Stepan

2025 SUSTAINABILITY REPORT

One Team: Partnering for Sustainable Impact

Table of Contents

About This Report

GRI 2-2, 2-3, 2-5

Stepan Company ("Stepan" or the "Company") invites you to read our annual Sustainability Report, which demonstrates our commitment to ethical, responsible business practices and to social and environmental responsibility. This report highlights our current initiatives and 2025 performance, applicable from January 1, 2025 to December 31, 2025, unless otherwise noted. It provides an update to our 2024 Sustainability Report, published in June 2025. The information in this report covers all Stepan entities under our operational control, using unadjusted, consolidated data. During this reporting period, Stepan did not acquire new manufacturing assets; however, we sold our manufacturing facility in Bauan, Batangas, the Philippines, effective November 14, 2025 and our facility in Lake Providence, Louisiana, effective December 30, 2025.

Stepan reports with reference to the 2021 Universal Global Reporting Initiative (GRI) Standards as well as the Sustainability Accounting Standards Board (SASB) Chemicals Standard. We also map our climate disclosures to the guidelines of the Task Force on Climate-Related Financial Disclosure (TCFD).

For this report, ERM CVS provided external limited assurance of our 2025 Scope 1 and Scope 2 greenhouse gas (GHG) emissions and energy use data, based on the Greenhouse Gas Protocol reporting criteria. We also obtained limited assurance for select safety metrics. The assurance process is monitored, and results are reviewed and communicated to the Board by leaders of Stepan's Environmental, Social, and Governance (ESG) Executive Leadership Subcommittee, the ESG Steering Team, and the Vice President of Environmental, Health, Safety, and Security (EHS&S). We continue building readiness for assurance of additional metrics by standardizing our data collection and management systems. Further details on Stepan's approach to safety, water, energy, and emissions data management and reporting are available in our Basis of Reporting Document. For more information, please visit stepan.com. If you have any questions or comments, please contact us at sustainability@stepan.com.

Message From the CEO

GRI 2-22

Dear Stakeholders,

Welcome to Stepan's 2025 Sustainability Report, One Team: Partnering for Sustainable Impact. The progress we share in these pages is the result of people working together across sites and functions, and alongside customers, suppliers, service providers, and community partners. I am proud of what our teams accomplished in 2025, and I am mindful that lasting, meaningful impact depends on how well we partner to scale solutions, strengthen performance, and deliver value responsibly.

Our products and services help enable positive outcomes across end markets, from improved agricultural productivity and greater energy efficiency to enhanced mildness and biodegradability in formulated products, increased industrial process efficiency, and material circularity. This report reflects our commitment to create value for customers and shareholders while operating responsibly for our employees, communities, and the environment.

A highlight for 2025 was achieving our best-on-record safety performance, which is a testament to the focus and discipline of our global workforce.

We aim for sustained zero injuries and zero process safety events at every site, every year. Our work to implement best practices, supported by robust training programs, management systems, and processes, is essential for achieving this ambition. Safety is our foundation, and it is also a team commitment: when we look out for one another and follow strong operating practices every day, we protect our people and communities and earn our customers' trust.

Our performance related to safety and sustainability is reflected in our most recent EcoVadis and CDP ratings. Stepan was ranked in the top 11% of other chemical manufacturers by the EcoVadis sustainability and corporate responsibility platform, and we earned a B score on our CDP climate and water disclosures. We remain committed to the principles of the United Nations Global Compact, including human and labor rights, business ethics, and environmental responsibility. Together with our stakeholders, we continue to reduce our environmental footprint by advancing our greenhouse gas emission reduction commitments and building momentum toward our 2030 targets.

Reaching our goals depends on disciplined day-to-day execution and on teams working as one. Operational excellence is essential for strong customer experience and leading environmental and safety performance. Guided by Responsible Care®, ISO 9001, and elements of ISO energy and environmental management standards, we delivered the products and services our customers rely on while reducing waste and strengthening energy and water management, asset integrity, and operating discipline.

Improvements to our PCF process, combined with systematic, enhanced supplier engagement, help us identify opportunities to reduce our greenhouse gas footprint and deliver lower-impact products to customers. In parallel, investments in information management and digital transformation help teams make faster, better decisions and accelerate innovation, supporting long-term, sustainable growth.

