



THIRD PARTY CODE OF CONDUCT

Stepan Company

STEPAN COMPANY

At Stepan we believe that chemistry can provide solutions to benefit the environment, promote human well-being, and meet the needs of a growing population. We take seriously our responsibility to operate in a manner that ensures the safety, security, and well-being of our people and the communities in which we operate. We are committed to dealing fairly and honestly with our stakeholders and to abiding by all laws, regulations, and policies that apply to the work we do.

Stepan aspires to work with partners that reflect these values and standards, including suppliers, business partners, contractors, vendors, consultants, agents, or any entity operating on behalf of Stepan Company as a Third Party.

Stepan Company's Values

- ▲ **Customer Focus**
Providing innovative, cost-effective products and services
- ▲ **People First**
Committed to developing, recognizing and respecting our people
- ▲ **Integrity**
Actions must always meet the highest ethical and legal standards
- ▲ **Growth & Innovation**
We use our creativity, expertise and discipline to provide practical solutions
- ▲ **Continuous Improvement**
We constantly strive to grow and prosper through continuous improvement
- ▲ **Sustainability**
Committed to delivering outstanding, sustainable value to all of our stakeholders

As a Third Party it is your responsibility to ensure that your employees, agents and subcontractors working on behalf of Stepan Company understand and comply with this Third Party Code of Conduct. Failure to adhere to this or any applicable law is grounds for termination of the business relationship.

Stepan expects all Third Party partners to have reasonable and appropriate systems in place to investigate and remediate allegations of wrongdoing, to the extent permissible by local law. You are required to immediately notify Stepan upon becoming aware of any potential violations of applicable law or this Third Party Code of Conduct, or any other allegations of wrongdoing related to Stepan business.

Ethics & Compliance with Laws

Stepan requires all Third Parties to conduct business in compliance with all applicable laws, rules, and regulations applicable to the products, services and jurisdictions governing your business. Third Parties and their employees or agents must ensure that they understand how these standards and the law apply to their work on behalf of Stepan. No Third Party has the authority to require or request that their employees or anyone else violate these standards or any law or regulation. We reserve the right to assess and audit Third Parties in key performance areas through our own or a third-party assessment. Should a pattern of violation of these principles become known to Stepan and not be corrected the business relationship will be discontinued.

Ethical Dealings

Stepan values honest, ethical and lawful behavior when selecting and maintaining relationships with Third Party partners. We expect all Third Parties to hold these principles and ensure their policies and procedures require adherence from all employees, suppliers and customers.

Stepan expects all Third Parties to engage in honest and ethical conduct, including the ethical handling of both actual and potential conflicts of interest between personal and business relationships. Third Parties are expected to neither give nor receive anything of value which is intended to, or could be perceived as, influencing Stepan's business judgment or the Third Parties' business judgment. All Third Parties are expected to make Stepan aware of any conflicts of interest as soon as they are known.

Antitrust / Anticompetitive Practices

Stepan Company is a United States corporation that is committed to conducting business at all global locations in full compliance with applicable competition / antitrust laws, and requires all Third Party partners to do the same. These laws are intended to promote free and fair competition. Under these laws, companies may not interfere with the open market. Prohibited actions include, but are not limited to, abuse of market dominance or collusion among commercial parties.

Anti-Bribery and Corruption

Stepan is committed to dealing ethically and legally with governments around the globe. We require all Third Parties and their agents to comply with all applicable governmental, legal, regulatory and professional obligations including but not limited to anti-money laundering, anti-corruption and anti-bribery laws (including, without limitation, the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act of 2010 and commercial bribery laws). Third Parties must not make facilitation payments or permit them to be made on behalf of the Third Party or Stepan Company. Stepan reserves the right to perform due diligence investigations against these requirements.

Confidential/Proprietary Information

Third Parties are required to protect Stepan's confidential information and ensure there is no misuse or violation of Stepan's confidentiality requirements. Third Parties must respect the privacy of their employees as well as those whose personal data Stepan entrusts with them to provide products or services. Stepan expects Third Parties to properly protect and use personally-identifiable information. Stepan expects that all Third Parties will train their employees and subcontractors' employees assigned to work on the Stepan account to ensure they understand the requirements and their

personal responsibilities for protecting Stepan personal information and as well as all Stepan information.

Intellectual Property

Third Parties must respect intellectual property and sustain control to protect Stepan's name, confidential information, logo, trademarks, and other intellectual property against unauthorized use. Third Parties also may not disclose to Stepan or use in the performance of services for Stepan any trade secrets, confidential information, know-how, or any other information reasonably considered confidential or proprietary to others.

Data Privacy

Third Parties must have an established information security system to protect Stepan's information and the information of its customers, consumers, suppliers, and employees. Stepan requires our Third Parties to collect, process, use, store, and retain personal information obtained from Stepan, or about Stepan's customers, consumers, suppliers, and employees, only as necessary and in compliance with all applicable data privacy and data protection laws.

