

ESG Analyst Download

The data in these tables provide summary information regarding Stepan's ESG performance. Additional context is provided in our 2020 Sustainability Report.

ECONOMIC

Financial (in thousands)	2017	2018	2019	2020
Net Sales	\$1,925,007	\$1,993,857	\$1,858,745	\$1,869,750
Net Sales Segment Results - Surfactants	\$1,297,555	\$1,385,932	\$1,272,723	\$1,351,686
Net Sales Segment Results - Polymers	\$546,634	\$527,420	\$512,347	\$452,277
Net Sales Segment Results - Specialty Products	\$80,818	\$80,505	\$73,675	\$65,787
Gross Profit	\$346,167	\$339,349	\$339,714	\$383,613
Operating Income	\$154,840	\$149,265	\$127,260	\$171,522
Net Income Attributable to Stepan Company	\$100,774	\$111,117	\$103,129	\$126,770
Total Assets	\$1,502,892	\$1,514,614	\$1,579,367	\$1,752,336

ENVIRONMENT

Energy and GHG Emissions	2017	2018	2019	2020
Scope 1 GHG Emissions (metric kilotons CO ₂ e)	85.55	86.02	90.28	98.11¹
Scope 2 GHG Emissions (metric kilotons CO ₂ e)	132.04	134.78	131.48	87.40¹
Total Scope 1 and 2 GHG Emissions (metric kilotons CO ₂ e)	217.59	220.80	221.76	185.50¹
Emissions Intensity (metric tons CO ₂ e per metric ton production)	0.181	0.183	0.188	0.15
Total Energy Consumed (1000 Terajoules)	2.59	2.54	2.70	2.89^{1,2}
Energy intensity (Gigajoules/metric ton production)	2.16	2.11	2.29	2.37

¹This data has been externally assured.

²Energy consumption includes energy from biogenic sources in the amount of 21.23 TJ.

Air emissions of NOx (excluding N ₂ O) (metric tons) ³				52.00
Air emissions of SOx (metric tons) ³				39.00
Air emissions of VOCs (metric tons) ³				259.00
Air emissions of HAPs (metric tons) ³				7.36
Percentage of gross global scope 1 emissions covered under emissions-limiting regulations				13.00
Percentage of Renewable Energy				3.5%
Percentage of Energy from Grid Electricity				96.5%
CDP Climate Disclosure Score	D	D	B-	B-
Water and Waste	2017	2018	2019	2020
Percentage of operations in regions of high risk according to WRI Aqueduct Tool ⁴	N/A	N/A	50%	32%
Total Water Consumed (1000 megaliters)	0.24	0.25	0.25	0.26
Total Water Withdrawn at Manufacturing Facilities (1000 megaliters)	4.46	3.99	4.4	3.89
Water Use per Unit Production (megaliters per metric ton production)	0.0037	0.0033	0.0037	0.0032
Total Water Discharged at Manufacturing Facilities (1000 megaliters) ⁵	4.22	3.74	4.15	3.63
Number of incidents of non-compliance associated with water quality permits, standards, and regulations				12
Hazardous waste generated (metric tons)			13,471	10,629
Non-hazardous waste generated (metric tons)			9,777	8,952
Percentage of hazardous waste recycled			6%	7%
Total waste diverted from disposal (metric tons)			11,427	9,203
Total waste directed to landfill (metric tons)			5,639	5,633

³ U.S. manufacturing sites only.

⁴ Change in boundaries of the calculation and acquisition of new sites contributes to the lower percentage of sites in 2020 that are considered high risk. Percentage includes sites identified by WRI Aqueduct as either high or medium high risk. Stepan does not have sites in extremely high risk areas.

⁵ Volumes are restated for 2018 and 2019 due to miscalculation.

Safety and Environmental Stewardship of Chemicals	2017	2018	2019	2020
Percentage of products that contain GHS of classification and labeling of chemicals Category 1 and 2 Health and Environmental Hazardous Substances ⁶			5.4%	5.4%
Percentage of such products that have undergone hazard assessment ⁷			100%	100%
SOCIAL				
Workforce Demographics	2017	2018	2019	2020
Global Headcount	2,096	2,250	2,284	2,293
Percentage of employees covered by collective bargaining agreements			38%	38%
Number of new hires				228
Voluntary turnover				126
Training and Education	2017	2018	2019	2020
Percentage of employees receiving regular performance reviews				86%
Safety	2017	2018	2019	2020
Lost Time Incident Rate (LTIR) – Stepan Employees	0.33	0.20	0.47	0.16
Lost Time Incident Rate (LTIR) – Chemical Manufacturing (NAICS 325) ^{8,9}	0.60	0.60	0.6	N/A¹⁰
Total Recordable Incident Rate (TRIR) – Stepan Employees ⁹	0.69	0.51	0.74	0.64
Total Recordable Incident Rate (TRIR) – Chemical Manufacturing (NAICS 325) ^{8,9}	2.0	1.9	1.9	N/A¹⁰
Days Away, Restrictions, and Transfers (DART) Rate – Stepan Employees	0.45	0.28	0.8	0.52
Days Away, Restrictions, and Transfers (DART) Rate – Chemical Manufacturing (NAICS 325) ¹¹	1.2	1.2	1.2	N/A¹⁰

⁶ Percentage of Stepan chemicals that are classified as ‘high-priority’ chemicals according to GHS and other national and international standards.