Last year, we commissioned and began ramping up our Pasadena, Texas, alkoxylation facility, expanding capacity and flexibility, strengthening supply reliability, and improving our ability to respond quickly to changing needs in priority end markets. We also advanced digital and process technologies that support consistent product quality, faster troubleshooting, and stronger planning, so we can partner more effectively with customers and deliver reliably, even in dynamic conditions.

While we made strong progress in many areas, 2025 was also a demanding operating environment. Our teams stayed focused on serving customers, delivering strategic business growth, and strengthening operational reliability and resilience. We recently announced Project Catalyst, a key initiative to drive greater efficiency and a more streamlined organization, enabling more agile, sustainable operations and a reduced footprint.

As we implement this strategy, we will stay close to customers and continue to deliver practical solutions supported by strategic investments and disciplined prioritization.

I remain confident in Stepan's ability to deliver sustainable impact and long-term value. Our #ONETEAM culture helps us stay agile, accountable, and resilient, while reinforcing a simple truth: we go further when we work together. Thank you for your continued trust and for partnering with us as we advance our ambitions.

Sincerely,

Luis E. Rojo
President and Chief Executive Officer (CEO)

About Stepan

GRI 2-1, 2-6

IN THIS SECTION

Stepan at a Glance

Stepan's more than 2,400 permanent, full-time employees across 13 countries—Brazil, Canada, China, Colombia, France, Germany, India, Mexico, the Netherlands, Poland, Singapore, the United Kingdom (UK) and the United States (US)—are dedicated to advancing our practices and executing our strategic goals.

Our global network includes 14 Research and Development (R&D) centers staffed by technical experts specializing in synthesis, product design and development, formulation, process technology and analysis. This team, along with our 20 manufacturing facilities worldwide, enables us to deliver solutions that address real-world needs while prioritizing safety for people and the environment.

Stepan is a global leader in the production of specialty and intermediate chemicals, helping meet the diverse needs of people around the world. Our chemistries enhance the performance of personal care and cleaning products, promote more effective and more sustainable agricultural production, improve energy-efficiency and support fire retardancy in building insulation, enhance nutritional supplements, and much more.

HEADQUARTERS
Northbrook, Illinois, US

TOTAL EMPLOYEES
>2,400

OPERATIONS
20 manufacturing sites in 11 countries

2025 NET SALES
$2.3 billion

BUSINESS SEGMENTS
Surfactants, Polymers, and Specialty Products

YEAR FOUNDED
1932

MARKETS SERVED

- Personal Care
- Phthalic Anhydride
- Industrial Products
- Coatings, Adhesives, Sealants, and Elastomers
- Pharmaceutical, Medical Nutrition, and Dietary Supplements
- Household, Industrial, and Institutional Cleaning and Disinfection
- Insulation
- Construction
- Agriculture
- Oilfield

Stepan partners closely with customers to deliver preferred solutions through technical expertise, robust manufacturing strengths, and innovative chemistries that serve a wide range of markets.

Company Values

Stepan's employees are the cornerstone of our success, and we are proud of their dedication, expertise, and ingenuity. Guided by our Company Values, which serve as the foundation for all our work, we create opportunities for meaningful impact through chemistry. In close collaboration with customers, suppliers, and other partners, our workforce fuels innovation and delivers solutions to address global needs.

PEOPLE FIRST
Empowering Everyone to Make a Difference

INTEGRITY
Doing the Right Thing

CUSTOMER FOCUSED
Partnering to Deliver Value

CONTINUOUS IMPROVEMENT
Improving Every Day

GROWTH, INNOVATION, AND SUSTAINABILITY
Shaping the Future Through Curiosity

HIGHLIGHT

Stepan's New Alkoxylation Facility

In 2025, Stepan commissioned our new alkoxylation facility in Pasadena, Texas, representing the largest capital investment in the Company's history and a major milestone in building resilient, sustainable operations. Strategically located on the US Gulf Coast, the site enhances supply reliability and flexibility while expanding ethoxylation and propoxylation capacity to support diverse end markets such as agriculture, construction, cleaning, and personal care. The facility incorporates best practices from across Stepan's global network and reached completion with more than two million work hours without a single recordable safety incident. This achievement reinforces Stepan's unwavering commitment to safety and operational excellence. With advanced capabilities and an annual capacity of approximately 75,000 metric tons, the Pasadena site strengthens Stepan's ability to deliver innovative chemical solutions for a cleaner, healthier, and more energy efficient world.

