

## Particulars

### About Your Organisation

#### 1.1 Name of your organization

Stepan Company

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#### 1.2 What is/are the primary activity(ies) or product(s) of your organization?

- Grower
  - Processor and/or Trader
  - Consumer Goods Manufacturer
  - Retailer and/or Wholesaler
  - Bank and/or Investor
  - Social and/or Development NGO
  - Environmental and/or Conservation NGO
  - Supply Chain Associate
  - Affiliate
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#### 1.3 Membership number

2-0248-11-000-00

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#### 1.4 Membership category

Palm Oil Processors and/or Traders

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#### 1.5 Membership sector

Ordinary

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**Processor and/or Trader****1. Operational Profile**

**1.1 Please state your main activity(ies) within the palm oil supply chain. Please select the option(s) that apply to you**

- Refiner of CPO and PKO
- Trader with physical possession
- Trader without physical possession
- Palm kernel crusher
- Food and non-food ingredients producer
- Power, energy and biofuel
- Animal feed producer
- Producer of oleochemicals
- Distributor and wholesaler
- Other

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**Other:**

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**2. Palm Oil and Certified Sustainable Palm Oil Use**

**2.1 Please include details of all operations using palm oil owned and/or managed by the member and/or all entities that belong to the group.**

Production facility converting palm kernel oil derivatives into intermediate ingredients for the production of food and/or non-food products. Our certified facilities are located in the United States, Mexico, Brazil, the Philippines, and Europe.

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**2.1.1 In which markets do you sell goods containing palm oil and oil palm products?**

Brazil , Colombia , France , Germany , Mexico , Netherlands , Philippines , United Kingdom , United States

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**2.2 Volumes of palm oil and oil palm products**

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**2.2.1 Total volume of crude and refined palm oil handled/traded/processed in the year (tonnes)**

N/A

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**2.2.2 Total volume of crude and refined palm kernel oil handled/traded/processed in the year (tonnes)**

N/A

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**2.2.3 Total volume of palm kernel expeller handled/traded/processed in the year (tonnes)**

N/A

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**2.2.4 Total volume of other palm-based derivatives and fractions handled/traded/processed in the year (tonnes)**

N/A

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**2.2.5 Total volume of all palm oil and oil palm products used in the year (tonnes)**

N/A

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**2.3 Volumes of palm oil and oil palm products certified**

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.3.1 RSPO Credits from Mill / Crusher	N/A	N/A	N/A	N/A
2.3.2 RSPO Credits from Independent Smallholder	N/A	N/A	N/A	N/A
2.3.3 Mass Balance (MB)	N/A	N/A	N/A	N/A
2.3.4 Segregated (SG)	N/A	N/A	N/A	N/A
2.3.5 Identity Preserved (IP)	N/A	N/A	N/A	N/A
2.3.6 Total volume (tonnes)	N/A	N/A	N/A	N/A

**2.4 Volume sold in the year that is RSPO-certified (tonnes):**

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.4.1 Mass Balance (MB)	N/A	N/A	N/A	N/A
2.4.2 Segregated (SG)	N/A	N/A	N/A	N/A
2.4.3 Identity Preserved (IP)	N/A	N/A	N/A	N/A
2.4.4 Total volume (tonnes)	N/A	N/A	N/A	N/A

**2.4.5 How much RSPO-certified products have you sold under other schemes (tonnes)?**

N/A

**2.4.6 How much RSPO-certified products have you sold as conventional (tonnes)?**

N/A

**2.5 What is the percentage of Certified Sustainable Palm Oil in the total palm oil products sold by your company in the following regions:****2.5.1 Africa**

