

Innospec Active Chemicals LLC Modern Slavery and Human Trafficking Statement, 2024

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* requires Innospec Active Chemicals LLC (“IAC”) to disclose the steps it has taken to address the risk of slavery and human trafficking in its supply chain.

IAC publishes this statement to comply with these requirements. This statement relates to the financial year ending 31 December 2024.

IAC’s Business

IAC operates as a speciality performance chemicals company, providing effective technology-based solutions for the personal care, home care, agrochemical, metal extraction and construction markets.

IAC is based in Salisbury and High Point, North Carolina, and is part of the Innospec group. Its parent company is Innospec, Inc. All Innospec, Inc. (“Innospec”) policies and procedures are applicable to IAC. We recognize that being a responsible business is key to our continued success and, as part of that responsibility, we fully support the elimination of all forms of slavery and human trafficking.

IAC procures raw materials from a number of suppliers. These suppliers are based primarily in the US but a few are located in China, India, Germany, Austria, Netherlands and the United Kingdom.

Policies Relating to Modern Slavery and Human Trafficking

Innospec is committed to the highest standards of corporate governance and ethics. Compliance is a non-negotiable part of our business. As part of our firm commitment to these values we have, and continue to operate, cultivate and refine, a robust ethics and compliance program.

This commitment is reflected in Innospec’s Code of Conduct, Supplier Code of Conduct, Human Rights Policy Statement, Reporting Corporate Governance Concerns Policy, Conflict Minerals Policy and other corporate policies which together set the company’s expectations for how the global business conducts its activities.

Innospec’s **Code of Conduct** requires that the company’s directors, officers and employees (including contract employees) maintain the highest ethical standards in carrying out business activities and requires compliance with all applicable laws, rules and regulations. It specifically addresses modern slavery issues by, among other things, explicitly requiring all directors, officers and employees, and third party representatives of Innospec (including agents and distributors) and other stakeholders, to comply with all applicable modern slavery legislation (which includes in relation to forced, bonded and child labor and human trafficking) and to promptly report all concerns and suspicions they may have in relation to the potential for modern slavery in any part of Innospec’s supply chain. It also puts third parties on notice that violation of the Code of Conduct would constitute a breach of their contract with Innospec and encourages such third parties to report relevant concerns.

Innospec’s **Supplier Code of Conduct** applies to all our suppliers and sets out the minimum standards that we expect regarding compliance with all relevant laws and regulations, including those concerned with business integrity, health, safety and the environment and human rights. Specifically, the Supplier Code of Conduct makes it clear that our suppliers must not permit any form of forced, bonded, child labor or human trafficking or any form of unacceptable treatment of their workers, including exploitation of children or involuntary servitude.

Innospec's Code of Conduct, Supplier Code of Conduct, Human Rights Statement, Reporting Corporate Governance Concerns Policy, Conflict Minerals Policy and other corporate policies are available in several languages on our website at <https://innospec.com/about-us/corporate-governance/> and <https://innospec.com/about-us/supplier-relations/>.

Key Developments in 2024

As part of Innospec's commitment to the continuous improvement of our corporate governance framework, we updated and strengthened several global policies during 2024.

We conducted reviews of several legal compliance policies including the Anti-Corruption Policy and Export Controls and Trade Sanctions Policy.

We continued to adjust our operations in light of sanctions placed by the US, EU, UK, Canada and other nations in response to the Russian invasion of Ukraine. Systems were put in place for compliance with the evolving requirements with a particular focus on avoiding the unauthorized diversion to Russia of Innospec product sold to customers in other countries.

Supplier Risk Assessments

As part of our commitment to human rights, we take steps to identify and minimize the risks of slavery, child labor and human trafficking in our supply chain. Suppliers are screened using software that checks debarment, sanctions and watch lists. We also create risk profiles for new suppliers and, where necessary, action plans to mitigate potential supply chain risks.

Innospec engages EcoVadis to conduct corporate social responsibility risk assessments of key suppliers and those operating out of high risk locations. Among other things, EcoVadis assessments allow us to evaluate supplier policies and actions taken by the supplier and to identify further actions required to enforce compliance with internationally recognized human rights standards and fair labor practices. All suppliers whose forecast spend is above agreed thresholds are required to complete an EcoVadis assessment or provide evidence of an equivalent third-party corporate social responsibility assessment. The thresholds are determined based on the level of risk of the country, with lower spending thresholds applied to suppliers operating out of higher compliance risk countries.

Innospec has an internal protocol to support its review of, and response to, concerns raised regarding its supply chain. Innospec may invoke sanctions against suppliers, up to and including termination of the business relationship, if they violate modern slavery laws.