As we continue to invest in strategic manufacturing opportunities and cutting edge-technologies, we also work to reduce our environmental impact through product design, process improvements, efficient resource use, and responsible sourcing. Core to all our work is an unwavering focus on safety, responsibility, and ethical practices.

Sustainability Priorities

MANUFACTURING STRENGTHS

Investments to expand and diversify our manufacturing capabilities, enhance logistics efficiency, enable growth in biological solutions, and increase capacity to serve the agricultural, insulation, and personal care markets. Learn more about our strengths in the Advantageous Products section of this report.

ENVIRONMENTAL MANAGEMENT

Six Stepan sites meet the International Organization for Standardization (ISO) 14001 or 50001 standards for environmental and energy management. Learn more about our work to implement best practices for the environment in the Environment, Resources, and Climate Impact and the Responsible Practices sections of this report.

RESOURCE EFFICIENCY

Stepan invests in renewable electricity, and we continue improving resource management and efficiency at our global sites. For more information, please see the Environment, Resources, and Climate Impact section of this report.

MORE SUSTAINABLE RAW MATERIALS

With many sites certified to the International Sustainability and Carbon Certification (ISCC) PLUS standard and the Roundtable for Sustainable Palm Oil (RSPO) standard, our teams deliver more sustainable solutions. Learn more about our additional efforts to design and commercialize safer, more sustainable products in the Advantageous Products section of this report.

SUPPLIER SUSTAINABILITY ENGAGEMENT

Nearly 90% of our raw material and packaging suppliers have been evaluated for their sustainability-related performance through our Partner for Sustainable Supply (PaSS) program. Learn more about the program in the Supplier Engagement section of this report.

TECHNOLOGY IMPACTS

From developing lower-impact manufacturing processes to improving product design and services, our teams are adopting technology that supports our sustainability goals. For more information, please see the Advantageous Products section of this report.

We aim to deliver more sustainable products while advancing ambitions for strategic, sustainable growth.

REGULATORY COMPLIANCE

Operating ethically and responsibly is foundational to all our work. Learn more about our commitments and efforts to address emerging regulations and growing expectations related to business ethics and supply chain due diligence in the Regulatory Compliance and Product Stewardship section of this report.

OUR PEOPLE

Across our global R&D centers, manufacturing facilities, storage and logistics teams, and our network of sales offices, Stepan's technical experts are key to our success. For more information, please see the Valuing People and Communities section of this report.

Sustainability at Stepan

GRI 2-14, 3-3

IN THIS SECTION

Sustainability at Stepan means delivering top-performing products and services that address societal needs, while reducing environmental impact, protecting the safety and well-being of our employees and the communities in which we operate, and upholding ethical, responsible practices.

In the past year, we maintained commitments to external frameworks that support best practices and advance sustainability ambitions. This includes certifications to the International Sustainability and Carbon Certification (ISCC) PLUS and the Roundtable for Sustainable Palm Oil (RSPO). We also renewed our collaboration with Action for Sustainable Derivatives (ASD) for palm supply chain traceability.

We continued standardizing processes that facilitate progress on goals and priorities, including supplier engagement, process modeling, product impact assessments, and regulatory compliance. For this work, a corporate team engages cross-functional experts across the Company, including Regional Sustainability Leaders representing our manufacturing facilities. The group reports to the Environmental, Social, and Governance (ESG) Executive Leadership Steering Committee for guidance and oversight. Further details on the structure of Stepan's sustainability oversight are found in the Governance section of this report.

