


2017 Responsible Business Highlights



“ In 2017, we continued to work in our thoughtful and strategic way: delivering our business responsibly, putting our customers at the heart of all we do and continuing to build a company of which we can all be proud. We ended 2017 in our strongest position yet and are pleased to report on some of the year’s highlights.”

Patrick S. Williams
President and Chief Executive Officer

What Matters Most

We regularly engage with our stakeholders to identify the issues that matter most to our employees, key customers, investors, suppliers and the regulator. Our last materiality assessment took place at the end of 2016. The results of which reinforced the continued relevance and importance of our current strategy and focus areas developed across the four pillars of responsible business.



Social

CARING FOR PEOPLE

► Health, Safety and Wellbeing

Nothing is more important to us. We strive to be leaders in health and safety, safeguarding anyone that could be affected by our activities.

► Employees

Investing in the growth and development of our employees helps us to attract talent and achieve long-term success.

► Community Engagement

Supporting local communities through education, fundraising and sponsorship opportunities.



Environment

CONSERVING AND PROTECTING

► Minimize Impact

Seeking to understand and reduce the impact of our activities, while developing innovative products to help protect the environment.

► Product Sustainability

Supplying safe, sustainable products, designed to meet the needs of society now and in the future, while minimizing their environmental impact.



Governance

LEADING BY EXAMPLE

► Legal Compliance

Understanding that honest, ethical and transparent conduct is vital to our success and reputation. Every employee plays an essential part in complying with local and national laws, rules and regulations.

► Third Party Management

Ensuring our supply chain complies with legal, ethical and social requirements, while also finding opportunities for environmental improvement and economic efficiency.



Economic

RESPONSIBLE GROWTH

► Financial Performance

Generating economic benefits for our employees, shareholders, local communities and wider society.

► Innovation

Encouraging ongoing innovation in product development and application to keep our businesses competitive and sustainable.

Our continued success depends on keeping people safe, promoting a healthy life style, improving education and training, protecting human rights and maintaining good relations with our neighbors.

Social

Community Engagement



152 worldwide charities and activities supported

US\$453,000+ raised in 2017 (up 52% on 2016)



\$185,604 raised (up 86% on 2016)

25

global locations participating

88

charities or good causes supported globally

Workforce in Numbers



1903

employees in 23 countries

Gender diversity



77% Male



23% Female

31% Female senior managers

Length of service



54%

5+ years



40%

10+ years

innospec
2017

Health & Safety

Since 2016



reduction in accidents



increase in near miss reporting

Innospec Employee Reportable Lost Time Accident (IRLTA) Frequency Rate = 0.09 per 100,000 hours better than industry average of 0.14

OUR JOURNEY TO

ZERO HARM

New corporate behavioral safety program introduced

Performance Recognition

Corporate Safety Certificate



Gold

Herne, Germany



Silver

Pleasanton & Oklahoma City, US



Bronze

Midland, US

Corporate Safety Award



Silver

Pleasanton & High Point, US



Bronze

Barcelona, Spain

Promoting Wellbeing



Employees offered support, training and advice across a range of health-related areas including: Annual health checks, health insurance, free fruit stations and salad days, health newsletters and information campaigns and supporting fitness events.

Monitoring and measuring the impact we have on the environment has been a long-standing core element of our strategy. We are committed to using resources as efficiently as possible and to minimizing the impact of our operations.

Environment

Performance Since 2016



GREENHOUSE GAS EMISSIONS (Scope 1 & 2)