0%

**2.5.2 Oceania**

0%

**2.5.3 Europe**

30%

**2.5.4 North America**

9%

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**2.5.5 Latin America**

0%

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**2.5.6 Middle East**

0%

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**2.5.7 China**

0%

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**2.5.8 India**

0%

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**2.5.9 Indonesia**

0%

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**2.5.10 Malaysia**

0%

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**2.5.11 Rest of Asia**

8%

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**3. Time-Bound Plan**

**3.1 Year of first supply chain certification (planned or achieved).**

2014

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**3.2 Year started/expected to start to handle/trade/process any RSPO-certified palm oil and oil palm products.**

2015

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**3.2.1 If target has not been met, please explain why.**

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**3.3 Year expected to achieve 100% RSPO certification of all palm product processing facilities.**

2020

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**3.3.1 If target has not been met, please explain why.**

We have 84% of our facilities that handle palm material certified at MB level. Our original target for 100% certification was 2018, however we have not had an interest in RSPO certified material from our customers for our two remaining sites. We will certify remaining facilities as soon as we have customer interest in and readiness to purchase RSPO certified material in those regions.

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**3.4 Year expected to only handle/trade/process 100% RSPO-certified palm oil and oil palm products**2023

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**3.4.1 If target has not been met, please explain why.**

While we have seen a steady increase in the volumes of certified material being requested, we have not seen the level of commitment from our customers to enable handling 100% RSPO certified material. Our commitment to handle 100% certified palm products is dependent upon customer interest and readiness to purchase these materials, as well as continued development of available PKO derivative supplies.

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**3.5 Which countries do these commitments cover?**Applies globally

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**3.6 How do you proactively promote RSPO and RSPO-certified sustainable palm oil and oil palm products to your customers?**

Stepan continues to engage customers on our ability to offer RSPO certified ingredients through direct customer communications, our website, industry meetings, and social media. We work to support our customers and distributors in their efforts to understand requirements related to supply chain certification. Stepan strives to keep all employees informed of RSPO related updates and trends through internal communications and training, to enable effective engagement with our suppliers and customers. We also work with our suppliers to communicate expectations and needs related to responsible, sustainable palm material production and procurement.

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**4. Trademark Use****4.1 Do you use or plan to use the RSPO Trademark on your own brand products?**No

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**4.2 Please select the countries where you use or intend to apply the Trademark**-

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**4.2.1 Please state the year when you began or plan to begin to apply the Trademark**-

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**4.3 Please explain why**

- Challenging reputation of palm oil
  - Confusion among end-consumers
  - Costs of changing labels
  - Difficulty of applying for RSPO Trademark
  - Lack of customer demand
  - Limited label space
  - Low consumer awareness
  - Low usage of palm oil
  - Risk of supply disruption
  - Others
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**Other:**

Stepan is an intermediate chemical ingredients manufacturer. Our customers need necessary information for proper tracking, but use of the logo is unnecessary and doesn't meet needed tracking requirements. We do utilize the RSPO trademark in company communications, and for those uses we comply with the RSPO criteria for proper trademark usage.

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**5. Actions for Next Reporting Period****5.1 Outline activities that you will take in the coming year to promote the use of RSPO-certified palm oil and oil palm products along the supply chain.**

Stepan Company continues to engage with our customers to meet their responsible sourcing goals. In addition to being supply chain certified, this includes having clear commitments for NDPE, engaging our supply chain on responsible sourcing issues, and working to facilitate supply chain transparency. We have worked to meet the criteria our customers have outlined so that we can be a preferred supplier of RSPO certified material. In 2018 Stepan released a new Third Party Code of Conduct as well as Responsible Sourcing Guidelines for Palm Material Suppliers. These documents define our expectations for suppliers and aim to align with customer goals for responsible sourcing. We continue to work on development of a supplier assessment program for compliance with these criteria. We continue to support customers and distributors who are new to RSPO by providing information about our MB ingredients and also by promoting RSPO supply chain certification awareness. Stepan will continue to promote our RSPO engagement and global supply chain certifications in customer-facing tools, industry meetings, our website, and social media tools. We continue to engage our suppliers to identify sources and obtain volumes of needed CSPKO derivatives.

