



Corporate Policy 4.1.1
Approval Date: November 19, 2020
Effective Date: November 19, 2020
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Sponsor: Chief Human Resources Officer

INCLUSION & DIVERSITY POLICY

Inclusion and Diversity are fundamental at Stepan Company. Around the world Stepan benefits greatly from the diversity, skills and experience of its Associates. Stepan recognizes that diversity, inclusion and respect are essential to our business, customers and Associates. Thus, Stepan strives to foster an inclusive environment where all are treated respectfully. This is aligned with Stepan's Values of Empowering Everyone to Make a Difference and Doing the Right Thing as well as Stepan's Code of Conduct.

This Inclusion and Diversity Policy is effective under [Stepan's Code of Conduct](#) and applies to each Stepan Associate, including non-employee members of its Board of Directors. It explains the relevant principles and rules for our approach to respect, diversity and inclusion particularly in the avoidance of harassment and discrimination at work.

Definition

"Associates" are all Stepan officers, employees, and certain agents and representatives, including non-employee directors and certain contractors performing duties on behalf of Stepan.

Inclusion

Stepan and its Associates are required to create and maintain Inclusive environments for all our Associates, contractors, customers, temporary employees, agents, vendors and all others we work with. Inclusive environments must be proactively created for Associates to feel supported, listened to and able to do their personal best. All communications by or between Associates, regardless of title or organizational level, must be respectful. It is against this Policy to alienate or exclude any individual or group based in full or in part on someone's religious affiliation, national origin, beliefs or any protected characteristic.

Diversity

All Associates must respect and value the diversity among each other and all those with whom we do business and interact. Diversity is the quality of being different or unique as an individual or group. Associates must at all times treat each other in a respectful manner.

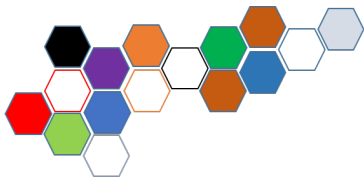
Discrimination, Harassment and Bullying

All Associates must create and maintain a work environment free of all forms of discrimination, harassment and bullying, including sexual harassment. This includes while interacting with customers, suppliers or other work-related contacts whether that interaction takes place in the workplace or outside of it. Discrimination is any adversary job action or inaction based on one's protected characteristics. Harassment and/or bullying consists of oral, written (including electronic and social media) or physical conduct that denigrates or shows hostility or aversion toward an individual that: a) has the purpose or effect of creating an intimidating, hostile or offensive work environment; b) has the purpose or effect of unreasonably interfering with an individual's work performance; or c) otherwise adversely affects an individual's employment opportunities. All Associates should refer to and be familiar with their local policies and specific prohibitions regarding discrimination, harassment and bullying.

Sexual Harassment

Sexual harassment is any unwelcome physical, verbal or electronic conduct that is perceived in a sexual nature when submission to or rejection of such conduct is used as the basis for employment decisions, or when such conduct has the purpose or effect of creating an intimidating, hostile or offensive working





environment. All Associates should refer to and be familiar with their local policy, definitions and specific prohibitions regarding sexual harassment.

Policy Assistance

Stepan will provide assistance to all people who work for us to comply with this Policy including, where appropriate, training, guidance and support.

Stepan Associates are encouraged to voice concerns and ask questions about this this policy to their Supervisor, Human Resources or Ethics and Compliance at ethics.compliance@stepan.com or to the [Stepan Ethics Hotline](#). Reports to the Stepan Ethics Hotline may be made anonymously.

Any Associate who learns of a potential violation of this or any Corporate Policy may be required to report his or her suspicion promptly in accordance with the section of the Stepan Code of Conduct entitled “How to report potential misconduct”. See Stepan’s [Code of Conduct](#).

Associates must follow all laws and regulations applicable to each location and situation. If an Associate has questions or is concerned about any law or regulation, he or she should contact Ethics and Compliance at ethics.compliance@stepan.com or the Legal Department.