⁷ Percentage of Stepan’s ‘high-priority’ chemicals that have Product Stewardship summaries prepared and publicly available on the company website.

⁸ Source: 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.

⁹ Number of work-related injuries or illnesses per 100 full-time workers during a one year period.

¹⁰ Not available at the time of this report.

¹¹ Source: 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.

Fatalities – Employees	0	0	0	0
Fatalities – Contractors	0	0	0	0
Number of employee and contractor recordable injuries				18 total incidents
Process Safety Incidents Count (PSIC) ¹²			9	6
Process Safety Total Incident Rate (PSTIR)			0.35	0.24
Process Safety Incident Severity Rate (PSISR)			1.91	1.45
Number of transport incidents ¹³				5

Supplier Management and Diversity	2017	2018	2019	2020
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Percentage of U.S. volume manufactured at OSHA VPP Star recognized plants	87%	88%	88%	88%
Supplier Management Policy (y/n)	N	Y	Y	Y
Percentage of new suppliers screened using social and environmental criteria (2019 baseline year) ¹⁴	N/A	N/A	100%	100%

Human Rights	2017	2018	2019	2020
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Percentage of operations that have been subject to human rights reviews or impact assessments				100%
Percentage of Palm Derived Material Certified under RSPO ¹⁵	4.0%	11.5%	38%	27%
Human Rights Statement (y/n)	N	N	Y	Y
Equal Employment Opportunity Policy (y/n)	Y	Y	Y	Y
Child Labor Policy (y/n)	Y	Y	Y	Y

¹² Response includes Tier 1 incidents per API and ACC guidance, none of which were significant.

¹³ For U.S. only. Includes U.S. DOT 5800 events.

¹⁴ Prior to December 2019, suppliers completed a self-assessment on safety, quality management, environmental management, OSHA, and other regulatory compliance, however data is not available.

¹⁵ Stepan increased our purchases of RSPO certified mass balance material by about 30%, however we also saw a significant increase in sales of conventional material, in part as a response to the COVID-19 pandemic.

Conflict Mineral Policy (y/n)	Y	Y	Y	Y
Modern Slavery Policy (y/n)	Y	Y	Y	Y
Ethics	2017	2018	2019	2020
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
Percentage of operations assessed for risks related to corruption	N/A	100%	100%	100%
Percentage of employees that have completed training on Ethics and Compliance policies, procedures, and issues	N/A	91%	95%	100%
Product Health, Safety, Labeling, Marketing	2017	2018	2019	2020
Incidents of non-compliance concerning product and service information and labeling ¹⁶				0
Incidents of non-compliance concerning marketing and communications ¹⁷				0
Data/Information Privacy and Security	2017	2018	2019	2020
Substantiated complaints concerning breaches of customer privacy and losses of customer data ¹⁸				0
GOVERNANCE				
Board Composition and Independence	2017	2018	2019	2020
Number of Directors	8	8	7	7
Board Average Age	63	64	63	64
Mandatory Retirement Age (y/n)	Y	Y	Y	Y
Average Director Tenure (years)	14	15	11	12
Number of Independent Directors	6	6	6	6

¹⁶ No incidents resulting in a fine, penalty or warning concerning product and service information and labeling to Stepan's direct customers.

¹⁷ No non-compliance with warnings, fines, or penalties, based on sharing of misinformation on our products or through our marketing communications.

¹⁸ Stepan did not have any substantiated complaints concerning breaches of customer privacy.

Percentage of Directors who are Independent	75%	75%	86%	86%
Independence of Committees (Other than Executive Committee)	Y	Y	Y	Y
Independence of Chairman (y/n)	N	N	N	N
Independent Lead Director (y/n)	Y	Y	Y	Y
Board Diversity	2017	2018	2019	2020
Number of Women on the Board ¹⁹	1	1	1	1
Percent of Directors Who are Women ¹⁹	13%	13%	14%	14%
Board and Committee Meetings	2017	2018	2019	2020
Number of Board and Committee Meetings During the Calendar Year	16	23	20	21
Number of Directors Attending Less than 75% of Meetings During Calendar Year	1	0	0	0
Executive Compensation	2017	2018	2019	2020
CEO Stock Ownership Guidelines (y/n)				Y
CEO Stock Ownership Multiple of Base Salary				5 x Base Salary
Executive Officer Stock Ownership Guidelines (y/n)				Y
Executive Officer Stock Ownership Multiple of Base Salary				2 x Base Salary
Director Stock Ownership Guidelines (y/n)				Y
Director Stock Ownership Multiple of Annual Retainer Requirement				5 x Annual Retainer Fee
Shareholder Rights	2017	2018	2019	2020
Single Voting Class (y/n)	Y	Y	Y	Y
Proxy Access (y/n)	N	N	N	N

¹⁹ Board expansion in January 2021 to include a new female member, resulting in a current Board with 2 women, representing 25% of the Directors.