PRODUCT SUSTAINABILITY

- Close customer partnership to develop fit-for-purpose solutions that address varied sustainability needs and ambitions across markets
- Frameworks to evaluate environmental and safety impacts early in innovation
- Standardized product carbon footprint (PCF) analysis and reporting to understand potential opportunities for impact reduction

THIRD-PARTY ENGAGEMENT

- Expanded Partner for Sustainable Supply (PaSS) program covering sustainability, ethics, and carbon maturity
- Over 80% of participating suppliers performing at or above industry average
- Approximately 96% traceability to mills in our palm supply chain

SAFER, MORE SUSTAINABLE PROCESSES

- Comprehensive Process Safety Management Audits and standardized processes and tools for advanced Process Hazard Analysis at our Manufacturing Sites
- Modeling work and regional tactical plans for waste reduction, energy efficiency, and water resilience
- Capital expenditures focused on increasing reliability and inherently safer operations

REGULATORY COMPLIANCE

- Monitoring and readiness work for European Deforestation Regulation (EUDR), Corporate Sustainability Reporting Directive (CSRD), Extended Producer Responsibility (EPR), and other emerging sustainability regulations
- Tools and processes for compliance management and controls in place for all manufacturing facilities
- Systematic engagement with internal and external stakeholders to remain agile and compliant

ESG Materiality and Reporting

GRI 2-14, 3-1, 3-2

Stepan has reported on ESG topics for many years, aligning with the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and with reference to the Global Reporting Initiative (GRI) frameworks. Our reporting reflects the results of prior materiality assessments and the requirements of these frameworks, which provide the basis for Stepan's current sustainability disclosure approach.

To prepare for future regulatory expectations, including alignment with the CSRD, Stepan conducted its first double materiality assessment in 2024. Double materiality is a dual-lens evaluation of how an organization's activities impact people and the environment (outward impact) as well as the potential risks to or opportunities for the organization's financial position, performance, and resilience (inward impact). The assessment built on our previous single materiality assessment and included a review of Stepan's business model and organizational structure, key policies and processes, broad internal and external stakeholder engagement, interviews with Stepan functional and regional leaders, and executive leadership review.

External Accountability Frameworks

Stepan implements nationally and internationally recognized sustainability, ethics, and climate accountability frameworks and standards to fulfill growing stakeholder expectations for transparency in corporate disclosures.

These frameworks and standards include:

- American Chemistry Council (ACC) Responsible Care®
- Carbon Disclosure Project (CDP)
- EcoVadis
- Global Reporting Initiative (GRI)
- International Organization for Standardization (ISO) Standards
- International Sustainability and Carbon Certification (ISCC) PLUS
- Roundtable for Sustainable Palm Oil (RSPO)
- Sustainability Accounting Board Standards (SASB)
- Task Force on Climate-Related Financial Disclosures (TCFD)
- United Nations Global Compact (UNGC)

Participating in voluntary frameworks, such as EcoVadis and Carbon Disclosure Project (CDP), enables us to drive ongoing improvements related to business ethics, human and labor rights, environmental practices, resource management, and sustainable procurement. Our 2026 EcoVadis rating placed Stepan in the top 11% of manufacturers of other chemical products based on our 2025 actions and performance.

For over a decade, Stepan has reported annually to the CDP Climate Change questionnaire, disclosing the Company's greenhouse gas (GHG) emissions. In 2018, we expanded our CDP disclosures to include water usage across our global facilities, and since 2021, we have reported on forest impact and deforestation risks through the CDP Forests module. In 2025, we were pleased to receive a B rating from CDP for Climate and Water management, and a B– for management of Forest-related topics.

Our sustainability strategy is also informed by the United Nations Global Compact (UNGC). As a proud signatory to the UNGC since 2018, we actively support the UN's Sustainable Development Goals (SDGs) and the Ten Global Principles in the areas of human rights, labor, environment, and anti-corruption. Our commitment extends to advancing the UN's overarching goals across the regions where we operate.

100%

of Stepan's European sites are ISCC PLUS-certified for delivering products with sustainability benefits

Progress on Our Sustainability Goals

GRI 3-2

Stepan continues to advance our long-term sustainability goals by implementing actions across our global operations, deepening supplier engagement, and strengthening internal systems to support steady progress. The table below summarizes our goals, target years, and 2025 progress.