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**6. Non-Disclosure of Information**

**6.1 Information in the sections above are mandatory declarations in your ACOP. For confidentiality purposes, members may choose not to display volume data in Section 2 publicly; however, RSPO reserves the right to utilise the member's data on an aggregate basis for sectoral and total analysis. Please check this box if the member chooses to have the data in Section 2 displayed publicly.**

No - Redact volume data

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**7. Application of Principles & Criteria for all member sectors**

**7.1 Regarding your company's sourcing, handling or trading, do you have organisational policies that are in line with the RSPO P&C? Select all relevant options.**

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**7.1.A Water, land, energy and carbon footprints**

File: [Stepan Company Supplier Sourcing Guidelines 5\\_4\\_18.pdf](#)

Link: --

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**7.1.B Land use rights**

File: [2017.07.20 LAND PROTECTION POLICY\\_Ver 0\\_2017 - Revised - Clean.pdf](#)

Link: --

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**7.1.C Ethical conduct and human rights**

File: [2017.07.20 LAND USE POLICY\\_Ver 0\\_2017 - Revised - Clean.pdf](#)

Link: <https://stepan.gcs-web.com/code-conduct-2>

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**7.1.D Labour rights**

File: --

Link: <https://stepan.gcs-web.com/code-conduct-2>

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**7.1.E Stakeholder engagement**

File: [Third party code of conduct 5\\_4\\_2018.pdf](#)

Link: <https://stepan.gcs-web.com/code-conduct-2>

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**7.1.F None of the above. Please explain why.**

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**7.2 What best practice guidelines or information has your organisation provided in the past year to facilitate the uptake of RSPO-certified sustainable palm oil and oil palm products? What languages are these guidelines available in?**

We inform our customers of progress toward RSPO certification and of new ingredients available as mass balance certified. We engage directly with customers at meetings and conferences, as well as providing information through the internet and social media. We also provide guidance to our customers and our distributors on the requirements for RSPO membership, certification, and obtaining a license, through direct engagement. Our Third Party Code of Conduct and Responsible Sourcing Guidelines for Palm Material Suppliers are available on our website in English.

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**8. Greenhouse Gas (GHG) Footprint****8.1 Are you currently reporting any GHG footprint?**

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Yes

**8.1.1 Please upload your publicly available GHG report**

File: --

Link: --

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**8.1.2 OR please insert the URL to the GHG section of your corporate website.**

Link:

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**8.2 Please explain and justify why you are not calculating your GHG footprint. Please include any future plans you may have to calculate your GHG footprint.**

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**8.3 What methodology are you using to calculate your GHG footprint?**

We calculate our Scope 1 and Scope 2 emissions in partnership with our energy provider. We calculated our Scope 3 emissions using the Greenhouse Gas Protocol Quantis tool.

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**9. Support for Oil Palm Smallholders****9.1 Are you currently supporting any oil palm Independent Smallholder groups?**

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No

**9.2 How are you supporting them?**

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**9.2.1 Do you have any future plans to support oil palm Independent Smallholders?**

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No

**9.2.2 If yes, when do you plan to start your support for oil palm Independent Smallholders?**

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**10. Challenges**

**10.1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?**

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- Others

**Other:**

Because RSPO has not been rigorous in addressing human rights violations, deforestation, land rights abuses, and other issues, many companies have had to take additional actions to meet criteria and needs specified by our customers. With the RSPO adoption of NDPE commitments, there is potential to address these issues more effectively and improve the reputation of RSPO certified material and palm oil more generally. Some customers are moving toward physical supplies, but the uptake has been slower than anticipated.

**10.2 In addition to the actions already reported in this ACOP how has your organisation supported the vision of RSPO to transform markets in other ways?**

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- Others

**Other:****10.3 Please attach or add links to any other information from your organisation on your policies and actions on palm oil**

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