

Particulars**About Your Organisation****Organisation Name**Stepan Company

Corporate Website Addresswww.stepan.com

Primary Activity or Product

- Processor and/or Trader
-

Related Company(ies)No

Membership

Membership Number	Membership Category	Membership Sector
2-0248-11-000-00	Ordinary	Palm Oil Processors and/or Traders

Palm Oil Processors and Traders

Operational Profile

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

- Ingredient manufacturer

1.2 Operation and Certification Progress

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

Yes

1.3 Total volume of all palm oil products processed and/or traded in the year in the year (Tonnes)

1.3.1 Total volume of oil palm and palm oil derivatives processed and/or traded in the year

--

1.3.2 Total volume of palm kernel oil and palm kernel oil derivatives processed and/or traded in the year

43,500.00 Tonnes

1.3.3 Total volume of other Palm Oil Derivatives and Fractions processed and/or traded in the year

10,500.00 Tonnes

1.3.4 Total volume of all palm oil and palm oil derived products processed and/or traded in the year

54,000.00 Tonnes

1.4 Volume processed and/or traded 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 processed and/or traded in the year that is RSPO-certified (Tonnes)
1.4.1	Mass Balance			480.00
1.4.2	Segregated			
1.4.3	Identity Preserved			
1.4.4	Total volume of Oil Palm processed and/or traded in the year that is RSPO-certified:			480.00

1.5 What is the percentage of certified sustainable palm oil in the total palm oil your company sells in:

- Europe --%
- India --%
- China --%
- South East Asia --%
- North America --%

1.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:

Europe --%
 India --%
 China --%
 South East Asia --%
 North America --%

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

2018

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

Stepan's 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. We expect to achieve certification of all our global facilities that handle palm oil material by 2018, which reflects a shift to a later date than anticipated in previous ACOP reports. Achieving 100% supply chain certification depends upon customer demand for certified products and supply availability of certified feedstocks, and prior to late 2015, we did not see the expected demand from our customers. In 2016, Stepan Company will significantly expand the number of our facilities that are RSPO certified to handle mass-balance materials. At the end of 2015, we had three European facilities mass-balance certified and we had tripled the number of Stepan products being offered at the mass-balance level. In 2016 we will start certifying our US facilities and will begin with mass-balance certification of five manufacturing sites in the first half of this year. Stepan continues to work closely with our customers in an effort to help reach their sustainable sourcing goals. • In the first half of 2016 we plan to conduct a second global customer survey on the topic of sustainability to promote communication on customer needs, enabling us to better understand and respond to market changes. • This information will be used to guide further planning for certification. • Stepan continues to engage with our suppliers to identify volumes and availability of certified feedstocks at mass-balance and segregated certification levels.

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

2020

Comment:

Our commitment to handle 100% RSPO certified oil palm products depends upon continued development and availability of PKO derivative supplies and upon increased demand from and commitment on the part of our customers to purchase certified palm products.

2.5 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 ingredients containing sustainable palm oil products from our European and US facilities by offering product lines with mass-balanced PO/PKO and derivatives. • Stepan will follow the criteria for proper messaging of RSPO membership status, sustainability claims, and use of logos.

2.6 Which countries that your organization operates in do the above own-brand commitments cover?

Brazil, Canada, China, Colombia, France, Germany, Mexico, Philippines, Poland, Singapore, United Kingdom, United States

GHG Emissions**3.1 Are you currently assessing the GHG emissions from your operations?**

Yes

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

No

Please explain why

We report our emissions to CDP, American Chemistry Council, and American Cleaning Institute on an annual basis, but these results are amalgamated and presented as supply chain or industry averages.

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**

We will market Stepan products that are RSPO certified to our customers. • We will continue to develop and use communications resources to ensure our sales team is fully equipped to engage on topics related to RSPO, certification, and understanding customer needs. • We make publicly available company position and actions related to RSPO through customer-facing communication tools and our internet website. • We will continue to engage with our suppliers and customers through surveys and meetings. • We are pursuing certification of additional facilities under mass-balance supply-chain model, expanding on our current certifications of three sites in Europe to an additional five manufacturing sites in North America. • We will 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**

--

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

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 specify:

As stated above, we expect to shift toward handling 100% certified sustainable supplies of palm oil products by 2020 based on continued development of the market. As our customers make the commitment to sustainable PO/PKO Stepan will be ready to support their sustainability targets, based on availability of supplies and pricing.

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

No

Please explain why:

Our customers purchase GreenPalm certificates to cover the ingredients that they purchase from Stepan Company and to meet their sustainability commitments. We are working to meet our commitment through certification of our sites and by preparing to handle physical supplies to meet customer need.

Concession Map

Do you agree to share your concession maps with the RSPO?

No

Please explain why: --

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?

We look for continued development and availability of certified PKO and derivatives supplies. Traceability is often the first priority over handling certified material, but it is complicated and may slow the transition to using physical supplies of certified materials. As long as we continue to see deforestation, draining of peatlands, and burning to clear land, the use of palm oil will have negative press in some markets. This negative image of palm oil makes it challenging for companies that are using certified material to commit to promoting it on their products.

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

--

Cost Effective:

Yes

Robust:

Yes

Simpler to Comply to:

Yes

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 three European facilities. Five US sites to be certified in the first half of 2016.
- Working with our suppliers to identify sources of certified sustainable PO/PKO and derivatives.
- Engagement via surveys to and from our customers.
- Informing employees of market trends, company efforts, and RSPO progress.
- Marketing efforts to promote new certified products.
- Partnering directly with customers to identify and meet their needs related to PO/PKO.
- Increased information sharing to promote transparency along the supply chain.

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

No additional information at this time.