Accurate Books and Records

We require Third Parties to maintain accurate, truthful and complete financial and operational records related to their business dealings with or on behalf of Stepan Company. As part of this effort, Third Parties are expected to work diligently to prevent and detect fraud and to maintain all records required by applicable laws and Stepan policies.

Press and Social Media

Third Parties must not communicate to the press on behalf of Stepan Company, unless authorized in writing to do so by Stepan Company. Such restrictions include, but are not limit to, writing about specific Stepan Company products or customers. You must also immediately notify Stepan upon becoming aware of any negative or adverse publicity concerning your business or any product or service you provide to Stepan, or any event or circumstance related to you or your business that could be reasonably expected to cause negative or other adverse publicity concerning Stepan.

Business Gifts, Entertainment & Gratuities

Third Parties are required to respect and comply with Stepan's policy on gifts, entertainment, and gratuities. In many companies, it is customary to entertain customers and exchange gifts. However, entertainment and gift exchanges may be interpreted as a conflict of interest. We discourage entertainment that could appear excessive or could appear to influence a business decision. Stepan employees are only allowed to accept gifts of nominal value, meaning the gift must have a value of 50 USD or less, including gifts of promotional value, meaning the gift is primarily of an advertising or promotional nature. While gifts are allowed in limited form under this policy, Stepan discourages the giving and acceptance of gifts.

Labor Practices and Human Rights

At Stepan, we believe in equal opportunity and the fair treatment of all employees. We are committed to complying with all employment laws applicable in the countries we operate. We expect our Third Parties to treat their employees in the same manner.

Stepan complies with all laws applicable to our operations around the world. We also recognize that some states do not have adequate legal and regulatory frameworks, enforcement mechanisms, or have laws that conflict with these internationally recognized human rights. Wherever this is the case, Stepan will always try to do the right thing by respecting human rights consistently across our global operations. We expect these same commitments to be shared by our Third Party partners.

Stepan respects internationally recognized human rights as defined by the Universal Declaration of Human Rights and Associated Covenants, and the International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work. We expect our Third Parties to respect these internationally recognized human rights. In our business award decisions, we will continue to place substantial value upon Third Parties who consistently respect these human rights.

Fair Pay & Benefits

Third Parties will compensate workers in accordance with all applicable laws or regulations, including those related to fair wages, working hours, overtime pay, benefits, leave, and providing legally mandated benefits. Where local industry standards exceed applicable legal requirements, Third Parties are encouraged to provide wages that meet the higher local industry standard.

Child Labor

Stepan expects all Third Parties to not use child or forced labor in any of their operations or facilities. This refers to a person younger than 15 (or 14 where local law allows) or, if higher, the local legal minimum age for employment or the age for completing compulsory education. Stepan prohibits assigning young workers (i.e., under 18 years of age or as defined by local law) to hazardous work based on age limits and types of work (e.g., night work) defined by local law.

Forced Labor, Human Trafficking & Employment Eligibility

Employment must be voluntarily and freely chosen. Third Parties, including recruitment agencies, must verify the legal employment eligibility of employees to work. Third Parties must not use prison labor, indentured or bonded labor, human trafficking, or modern day slavery. Third Parties must never use corporal punishment or other forms of mental and/or physical coercion. Third Parties' employees should not be required to lodge deposits or identity papers, or to pay recruitment fees, and should be free to leave their employer after reasonable notice. Stepan expects those recruitment agencies that work for Stepan to train their employees who are assigned to work on the Stepan account to ensure understanding of these requirements.

Discrimination

Discrimination based on race, color, gender, age, national origin, religion, sexual orientation, gender identity and expression, marital status, citizenship, disability, veteran status, medical condition (e.g., HIV/AIDS status, pregnancy, etc.), or any other legally protected factor will not be tolerated. Third Parties must not discriminate in their hiring and employment practices (e.g., pay/promotion) and must follow all employment laws. Employment decisions must be based on merit, skills, and work experiences.

Freedom of Association and Collective Bargaining

Third Parties must respect their employees' right to choose to join or not to join a trade union, or to have recognized employee representation in accordance with local law. Third Parties are expected to maintain constructive dialogue and negotiate in good faith with such representatives. Third Parties shall not harass, discriminate against, or otherwise penalize workers, worker representatives, or trade union members because of their interest and/or membership in, or affiliation with, a trade union, or their legitimate trade union activity, in accordance with international labor standards.