ESG Priority Topic	Goal	Target Year	2025 Progress	
Ethics and Compliance	100% employee participation in Ethics and Compliance trainings	Ongoing Expectation	100%	Stepan achieved 100% employee participation in Ethics and Compliance trainings in 2025.
Employee Safety	Total Recordable Incident Rate (TRIR) of less than 0.25 across all Stepan facilities, with ongoing goal of zero incidents	2025	0.36	Although Stepan did not meet the 2025 TRIR goal of 0.25, we achieved a TRIR of 0.36, our strongest safety performance on record.
Emissions Reduction	Reduce Scope 1 and 2 GHG emissions by 35% across all sites[1]	2030	22%	Stepan achieved a 22% reduction in combined Scope 1 and 2 GHG emissions from our 2016 baseline, with investments in renewables, efficiency, and optimization efforts.
Water Resilience	Water resilience projects at our highest water risk facilities[2]	2030	38%	Stepan has implemented or initiated projects at 38% of our high-risk sites.
Waste	Reduce landfilled manufacturing waste by 10%[3]	2030	7%	We seek consistent reductions in landfilled waste year-over-year.
	Reduce hazardous waste generation by 20% by 2030[3]	2030	23%	Stepan has demonstrated year-over-year decreases and aims to maintain this progress.
Zero Carbon Electricity	Source 90% of global electricity from renewable or zero carbon sources[4]	2030	18%	The percentage of our renewable electricity commitments dropped in 2025 with the end of our existing REC contract at our largest facility. We are reviewing our strategy for zero carbon electricity to meet the 2030 goal.

1 Reduction against 2016 base year and building on reductions already achieved.

2 Based on WRI Aqueduct and site assessments.

3 From 2022 baseline.

4 With at least 60% as renewable electricity.

Advantageous Products

GRI 3-3

IN THIS SECTION

Customer focus guides Stepan's development of high-performing products and services across the diverse markets we serve. Our teams combine technical expertise, formulation strengths, application knowledge, and innovation capabilities to deliver personalized value and strengthen our position as a trusted partner.

Stepan teams also evaluate opportunities to reduce impacts through raw material selection, transport, distribution, formulation, and product development. In 2025, Stepan launched new products addressing emerging needs in agricultural productivity, food-security, health, sanitation, and energy efficiency, and we aim to continue to develop forward-looking solutions with sustainability advantages.

In 2025, we advanced key commitments that enhance our product development approach and support customer needs, including:

CONTINUED INVESTMENTS IN DIGITAL TRANSFORMATION

Through machine learning and use of artificial intelligence, paired with our in-house testing and robust technical support, we accelerated development of fit-for-purpose products, maintained production consistency, and transformed technical service models.

ENHANCED CUSTOMER PORTAL FOR STREAMLINED ACCESS AND TRANSPARENCY

Feedback from our customer survey informed investments for enhanced efficiency and responsiveness. Customers now have around-the-clock access to product and safety information, as well as tracking details.

REDESIGN OF STEPAN'S NEW PRODUCT INTRODUCTION (NPI) PROCESS

With an aim to streamline the launch of fit-for-purpose products in rapidly evolving markets, the NPI process guides our innovation and development teams through risk-based evaluations to reduce time to commercialization.

EXPANDED APPLICATION OF STEPAN TECHNOLOGIES

Stepan teams identified opportunities to broaden use of our platform chemistries and grow our service model, including our BioSolutions platform formulation services, solutions for polyol insulation markets, and identification of new opportunities for our surfactant chemistries.

STRENGTHENED VERIFICATION OF SUSTAINABILITY CLAIMS AND PRODUCT IMPACT DATA

Sustainability-related certifications and quality product carbon footprint (PCF) reporting remain important for our customers. Six Stepan facilities renewed their International Sustainability and Carbon Certification (ISCC) PLUS certification, and we added two new facilities to our Roundtable for Sustainable Palm Oil (RSPO) certificate. PCF reporting provided a growing number of customers with product-specific greenhouse gas emissions information.

Products and Services for Sustainability Benefit

GRI 2-22, 3-3, 302-5

SURFACTANTS

Our surfactants serve a diverse range of markets, with benefits such as high biobased content, reduced end-of-life impact, and functionality to support societal needs including human health and well-being, environmental stewardship, food production, and resource conservation.

Stepan's Alpha Olefin Sulfonate (AOS) is a readily biodegradable, sulfate-free surfactant that continues to be a go-to choice for formulators of personal care, household and industrial cleaning products. Stepan is recognized as a leading global supplier, with aims to further strengthen the sustainability profile of its AOS portfolio through ISCC PLUS certification in North American and European markets, supporting mass balance and circular feedstock claims. In 2025, Stepan completed a capacity expansion project that increased AOS production by 25% through strategic capital investments and process improvements, reinforcing supply reliability and long-term growth.

