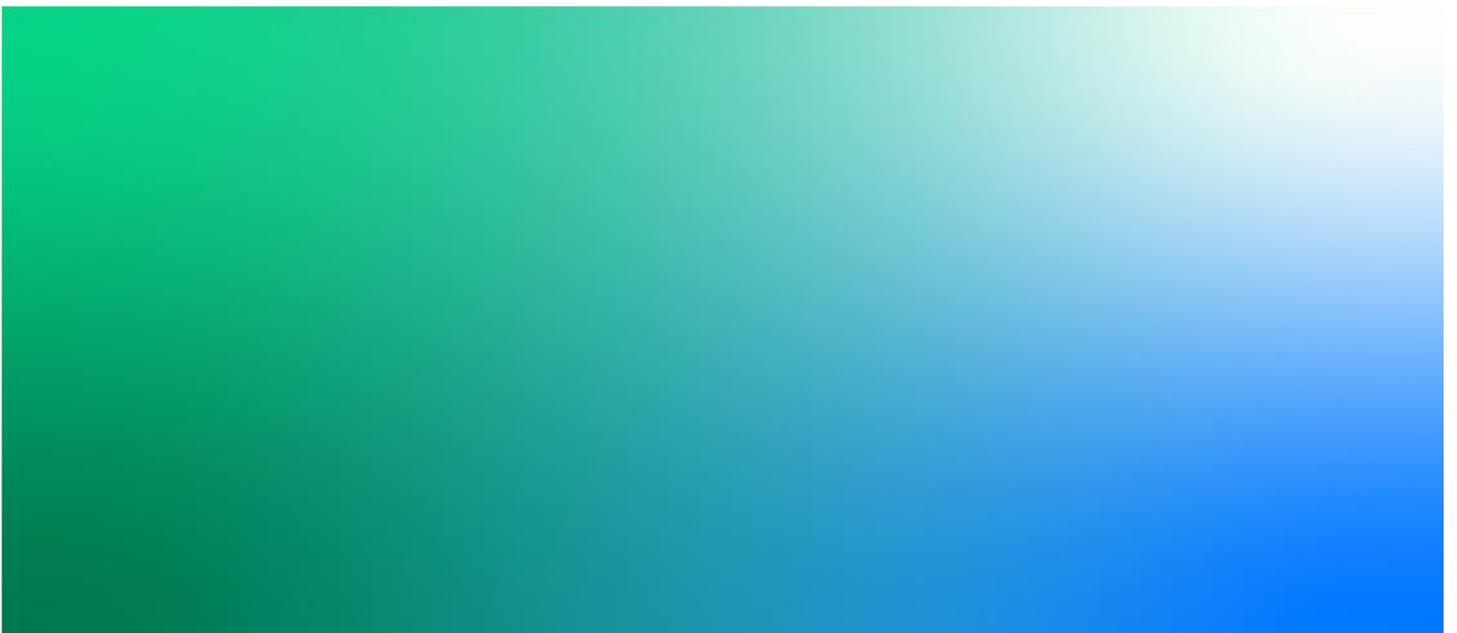
2019 Responsible Business Report

Assurance Statement

| 1.0

17 August 2020

Innospec Inc.



2019 Responsible Business Report

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1. Assurance Statement

Jacobs UK Ltd ('Jacobs') has provided this Assurance Statement in relation to Innospec Inc. 2019 Responsible Business Report. The information and presentation of data within the Innospec 2019 Responsible Business Report is the responsibility of Innospec. This statement represents the independent opinion of Jacobs and is intended to be read in its entirety by the readers of the Innospec 2019 Responsible Business Report.

1.1 Scope and Methodology

The assurance process was conducted by Jacobs between June 2020 and August 2020, for the first time in accordance with AccountAbility's updated AA1000 Assurance Standard 2008 with 2018 Addendum. We were engaged to provide Type 2 assurance covering evaluation of Inclusivity, Materiality, Responsiveness and Impact ('the Principles') and adherence to the AA1000 AccountAbility Principles 2018. We also considered the reliability of sustainability performance data (including scope 1 and scope 2 GHG emissions, energy and water usage and waste generated) contained within the same report to a moderate level of assurance. This is the level normally adopted by companies using AA1000 to assure their sustainability report.

