

Implementation of Innospec's Sustainable Palm Sourcing 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 timescales:

- **Sustainable Sourcing of Palm Policy**
 - We developed our first Sustainable Palm Sourcing 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 on 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 website 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 2030 – Ongoing activity.
 - We continue to encourage those suppliers not able to offer RSPO certified raw materials to do so – Ongoing activity.
 - We continue to promote and increase the sale of RSPO certified products to our customers – Ongoing activity.

- **Transparency and Risk Assessment**
 - In 2018, we initiated our first transparency and risk-mapping exercise using an independent third party, to provide an understanding of our 2017 palm-based raw material volumes.
 - In 2019, we committed to conducting the transparency and risk-mapping exercise on an annual basis, with a target of reaching 100% transparency at the mill level for 2020 palm volumes.
 - In 2020, Innospec joined the collaborative initiative [Action for Sustainable Derivatives \(ASD\)](#), which aims to develop a harmonized approach to supply chain transparency, risk monitoring and evaluation. Our 2019 and all subsequent palm volume assessments have been conducted through of our membership of the ASD.
 - In 2020, we committed to the disclosure of the output of our annual transparency exercise on our website. We also readjusted our target of reaching 100% transparency at mill level from 2020 to 2025 purchased palm volumes to reflect the complexities of the supply chain.
 - Following increased engagement with our suppliers in 2022, we were able to improve the transparency of our 2022 palm volumes at mill level to 98%. Our transparency level to the refineries and plantations also increased to 97% and 60%, respectively.
 - In 2024, we will continue to work with our direct and indirect suppliers and collective engagement through our membership of ASD to increase transparency at mill level to 100% – Ongoing activity.

- **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 the public reporting of grievances raised, time-bound action plans and reporting progress towards NDPE compliance.
- In 2021, we aligned our methodology for direct & indirect supplier evaluation with the common approach agreed by the ASD members.
- In 2023, we communicated our Sustainable Palm Sourcing Policy to our direct suppliers, ensuring they are aware of the requirement for them to implement the principles throughout their operations.
- In 2023, we participated in the ASD collaborative pilot project to develop a verified deforestation-free methodology and applied it to our 2022 palm volumes. In 2024, we will participate in the second stage of pilot and apply the methodology to our 2023 palm volumes.
- In 2024, 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 Palm Sourcing Policy – Ongoing in 2024.
- In 2023, we signed a Memorandum of Understanding (MoU) with the global organization [International Justice Mission](#). The MoU details both parties' intention to partner in 2024 on a project to strengthen the confidence and capacity of key stakeholders in protecting Indonesian palm industry workers and increased reliance of vulnerable Indonesian palm industry workers on government systems for protection against forced labor and labor trafficking. The project will target Northern Kalimantan, one of the largest palm oil production regions in Indonesia and an area connected to the priority sourcing areas identified in Innospec's supply chain during our risk mapping exercise.

- **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.
- In 2021, we published a palm grievance tracker on our website. The tracker lists the grievances that have been raised to Innospec regarding our palm oil supply chain relating to an alleged breach of our Sustainable Palm Sourcing Policy. It also provides a link to the outcome of our internal investigation.

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

- [RSPO website Members page](#)
- www.innospecsustainability.com/environment/sustainable-sourcing



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