Stepan continues to expand our portfolio of products that are gentler in their use, including sulfate- and preservative-free options, as well as formulations based on coconut oil, sunflower seed oil, and other biobased materials. In 2025, we launched a partnership with AmphiStar Biosurfactants to expand distribution of their upcycled biosurfactants into home care, industrial, and institutional cleaning markets.

In other areas, our Crop Productivity team partners closely with customers to develop formulations that enhance soil health and crop productivity while navigating regional regulatory requirements. This year, Stepan announced strategic collaborations that build on these strengths by streamlining product development and accelerating time to market. A partnership with SynTech Research Group expands Stepan's Advanced Formulation Services platform in North America, integrating formulation, testing, and regulatory expertise into a single, seamless offering. This collaboration provides customers with end-to-end support to accelerate the development and commercialization of agrochemical and biological products.

HIGHLIGHT

Biological Formulations for Improved Soil Health and Crop Productivity

Successful crop management relies on effective application of agricultural formulations that strengthen crop protection, soil health, and productivity. These solutions are delivered through spray mechanisms that are most reliable with stable formulations.

Stepan's STEPGROW® VIVO-101 continues to play a strategic role in advancing sustainable biological crop solutions. The platform is an all-in-one liquid formulation designed for manufacturers of biological products, offering high biocompatibility, low water activity, formulation stability, and simplified processing. This product is undergoing commercialization and is compliant with National Organic Program (NOP) standards. By enabling faster development, regulatory alignment, and broader compatibility with biological actives, VIVO-101 enables a more efficient, flexible and sustainable approach to improved crop productivity.

Our Crop Productivity team drives innovation in this area and expands industry understanding for integration of biologicals with traditional surfactant chemistry. This past year, team members shared their expertise with industry groups, including American Oil Chemists' Society (AOCS) and American Society for Testing and Materials (ASTM) International, highlighting work to enhance biocompatibility through use of whole-cell microbial spores. Early results indicate improved management of unwanted sedimentation and strong formulation stability with this approach. Additionally, team members provided thought leadership at the Biological Products Industry Alliance (BPIA) meeting.

Similarly, Stepan's strategic collaboration with Staphyt delivers a comprehensive, end-to-end pathway for regulated agricultural products entering the European market. With Stepan's formulation capabilities and Staphyt's regulatory, field, and laboratory evaluation expertise, the partnership drives faster market entry while reinforcing product quality and sustainability from concept through launch.

Stepan's Crop Productivity team develops advanced formulations for biocontrol agents and biostimulants that provide an alternative to synthetic products. Microbial agents in local soils are known to control pests and stimulate plant defenses against pathogens. Biostimulants support plant health by improving nutrient uptake and plant stress tolerance. These solutions use multiple modes of action to improve pathogen control and reduce development of resistant strains. The microbes and their metabolites show little to no risk to the local environment, as compared to synthetic products that may accumulate in soil or impact non-target systems.

We focus on advancing biological solutions and their integration with chemistry and application technology to address resistance challenges, improve soil health, and support more sustainable crop production.

Stepan also serves oilfield markets to deliver products that make oil recovery more efficient, with lower energy requirements and reduced dependence on freshwater. Stepan's PETROSTEP® FRB-5 non-ionic surfactant technology allows the use of produced and recycled saline water in oilfield activities, significantly reducing the burden on freshwater resources.

This focus on responsible resource use extends to our own manufacturing operations. Our teams reduce our manufacturing footprint by finding alternative uses for byproducts or material not suitable for certain end markets. Some of these byproducts are re-used as an input for other products, enhancing circularity and reducing overall waste.

We continue to innovate and shift our processing technologies to maintain compliance with relevant global regulations. Building on cutting-edge technologies implemented over the past few years in key US sites, we initiated similar work for our Vlissingen, the Netherlands facility in response to European regulatory standards. Stepan is the leading provider of low 1,4-dioxane ether sulfates including STEOL® CS-270 ULTRA, a high-active ether sulfate containing less than 3 ppm of 1,4-dioxane at the point of manufacture, and STEOL® CS-230K PLUS and STEOL® CS-230 PCK PLUS, both low-active ether sulfates with less than 2 ppm of 1,4-dioxane.