Retaliation

All workers should be encouraged to report in good faith concerns or illegal activities in the workplace, without the threat of reprisal, intimidation or harassment

Coercion, Harassment and Discipline

Stepan expects its Third Parties to treat their employees with dignity and respect. Third Parties are expected to have systems in place to prevent, detect, and resolve unacceptable worker treatment such as harassment, inappropriate use of discipline, discrimination, physical or mental punishment, or other forms of intimidation or abuse (e.g., physical abuse, threat of abuse, sexual or other harassment, verbal abuse, any type of corporal punishment, or other forms of mental and/or physical coercion as a form of discipline).

Conflict Minerals & Sourcing

Third Parties will abide by all applicable U.S Security and Exchange laws and regulations related to Conflict Minerals (minerals mined in conditions where armed conflict and human rights abuses occur). Third Party agrees to provide Stepan with all necessary information to complete its due diligence and reporting with respect to Conflict Minerals.

Palm Oil, Palm Kernel Oil and PO/PKO Derivatives Sourcing

Stepan requires our palm oil, palm kernel oil, and PO/PKO derivative Third Parties to abide by our [Responsible Sourcing Guidelines for Palm-based Materials](#).

Health and Safety

We require Third Parties to provide a safe, secure and healthy working environment for all of their employees, visitors, customers and communities. Third Parties must follow all workplace safety laws and commit to providing the appropriate training and personal protective equipment for all of their workers. Our Third Parties are expected to take all reasonable and necessary actions to prevent accidents and injuries, analyze and minimize health and safety risk exposure, protect their physical assets, ensure business continuity and engender public trust.

Workers' Health and Protection

Third Parties shall protect workers from over-exposure to chemical, biological and physical hazards in the workplace as well as from risks associated with any infrastructure used by their employees.

Maintenance, Emergency Preparedness and Response

Third Parties shall have programs in place to operate and maintain all operations in the safest manner possible. Suppliers shall identify and assess possible emergency situations in the workplace and minimize their impact by implementing emergency response plans and procedures.

Safe Handling and Process Safety

Third Parties shall have programs in place to prevent or mitigate catastrophic release of chemicals in accordance with applicable best practices, laws and regulations.

Hazard Information and Training

Safety information shall be available to educate, train, and protect workers from hazards. This includes safety information about hazardous substances used: chemicals, pharmaceuticals, intermediate products, etc.

Protecting the Environment

At Stepan, protecting people and the environment is part of everything we do and every decision we make. Stepan strives to comply with all applicable laws and regulations governing environmental compliance in our manufacturing, research, marketing and administrative activities. As a member of the American Chemistry Council (“ACC”) and a charter member of Responsible Care® we strive to continually improve our health, safety and environmental performance. We expect our Third Parties to make similar commitments.

Third Parties are expected to comply with all applicable laws and regulations governing environmental compliance in their manufacturing, marketing, distribution and administrative activities. As part of total best value, Stepan will provide preference towards those Third Parties focused on sustainable and renewable sources in order to minimize their footprint and those who work as an innovative partner with Stepan in order to pursue our sustainability goals.

Environmental Authorizations

Suppliers shall ensure compliance with all applicable regulations and recommendations relating to environmental protection in force within the countries where they carry out activities. All required environmental permits, licenses, registrations, etc., shall be obtained and their operational/reporting requirements followed.

Waste and Emissions

Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, management of waste, air emissions, and wastewater discharge. Any waste, wastewater or emissions shall be measured, tested, controlled, and (if required) treated prior to release into the environment. Waste should be reused or recycled where possible.

Spills and Releases

Suppliers need to have systems in place to prevent and mitigate accidental spills and releases into the environment. Emergency procedures and personnel should be in place to treat any accidental event presenting an environmental risk.

Quality Standards

Stepan will only conduct business with Third Party Partners that produce, package, store, ship, or otherwise handle products in accordance with the good manufacturing, distribution, and professional service practices prevailing in their respective industries.

Trade Practices

Stepan expects all Third Parties follow export and import local, regional and international laws and regulations including reporting and paperwork requirements. Stepan will not purchase any goods or services from persons/entities that are on the sanctioned or denied parties list (e.g., Office of Financial Control or OFAC, European Union Financial Sanctions or EU, United Nations Sanctions or UN, HM Treasury, etc.). Stepan expects all Third Parties comply with this requirement.

Trade and Transportation

Third Parties will ensure all transportation of goods to Stepan will be provided in a safe, efficient and secure manner while following all applicable rules, regulations and laws. Third Parties will ensure all companies transporting, storing or handling goods are fully qualified, trained and possess all the required permits and certifications.

Additional Information and Resources

Stepan Company uses a toll-free phone service that individuals may use to report possible illegal or unethical behavior. Reports can also be made online at <https://stepanethicshotline.tnwreports.com>. The Ethics Hotline is operated by The Network, an independent, third-party organization that specializes in handling sensitive information. Calls or online reports to the Ethics Hotline will be kept confidential and callers may remain anonymous, if they wish. Stepan's relationship with the Third Party will not be affected by the Third Parties honest reporting of illegal or unethical behavior.



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