

ESG Analyst Download

ECONOMIC

Financial (in thousands) ¹	2016	2017	2018	2019
Net Sales	\$1,766,166	\$1,925,007	\$1,993,857	\$1,858,745
Gross Profit	\$346,971	\$346,167	\$339,349	\$339,714
Operating Income	\$135,532	\$154,840	\$149,265	\$127,260
Net Income Attributable to Stepan Company	\$90,999	\$100,774	\$111,117	\$103,129
Total Assets	\$1,378,671	\$1,502,892	\$1,514,614	\$1,579,367

ENVIRONMENT

Energy and GHG Emissions	2016	2017	2018	2019
Scope 1 GHG Emissions (kilotons CO ₂ -e)	80.33	85.55	86.02	90.28
Scope 2 GHG Emissions (kilotons CO ₂ -e)	142.70	132.04	134.78	131.48
Total Scope 1 and 2 GHG Emissions (kilotons CO ₂ -e)	223.03	217.59	220.80	221.76
Emissions Intensity (metric tons CO ₂ -e per metric ton production)	0.181	0.181	0.183	0.188
Total Energy Consumed (1000 Terajoules)	2.56	2.59	2.54	2.70
Energy Intensity (Gigajoules/metric ton production)	2.08	2.16	2.11	2.29
CDP Disclosure Score	D	D	D	B-
Water and Waste	2016	2017	2018	2019
Percent of operations in regions of high risk according to WRI Aqueduct Tool	N/A	N/A	N/A	50%
Total Water Consumed (1000 megaliters)	0.25	0.24	0.25	0.25

¹The 2018, 2017 and 2016 amounts have been retrospectively changed from the amounts originally reported as a result of Stepan Company's first quarter 2019 change in method of accounting for U.S. inventory valuation from Last-In, First-Out (LIFO) to First-In, First-Out (FIFO).

Total Water Withdrawn at Manufacturing Facilities (1000 megaliters)	4.63	4.46	3.99	4.40
Water Use per Unit Production (megaliters per metric ton production)	0.0038	0.0037	0.0033	0.0037
Total Water Discharged at Manufacturing Facilities (1000 megaliters)	4.38	4.22	3.74	4.15
Amount of Hazardous Waste Generated (kilotons)	N/A	N/A	N/A	257.30

SOCIAL

Workforce Data	2016	2017	2018	2019
Global Headcount	2,145	2,096	2,250	2,284
Safety	2016	2017	2018	2019
Lost Time Incident Rate (LTIR) – Stepan Employees	0.06	0.33	0.20	0.47
Lost Time Incident Rate (LTIR) – Chemical Manufacturing (NAICS 325) ²	0.60	0.60	0.60	N/A
Total Recordable Incident Rate (TRIR) ³ – Stepan Employees	0.52	0.69	0.51	0.74
Total Recordable Incident Rate (TRIR) ³ – Chemical Manufacturing (NAICS 325) ²	2.0	2.0	1.9	N/A
Total Incident Rate ⁴ – Stepan Employees	5.07	5.31	4.95	4.14
Days Away, Restrictions, and Transfers (DART) Rate – Stepan Employees	0.16	0.45	0.28	0.59
Days Away, Restrictions, and Transfers (DART) Rate – Chemical Manufacturing (NAICS 325) ²	1.2	1.2	1.2	N/A
Fatalities – Employees	0	0	0	0
Fatalities – Contractors	0	0	0	0
Percentage of U.S. volume manufactured at OSHA VPP Star recognized plants	87%	87%	88%	88%
Supplier Management	2016	2017	2018	2019
Supplier Management Policy (y/n)	N	N	Y	Y

²Source: Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, in cooperation with participating state agencies. Industry values above are for NAICS Code 325 – Chemical Manufacturing.

³Number of work-related injuries or illnesses per 100 full-time workers during a one year period.

⁴OSHA recordable injuries and illnesses, a fire of any size, property damage events greater than \$1,000, and spills over 100 pounds, normalized to 100 employees and divided by total work hours.

Percent of new suppliers screened using social and environmental criteria ⁵ (2019 baseline year)	N/A	N/A	N/A	100%
Percent of Palm Derived Material Certified under RSPO	N/A	4.0%	11.5%	38%
Human Rights	2016	2017	2018	2019
Human Rights Statement (y/n)	N	N	N	Y
Equal Employment Opportunity Policy (y/n)	v	Y	Y	Y
Child Labor Policy (y/n)	Y	Y	Y	Y
Conflict Mineral Policy (y/n)	Y	Y	Y	Y
Modern Slavery Policy (y/n)	Y	Y	Y	Y
Ethics	2016	2017	2018	2019
Anti-Bribery and Anti-Corruption Policy (y/n)	Y	Y	Y	Y
Code of Business Conduct and Ethics (y/n)	Y	Y	Y	Y
Whistleblowing and Non-Retaliation Policy (y/n)	Y	Y	Y	Y
Percent of operations assessed for risks related to corruption	N/A	N/A	100%	100%
Percent of employees that have completed training on Ethics and Compliance policies, procedures, and issues	N/A	N/A	91%	95%

GOVERNANCE

Board Composition and Independence	2016	2017	2018	2019
Number of Directors	8	8	8	7
Board Average Age	62	63	64	63
Mandatory Retirement Age (y/n)	Y	Y	Y	Y
Average Director Tenure (years)	13	14	15	11
Number of Independent Directors	6	6	6	6
Percentage of Directors who are Independent	75%	75%	75%	86%
Independence of Committees (Other than Executive Committee)	Y	Y	Y	Y

⁵Prior to December 2019, suppliers completed a self-assessment on safety, quality management, environmental management, OSHA, and other regulatory compliance, however data was not collected.

Independence of Chairman (y/n)	N	N	N	N
Independent Lead Director (y/n)	Y	Y	Y	Y
Board Diversity	2016	2017	2018	2019
Number of Women on the Board	1	1	1	1
Percent of Directors Who are Women	13%	13%	13%	14%
Board and Committee Meetings	2016	2017	2018	2019
Number of Board and Committee Meetings During the Calendar Year	16	16	23	20
Number of Directors Attending Less than 75% of Meetings During Calendar Year	0	1	0	0