Stepan's Agricultural Innovation Center in Winder, Georgia hosted their first industry open house where guests toured the greenhouse, spray and formulation labs, and received a preview of the customer training program. The goal was to highlight our coformulation technologies and biological solutions.

HIGHLIGHT

Improving Air Quality for Electric Vehicle (EV) Owners

As EV adoption accelerates across Asia, automakers are elevating expectations for interior materials that improve air quality, enhance passenger comfort, and meet environmental requirements. Stepan advances this transformation with low VOC polymer technologies specifically engineered for high-performance automotive headliners.

Our STEPANPOL® PF-601LV delivers the lightweight strength, dimensional stability, and acoustic performance required in EV interiors, while significantly reducing VOC emissions during manufacturing and in vehicle use. This low VOC profile is especially important in Asian markets, where consumers and regulators increasingly prioritize interior air quality and exposure reduction standards.

Designed to enable seamless processing and strong bonding within multilayer headliner constructions, Stepan's solutions improve formability, durability, and long-term appearance retention—critical for EV platforms where quiet cabins and premium aesthetics are key differentiators.

These low VOC polymers support evolving environmental targets while helping create EV interiors that are healthier, quieter, and optimized for the future of transportation.

POLYMERS

Stepan's Polymers business delivers a broad range of high-performing solutions designed to enhance building insulation capabilities, meet stringent safety and flammability requirements, improve product circularity, and reduce PCF through biocircular materials. Our focus on supply chain agility, expert technical service, and strong customer collaboration serves to differentiate Stepan in the marketplace. In addition, ongoing investments in manufacturing and technology open opportunities for strategic diversification and innovation.

For example, our Asia team is driving the delivery of low volatile organic compound (VOC) adipates for use in electric vehicle (EV) headliners in China. These products support compliance with requirements related to safety and environmental performance, while also addressing customer expectations. Expansion of such low VOC products is underway in other Asian and European markets.

In North America, Stepan continues diversifying products for use in construction and re-roofing. This includes a focus on our TERATE® HT polyester polyols, which combine TERATE® technology with Stepan's existing processing technology to deliver excellent fire safety performance in spray foam and rigid bunstock insulation, with three new products: TERATE® HT 5360 ES, TERATE® HT 5345 ES, and TERATE® HT 5150 FE.

These products have strong R-value performance, a measure of resistance to heat flow, and support energy efficiency goals. Our North American STEPANPOL® rigid polyols are UL 2809® certified for having at least 45% post-industrial recycled content. Our European STEPANPOL® and TERATE® products also carry UL certification for the same levels of post-consumer recycled content.

Our Polymers team works closely with customers to expand product offerings and technical capabilities related to material circularity. Six of our European and United States (US) manufacturing facilities carried the ISCC PLUS certification in 2025, enabling the sale of a growing portfolio of products based on biocircular and biobased raw materials. In our European and North American markets, we continue evaluating near- and longer-term opportunities to use additional biobased and biocircular raw materials and to reuse material byproducts. Investments in these areas will enable Stepan to meet demand for more sustainable, circular solutions. Our ongoing vision is to deliver solutions with reduced environmental impact and superior safety and environmental performance.

In addition to products aimed at delivering sustainability advantages, Stepan's Smart Laydown™ program, now deployed at multiple customer sites, works to integrate diagnostics, digital solutions, and automation to optimize production, minimize waste, and enhance resource management.

Our continued investments in process optimization, supply chain agility, and sustainability position Stepan for continued growth and market leadership.

SPECIALTY PRODUCTS

Stepan's specialty products offer formulation advantages in pharmaceutical applications, nutritional and dietary supplements, and foods and flavorings. For over 30 years, we have developed solutions that promote heart and brain health, nutrient absorption, infant nutrition, and weight management.

In recent years, our specialty product team has differentiated manufacturing processes that improve production efficiency and deliver finished products that are fit-for-purpose.

Stepan's NEOBEE® product line improves absorption, availability of nutrients, and energy production. Stepan's patented technology in our NEOBEE® medium chain triglycerides (MCTs) meets the European Food Safety Authority (EFSA) standards.

Our specialty MCTs also have applications in hair care products and skin lotions and creams, including NEOBEE® M-5 COSMETIC, launched in 2025, which is a plant-based, preservative- and sulfate-free product delivering sustainability benefits and improved user experience.

