

Particulars

Organisation Name	Stepan Company
Corporate Website Address	www.stepan.com
Primary Activity or Product	Processor and/or Trader
Related Company(ies)	None
Country Operations	Brazil, Canada, China, Colombia, France, Germany, Mexico, Philippines, Poland, Singapore, United Kingdom, United States
Membership Number	2-0248-11-000-00
Membership Type	Ordinary Members
Membership Category	Palm Oil Processors and Traders

Palm Oil Processors and Traders

Operational Profile

1.1 Please state your main activity(ies) within the supply chain

- Ingredient manufacturer

Other:

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1.2 Operation and Certification Progress

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1.2.1 Do you have a system for calculating how much palm oil and palm oil products you use?

No

1.3 Total volume of all palm oil products handled in the year (Tonnes)

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1.3.1 Total volume of Crude Palm Oil (CPO) handled in the year

5000.00

1.3.2 Total volume of Palm Kernel Oil (PKO) handled in the year

500.00

1.3.3 Total volume of other Palm Oil Derivatives and Fractions handled in the year

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1.3.4 Total volume of all palm oil and palm oil derived products handled in the year

5500.00

1.4 Volume handled in the year that is RSPO-certified (Tonnes):

No	Description	Crude Palm Oil (Tonnes)	Palm kernel oil (Tonnes)	All other palm-based derivatives and fractions handled in the year that is RSPO-certified (Tonnes)
1.4.1	Book & Claim			
1.4.2	Mass Balance			
1.4.3	Segregated			
1.4.4	Identity Preserved			
1.4.5	Total volume of Oil Palm handled that is RSPO-certified:			

1.5 Do you plan to ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?

No

Do you plan to ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?

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Time-Bound Plan

2.1 Date of first supply chain certification (planned or achieved)

2014

2.2 Time-bound plan - Year expected to achieve 100% RSPO certification of all supply chains

2016

2.3 What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)? Please state annual targets/strategies.

- Stepan's 2016 Time Bound Plan is a commitment to certify by mass-balance, all Stepan facilities that process PO/PKO derivatives, but not necessarily all product lines moving through each certified facility. Achieving 100% supply chain certification depends upon customer demand for certified products and supply availability of certified feedstocks.
- Stepan continues to work closely with our customers in an effort to help reach their sustainability goals.
- In 2014 we conducted customer surveys to promote communication on customer needs, enabling us to better understand and respond to market changes.
- Stepan engaged with our suppliers to identify volume and availability of certified feedstocks at mass-balance and segregated certification levels.
- Stepan Company has begun the supply chain certification process under the mass-balance model with certification of two European facilities.
- We expect to continue certification of select facilities moving into 2015 and completing all PO/PKO/derivatives handling facilities by end 2016.

2.4 Timebound plan - Year expected to only "handle/supply" RSPO certified oil palm products

2020

2.5 What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)? Please state annual targets/strategies.

- Stepan Company's commitment to handling/supplying 100% RSPO certified oil palm products depends upon sufficient development of certified PKO supplies from our supply chain partners and upon a willingness on the part of our customers to invest in the additional costs associated with sustainable supply chains.
- We continue to proactively work with our PO/PKO derivative suppliers to identify sources of certified sustainable PO/PKO derivatives at volumes, pricing, and certification levels necessary to meet our customers' needs.
- Stepan Company has completed the supply chain certification process for two of our European facilities under the mass-balance model. We are able to offer CSPKO derivatives from these two facilities, subject to demand and pricing agreement.
- We expect to continue certification of our PO/PKO handling facilities moving into 2015, with completion by end 2016.
- We will continue to engage with our customers to understand changing needs related the palm industry including sensitivity to deforestation, GHG emissions, human rights, and labor standards.

2.6 How do you promote RSPO and RSPO certified sustainable palm oil to your customers proactively?

- Stepan strives to keep all employees informed of market trends related to RSPO with e-learning tools, company updates/newsletters, and other internal communications. Through informed engagement with our customers, employees directly relate Stepan Company’s position on RSPO and sustainable PO/PKO.
- Stepan continues to foster understanding and awareness of RSPO objectives through meetings with customers and suppliers, information sharing through presentations, surveys to and from our customers, and company communications.
- Stepan Company is positioning ourselves as a preferred source for surfactants containing sustainable palm oil derivatives from our European facilities offering product lines with mass-balanced PO/PKO derivatives.
- Stepan will follow the criteria for proper messaging of RSPO membership status, sustainability claims, and use of logos.