In response to social distancing measures, this year our process involved interviews by MS Teams and email correspondence with staff responsible for specific functions and reporting sustainability performance information at Innospec Group level and at five sample sites: Ellesmere Port, St-Mihiel, Barcelona, Salisbury and Oklahoma City. A sample-based approach was taken based on materiality, risk and building on aspects evaluated in previous years' assurance.

Our assurance team has the appropriate experience and competency to complete this assurance engagement and is not working for Innospec in any other capacity. Jacobs has a Quality Management System (QMS) which is certified to BS EN ISO 9001.

2. Adherence to AA1000 AccountAbility Principles

2.1 INCLUSIVITY – the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability

Innospec's commitment to sustainability is presented in its Responsible Business Strategy. Innospec validated the focus areas within this Strategy through a detailed materiality assessment, reported in early 2017, which included direct engagement with both internal and external stakeholders. Innospec plans to repeat this detailed review in 2020 and will incorporate learnings from the 2016 process, for example a shift to virtual and individual engagement methods rather than group workshops to encourage easier and more detailed engagement opportunities with stakeholders. Each year, including in 2019, a review is undertaken of key customer and competitor priorities to check the materiality outcomes remain valid and to inform the objectives which are set annually. In addition, Innospec prepares a Stakeholder Engagement plan which identifies the stakeholders the company intends to engage with during the year and the methods planned to enable this. Ad hoc stakeholder queries are also logged and used to understand trends in priorities and expectations.

Methods employed to engage with internal stakeholders include the intranet, email bulletins and team meetings. In 2019, Innospec continued to roll out its updated programme of compliance training for all employees. There has also been ongoing engagement through the continued roll out of Innospec's global behavioural safety programme: Journey to Zero Harm during 2019. This initiative continues to have a positive impact on employee engagement at the sites that were interviewed.

It was positive to note that Innospec's Board and senior leaders from the key business units have increased their focus and engagement on sustainability matters during 2019, driven by the increased visibility of sustainability in business ranking indices and the growing expectations of customers. This has led to further collaboration on product solutions addressing environmental challenges. It is also noted that Innospec welcomed its first female Board member, further increasing diversity of perspectives across senior leadership.

External stakeholders can respond to and influence Innospec's Sustainability Strategy through customer review meetings, industry collaboration and working group activities, investor briefings and community liaison meetings. The local community is also actively engaged through a range of site open days, education opportunities, fundraising and sponsorship activities.

The Innospec Cares programme continues to have a positive impact on employee engagement and the coordination of charitable and community support activities. In 2019, Innospec expanded the Innospec Cares program to include Volunteering Days. Although initially a relatively small number of people applied to participate, we believe the measures planned to identify site-based coordinators and more organised activities will result in increased take up and provide benefits for employee engagement and development in addition to further supporting local charities or good causes.

Innospec's online supplier management portal was used to engage suppliers and manage supplier risk, including enforcement of compulsory compliance training. Innospec has also continued its programme of supplier engagement and performance assessment, using the EcoVadis supplier CSR evaluation platform to engage with and assess 84% of its raw material suppliers, prioritised according to spend thresholds and risk. Innospec has responded to a future reduction in resource due to planned retirement by proactively identifying alternative resources which will ensure the plan for follow up engagement with suppliers can continue as proposed in 2020.

It is our conclusion that Innospec is committed to being accountable to those whom the organisation has an impact on and who have an impact on it.

2.2 MATERIALITY – determining the relevance and significance of issues that are material to sustainability performance

Innospec has an ongoing process for assessing sustainability issues relevant to its operations. Innospec carried out a detailed and comprehensive assessment of materiality at the end of 2016 to validate previous assessments. This review was reported in early 2017 and provided significant value to Innospec in understanding its material issues and how they are viewed by stakeholders. The outcomes of the review shaped the priorities as outlined in the 2017, 2018 and 2019 reports. Innospec plans to undertake a similar materiality exercise in 2020

as part of a periodic review cycle which will also include reference to the UN Sustainable Development Goals. This will once again be used to review the strategic areas of sustainability on which Innospec will focus over the following three-year period.