Supplier Certification

Because Innospec does not control or direct the activities of its independent suppliers, it seeks assurances from them that they will not violate the law. Accordingly, Innospec requires its suppliers (through standard terms and conditions and contracts of purchase) to confirm that they comply with applicable laws and regulations in providing goods and services to Innospec. This includes applicable anti-slavery, child labor and human trafficking laws. All Innospec standard terms and conditions of purchase contain a specific provision requiring suppliers to certify compliance with laws prohibiting slavery and human trafficking and adherence with the Supplier Code of Conduct and a provision requiring compliance with applicable US and EU laws and regulations relating to conflict minerals (see <https://innospec.com/trading-t-cs/>).

Higher Risk Areas

Innospec has identified certain parts of its business and supply chains where there is a higher potential risk of slavery, child labor and/or human trafficking, such as the use by Innospec of palm oil and palm kernel oil derivatives in a number of its Performance Chemicals products. Since 2013, Innospec has been a member of the Roundtable on Sustainable Palm Oil (RSPO) whose principles stipulate, amongst other things, the fair treatment of workers according to local and international labor rights standards. In July 2015, Innospec achieved RSPO Mass Balance Supply Chain Certification and now maintains current valid certifications at all its relevant manufacturing facilities. Innospec has a Sustainable Palm Sourcing Policy (Palm Policy) which includes a statement on the prohibition of forced, slave and child labor and a Palm Grievance Procedure which sets out a clear process for the identification, investigation and resolution of external grievances concerning the implementation of Innospec's Palm Policy, including allegations of modern slavery. Innospec publishes a Palm Grievance tracker on its website which details the grievances received and the outcome of Innospec's internal investigation.

In addition, Innospec is a member of the collaborative initiative, Action for Sustainable Derivatives (ASD), which aims to develop a harmonized approach to annual supply chain transparency, risk monitoring and evaluation exercises. ASD brings together a number of companies to collectively standardize the tools and methodologies used to accelerate the compliance of their supply chain with NDPE compliance (no Deforestation, no Peat, no Exploitation). This includes the prevention of forced, slave and child labor. For further details of Innospec's sustainable sourcing activities and copies of relevant certifications and Palm Policy see <https://innospecsustainability.com/environment/sustainable-sourcing>.

Remedial Measures

Innospec has not identified any incidents of forced or child labour in its own operations or tier one (direct) supply chains. As such, we have taken no remediation measures during our last fiscal year. To the extent we become aware of any indications or instances of forced or child labour we engage in reasonable investigative measures and assess the outcomes of those investigations and take next steps on a case by case basis.

Training

Innospec has a comprehensive and robust compliance training program, supported by an external training service provider, which administers online compliance training to all relevant employees throughout the year. Courses cover a wide range of compliance issues and are available in various languages to reflect the global nature of Innospec's business.

As a minimum, all Innospec employees are required to complete an online training course relating to the company's Code of Conduct (which emphasizes the importance of compliance with all applicable laws and regulations, including those relating to modern slavery and human trafficking, and provides guidance on how to apply the requirements of the Code of Conduct in their daily work) and regularly certify their understanding of and compliance with the Code. The majority of employees also complete several additional online targeted training courses covering various specific compliance topics, some delivered online, and others delivered in person.

Our modern slavery training module is completed by all non-manual employees. The training module highlights modern slavery related risks, advises employees of relevant red flags and warning signs, and reinforces the requirement to promptly report all related concerns.

Assessing Effectiveness

Working closely with our supply chain partners enables us to manage supply chain risk effectively and to identify opportunities to improve the sustainability and economic efficiency of our products and services. Innospec monitors the effectiveness of the measures in regards to forced and child labour on an ongoing basis.

Reporting Concerns

Innospec requires all its employees and representatives to report concerns, including any that relate to actual or potential human rights abuses. Employees are also expected to encourage suppliers, partners and other third parties to report anything they become aware of that could be unethical, unsafe or illegal. A speak up culture is encouraged, where employees and third parties are able to report concerns safely, without fear of reprisal or retaliation.

Innospec has many internal channels available for employees to seek compliance guidance or to report concerns, which are set out in the company's Reporting Corporate Governance Concerns Policy. The Reporting Corporate Governance Concerns Third Party Notice (available at <https://innospec.com/about-us/corporate-governance/>) describes how customers, suppliers and other third party stakeholders may report concerns. Both the Policy and the Notice were updated during 2023 on account of developments in the national reporting mechanisms provided by EU Member States. Innospec maintains a reporting hotline which may be used by employees and third parties to report, among other things, any concerns or suspicions regarding slavery or human trafficking in Innospec's supply chain. Trained personnel investigate all reports in a timely manner, and confirmed violations are addressed with specific corrective actions. Innospec reserves the right to terminate contracts where appropriate.

This statement has been approved by the Board of Directors. Based on my knowledge and having exercised reasonable diligence, the information in the report is true, accurate and complete in all material respects for the purposes.



Signed: _____
Patrick. S. Williams, President and Chief Executive Officer