6% reduction

Absolute: 86,110 metric tonnes CO₂e

14% reduction

Intensity: 140 Kg CO₂e per metric tonne of product



ENERGY USE

12% reduction

2.2 GJ per metric tonne of product



WATER USE

17% reduction

3.55 m³ per metric tonne of product



HAZARDOUS WASTE

3% reduction

12 Kg per metric tonne of product

Verified Performance



B- Awareness

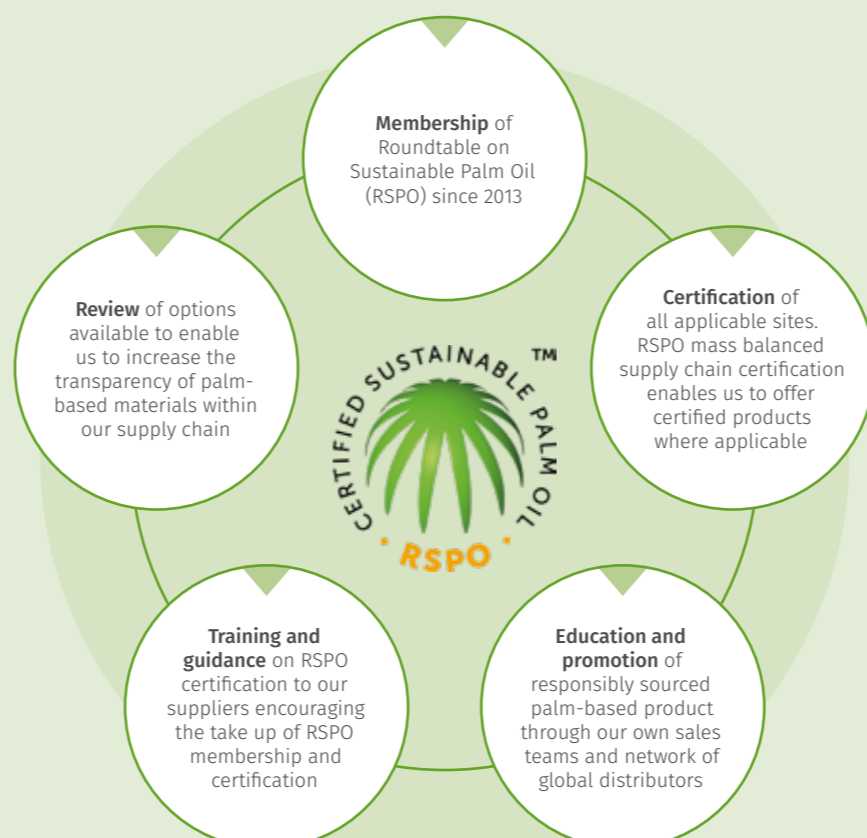
Supply Chain Disclosure Program 2017 Performance band score (Above both the CDP program and industry average score D: Disclosure)



Silver status

EcoVadis supply Chain sustainability platform

Product Sustainability



Our Sustainable Sourcing of Palm Oil and Palm Kernel Oil Policy is available on our website at www.innospecinc.com/sustainablesourcing

No conflict minerals necessary to the functionality or production of any our products.

Compliance is a non-negotiable core element of our business. We have developed robust systems and procedures to ensure that our employees, third parties, suppliers and other stakeholders behave legally, responsibly and ethically.

Governance

Managing Third Parties

Second EcoVadis campaign conducted, assessing the relative environmental and social risk of 70 Innospec suppliers in high-risk countries. Overall the Innospec supply chain continues to score better than the EcoVadis average.

ComplianceDesktop

Successful launch of new automated due diligence platform

Transparent and Honest

A number of our Corporate Governance policies are publicly available online at:

www.innospecinc.com/aboutus/corporate-governance



Economic growth enables us to continue our investment in research and technology, skills, training, new facilities, plant and equipment to ensure that we are well positioned for the long term.

Economic

Strong Financial Performance

figures for Innospec Inc. Group



Revenue



Gross Profit



Operating Income



Adjusted EBITDA

Integrating Performance Chemicals

Welcoming and integrating 400 new employees and three new manufacturing facilities into Innospec following the acquisition of the European surfactants business from Huntsman at the end of 2016.

Innovation

US\$31 million Group R&T spend

Invested in research, product/application development and technical support, up US\$6 million on 2016.



Social



- ▶ **Protect** the health, safety and wellbeing of employees and third parties
- ▶ **Roll Out** our new global corporate health and safety behavior program, Journey to Zero Harm
- ▶ **Reduce** the number of loss of containment events
- ▶ **Implement and comply** with corporate process safety standards
- ▶ **Increase** the number of employees participating in the Innospec Cares program, encouraging match-funded applications

Environment



- ▶ **Reduce** Greenhouse Gas scope 1 & 2 emissions by targeting projects that will deliver the equivalent of 2% saving by the end of 2018 (based on 2015 baseline)
- ▶ **Review** waste handling and maximize recycling, recovery and reuse routes
- ▶ **Identify and evaluate** further water reduction projects
- ▶ **Increase** the transparency and understanding of Innospec's palm based raw material supply chain

Governance



- ▶ **Review and drive** improvement in our compliance reporting systems
- ▶ **Develop and deliver** training to enhance understanding on competition and anti-trust law
- ▶ **Encourage** continuous improvement in the sustainability practices of our suppliers
- ▶ **Incorporate** the EcoVadis sustainability assessment into the new supplier evaluation process

Further details on Innospec and our Corporate Social Responsibility programs can be found on our website below or by emailing sustainability@innospecinc.com