Innospec's annual review of customer and competitor priorities was used to consider changes in regulation and sustainability trends. This interim review was also used to inform the structure of the 2019 Responsible Business report so that it focuses on the most relevant topics not just for Innospec but also for stakeholders and the chemicals sector as a whole.

The 2019 report continues the work undertaken in 2018 to place an emphasis on explaining how Innospec's products have a positive impact on the sustainability of customer activities and commercial products. We agree that this is an important aspect of materiality for Innospec and should continue to be a key part of future reporting. It was also positive that we have been able to view more detailed evidence relating to product assessment and claims during this year's assurance process. Customer (and other stakeholder) expectations relating to the approach to product assessment and product impact information are likely to continue to grow. We recommend that Innospec reviews its current approaches against best practice to identify if improvements can be made in the application of life cycle assessment-based approaches across the different business units.

It is our conclusion that Innospec has a comprehensive materiality assessment process in place. As identified previously, we recommend that Innospec continues to communicate regularly about material issues and the UN SDGs so that they and their relevance are understood throughout the organisation at all levels. This will be particularly relevant as part of and/or following the proposed materiality assessment process in 2020.

2.3 RESPONSIVENESS – an organisation's response to stakeholder issues that affect its sustainability performance

Innospec responds formally to external stakeholders through the Sustainability pages of its website, its annual sustainability reporting and directly on specific issues, as appropriate. Innospec seeks feedback on its Responsible Business Report to make sure it is easy to read and targeted to stakeholder interests. External stakeholders are consulted as part of the materiality review cycle, however internal stakeholders (including the Board, Executive and relevant working groups) are consulted annually as part of the reporting process and/or following publication. In addition, Innospec has responded to its customer expectations and specific queries through external reporting initiatives such as the Carbon Disclosure Project (CDP) and collaborative industry initiatives such as Action for Sustainable Derivatives. Participation in corporate sustainability ranking indices such as EcoVadis and ISS provide further transparency for customers and investors. It is positive to see that in 2019, EcoVadis rated Innospec among the top 5% of all companies on the CSR platform and awarded the company Gold Medal status for the first time.

In response to an increased customer demand for 'natural' products, Innospec produced detailed definitions and specifications of what constitutes 'natural' and how this term can be used in relation to Innospec's products. This provides clarity on what claims can and cannot be made about a specific Innospec product by customers.

Innospec has continued to be robust in response to changes in legislation. Business representatives participate in several sector collaboration activities and industry committees which both respond to and guide development of legislation. This enables emerging issues and changes to be planned for effectively. Any significant changes trigger the internal Regulatory Change Control process which contains a checklist of actions that ensure the company remains compliant.

Innospec continues to use its stakeholder query log to document stakeholder communications, which helps to ensure a timely response is provided. This log is also used to identify common themes and trends which can be used to inform the prioritisation of issues and communications.

There is a clear cascade of Sustainability Objectives from group to site management and SHE managers who implement site specific targets and associated actions 'on the ground'. There is effective performance reporting and review at group level and site level reporting occurs regularly, with a review of progress at quarterly meetings. During the site interviews it was evident that the local teams, including senior staff, have a good awareness of site sustainability targets and how they align to corporate objectives and targets. The targets and progress against them are communicated at site level through a number of methods including email, notice boards and team briefings. It is recommended that Innospec continues to consider the effectiveness of

communication routes to ensure all staff are aware of site sustainability targets and that engagement on key issues and reporting metrics is encouraged across all levels of the organisation.

The approach to reporting in 2019 has benefited from a reorganisation and change in personnel in the Group sustainability team. The team has also introduced new processes for internal data validation which not only supports greater accuracy of performance information but has also resulted in more direct communication with sites about sustainability and environmental management. It is our view that these changes have resulted in a more streamlined reporting and assurance process for this environmental data.

It is our conclusion that Innospec has demonstrated it responds and is accountable to stakeholders. Plans in place will continue to build on the positive progress made in 2019 to improve the reporting and review process.