GHG Emissions

3.1 Do you publicly report the GHG emissions of your operations?

No

Please upload related report:

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Add link to website

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Please explain why:

Stepan Company reports GHG emissions through CDP on request from our customers. Other environmental metrics are reported to ACC and ACI.

3.2 Does your company have a public commitment to only purchase palm oil from suppliers that disclose their GHG emissions?

No

Please upload related report:

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Add link to website

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Please explain why:

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Actions for Next Reporting Period

4.1 Outline actions that you will take in the coming year to promote CSPO use along the supply chain

- Development and use of sales team resources related to RSPO, certification, and understanding customer needs.
- Sharing of company position and actions related to RSPO through customer-facing communication tools.
- Continued engagement with our suppliers and customers through surveys and meetings.
- Continue certification of select facilities under mass-balance supply-chain model.
- Continue to work with our suppliers to identify sources and obtain volumes needed of CSPKO derivatives.

Reasons for Non-Disclosure of Information

5.1 If you have not disclosed any of the above information please indicate the reasons why

Confidentiality

Application of Principles & Criteria for all members sectors

6.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:

- Ethical conduct and human rights
 - Labour rights
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Water, land, energy and carbon footprints

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Land Use Rights

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Ethical conduct and human rights

[P-Policies-to-PNC-ethicalconducthr.pdf](#)

For administration purpose, attachment files are renamed automatically

Labour rights

[P-Policies-to-PNC-laborrights.pdf](#)

For administration purpose, attachment files are renamed automatically

Stakeholder engagement

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6.2 Where relevant, what prevents you from trading/processing only CSPO?

Stepan is responsive to market conditions and is taking steps toward using and offering responsibly sourced oil palm products. We utilize PKO derivatives to a greater extent than PO and are working with our suppliers to identify sources and volumes at certification levels that meet our customer needs.

Our commitment to 100% CSPO/CSPKO will depend firstly upon the speed of certification of our supply chain partners and the volume of certified material made available, and secondly on customer desire to use only CSPO/CSPKO derivatives and their willingness to invest in the cost of 100% certified sustainable product lines.

Commitments to CSPO uptake

As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions: Do you have plans to?

Yes

- Please explain why:

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- Please specify:

Stepan Company's commitment to handling/supplying 100% RSPO certified oil palm products depends upon sufficient development of certified PKO supplies from our supply chain partners and upon a willingness on the part of our customers to invest in the additional costs associated with sustainable supply chains. We expect to continue certification of our PO/PKO handling facilities moving into 2015, with completion by end 2016.

- Do you have plans to immediately cover the gap using Book & Claim?

No

- How and when do you plan to immediately cover the gap using Book & Claim?

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- Please explain why:

Stepan Company is investing in physical certification of our facilities so that we will be able to offer the IP/SG/MB certified products that our customers may ask for and that we can move and track through our supply chain. This is consistent with our commitments to promote responsible sourcing of oil palm products.

Challenges

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?

Stepan Company is preparing to offer sustainable supplies of PO/PKO derivatives, however we can make such commitments only when adequate supplies are available and when our customers are willing to support this commitment by paying current associated price premiums.

2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

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Robust:

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Simpler to Comply to:

similar

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

- Certification of two facilities and ability to offer certified PKO-derived products from these facilities.
- Engagement with key suppliers to promote traceability and to identify sufficient volumes of certified sustainable PO/PKO and derivatives.
- Engagement via surveys to and from our customers.
- Communications tools relating to palm oil market trends, company efforts, and customer goals.

4 Other information on palm oil (sustainability reports, policies, other public information):

Stepan Company supports the mission of the RSPO to make sustainable palm oil and palm oil derivatives the industry standard. We make customer needs our primary interest and are, therefore, responsive to changes in markets with regard to sustainable palm oil and derivatives. Stepan will position ourselves to meet customer requests for responsibly sourced, certified sustainable oil palm products.

Stepan has moved ahead of schedule with the certification of two manufacturing sites in Europe in Q2 2014 and can now offer specific mass-balance certified products. We plan to continue certifying our other facilities with a target for completing all Stepan sites that handle oil palm products by the end of 2016. In response to increased customer inquiries, we are working with our supply chain partners to identify sources and necessary volumes for RSPO certified PO/PKO and derivatives. These efforts are dependent upon timely development of sustainable supply chains within our supply base and commitment on the part of our customers to invest in the cost of sustainability.