2.4 IMPACT - how an organisation measures and monitors the impact of measures they put in place

A key aim of the Responsible Business Report is to provide transparency in the monitoring and measurement of the impact of Innospec's sustainability activities to all stakeholders and therefore demonstrate commitment to sustainability. In addition, Innospec reports annually through a number of external corporate sustainability reporting frameworks, most notably the CDP climate change and water security disclosures, which also demonstrate the impact over time of measures Innospec has put in place.

Early in 2020, Innospec updated its approach to collating and measuring environmental performance information, including updating the approach to measuring greenhouse gas emissions to align to latest standards and guidance. This revised monitoring tool enables Innospec to monitor and clearly demonstrate the overall impact of its sustainability approach and initiatives on corporate performance against a robust baseline.

Innospec has a continual focus on improving energy efficiency and energy saving measures are implemented as a matter of course if they meet company CAPEX environmental and financial criteria. In addition, Innospec has established an Energy Saving Group which identifies and implements energy and other resource efficiency projects that fall outside of these criteria. It is positive to see the energy and carbon savings from these projects are now being measured and the results published in the report. This will also support learning and further roll out of best practice across all Innospec sites.

As part of the approach to monitoring the impact of the Innospec Cares initiative, the Innospec team not only monitor the value of money raised and donations year on year, and the range of charities and good causes these benefit, they also seek feedback from participants and recipients to monitor and demonstrate the impact of the programme.

Innospec demonstrates compliance with the Process Safety Standards through the process safety audits, carried out by the Corporate SHE team. In 2019, a new 'Deep Dive' approach was introduced which looks in more detail at key SHE risks. This process identifies learning and opportunities for mitigation and improvement actions which are to be implemented. Progress against these actions is monitored and the impact reviewed the following year. In 2019, five manufacturing sites were audited using the new approach. The intention is to complete the remaining audits in 2020 which will give further confidence of the impact of the new approach.

It is our conclusion that Innospec has demonstrated they comprehensively monitor, measure and are accountable for their actions.

3. Reliability of Performance Information

The systems and processes used to support the sustainability performance data in the 2019 Responsible Business Report have been evaluated and it has been possible to obtain a moderate level of assurance.

For 2019, Innospec completed an internal data validation exercise of the site level environmental data (including scope 1 and scope 2 GHG emissions, energy and water usage and waste generated) and production data against which environmental metrics are normalised. This had a positive impact on the resulting data accuracy and confidence. During our review of the final data set we did not identify any errors and we noted that any errors that had been identified by the Innospec team had been corrected as part of the internal validation process. Innospec produced a validation log to document errors identified and communications with the sites. It is recommended that Innospec continues to apply the internal validation process in future years and reviews the associated sampling methodology to make sure it remains robust, tackles common issues found in 2019 and supports continual improvement.

Following a review of Innospec's validation log, we believe that most issues identified by the Innospec team related to human error in the numbers documented or their categorisation. During 2019, Innospec prepared standardised procedures for monitoring and reporting key datasets, including the creation of 'standing instruction' guidance on the use of the Airsweb system which is being expanded to include environmental data reporting in addition to health and safety information. It is recommended that any learning from the 2019 validation process is incorporated into these procedures.

Of the sites we interviewed, there appears to be an improved level of consistency in the approach to collating and reporting SHE data to corporate teams. The sites interviewed produce quarterly SHE reports and presentations in a standardised format, which allows them to record, check and review data relating to key sustainability objectives, targets and performance data. The standardised format also supports the assessment of performance across the sites by the Corporate SHE and Executive Teams.

Innospec has well-established and centralised data collection systems in place for health and safety performance data. The approach to collating and measuring environmental data at a corporate level was updated in early 2020. This included a review and validation of evidence and calculations for 2019 back to the baseline year and production of a revised reporting tool. This process also included rebaselining some elements of the data, aligning the approach to latest standards and guidance. We believe this new process has been effective in supporting a high level of data accuracy and it is likely that it will provide further benefit to future reporting, particularly in relation to greenhouse gas emissions. We recommend that Innospec reviews its approach to reporting against key metrics annually to make sure that it continues to be aligned with latest guidance and best practice where relevant.

Jacobs, Manchester, August 2020

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