Product Design and Innovation

Sustainability characteristics offer an opportunity to distinguish our products. During product design and development, we consider criteria such as product PCF, water use, improved circularity, impact to non-target systems, regulatory requirements, and more.

Stepan continues to integrate standardized tools and processes related to product development. The goal is to deliver both qualitative and quantitative insights to inform business decisions for raw material sourcing, product design, technology development, and portfolio management.

Our NPI process aims to identify and minimize risks, optimize resources, and deliver products that meet regulatory requirements and customer expectations, throughout all phases of product development.

In recent years, Stepan has adopted platforms that support product design, innovation, technology development, and collaboration. These platforms create opportunities for broader, more integrated thinking that is conducive to sustainability considerations.

For example, a liquid dish formulation project aimed at addressing specific customer requirements utilized a cheminformatics platform to model formulations based on historical data, while embedding sustainability requirements in early design phases. The work resulted in a new formulation using only Safer Choice-approved, low-1,4 dioxane ingredients, delivering both sustainability benefits and economic viability.

Stepan previously partnered with an external advisor to develop a Safe and Sustainable by Design (SSbD) framework that aligns with a European Union (EU) Green Deal program by the same name. The framework defines criteria for consideration at different stages of the product life cycle, from raw material, through manufacturing, product in-use phase, and product end of life.

Within each life cycle phase, the following general topics are evaluated during product design:

SAFETY
Intrinsically low hazard for people and the environment

CIRCULARITY
Increased reuse of resources; less waste

EFFICIENCY
Sustainable use of resources for business growth with reduced impact

EMISSIONS
Reduced greenhouse gas emissions

Sustainable Raw Materials

GRI 308-2

Raw material sourcing strategies are a significant lever to reduce the environmental impact of our products and advance ethical, sustainable practices. We continue to formalize our supplier engagement and product evaluation capabilities to enable more systematic and comprehensive consideration of raw materials during product design and formulation. This includes advancing our capabilities for PCF analysis and reporting, regular engagement with third-party partners for primary data, and exploring new opportunities for lower impact feedstocks. Our recent partnership with AmphiStar represents one such opportunity.

Stepan remains committed to external frameworks that support our claims for the sustainability characteristics of our feedstocks. In 2025, we increased our RSPO certified facilities, with 16 processing sites now certified for management and use of raw materials produced under defined land management practices and with practices upholding human and labor rights. Our six sites certified to ISCC PLUS standards enable delivery of products derived from biobased and biocircular raw materials.

HIGHLIGHT

Expanding Low-Carbon Solutions Through Strategic Biosurfactant Partnership

Customers now have broader access to ingredients supporting circularity, biodegradability, and Scope 3 emissions reduction pathways through Stepan's partnership with AmphiStar Biosurfactants. This strategic partnership expands environmentally responsible surfactant technologies, enhances supply chain circularity, and provides customers with high-performance, low-carbon formulation options across home care, industrial, and institutional cleaning markets. By combining Stepan's commercial channels and formulation expertise with AmphiStar's biobased, fully biodegradable surfactants made from upcycled waste, we accelerate the introduction of product lines with lower lifecycle impacts across Europe, the Middle East, and Africa. This model demonstrates how bio-innovation, responsible sourcing, and technical expertise can drive sustainability gains in global cleaning and industrial markets.

Regulatory Compliance and Product Stewardship

GRI 2-12, 3-3, 416-1

Stepan promotes a culture of compliance, safety, and continuous improvement across our value chain. Our Regulatory Compliance and Product Safety teams are responsible for ensuring our products are developed, manufactured, marketed, and managed in compliance with all applicable regulations to protect the well-being of people and the environment.

Our Regulatory Compliance and Product Safety teams continuously monitor new and evolving regulations, facilitating close collaboration with relevant stakeholders to drive compliance and support science-based progress. They engage with regulatory bodies, industry associations, and customers to enable transparent communication, regulatory advocacy, and responsible claims.

We use *in silico* modeling tools to screen for physical and chemical properties, environmental fate, ecotoxicity, and human health endpoints. These tools identify potential risks and guide innovative mitigation solutions. The group works closely with Stepan's Research and Development (R&D), operations, supply chain, marketing, and commercial teams to integrate key considerations and requirements at relevant stages of product design, raw material selection, manufacturing, packaging, and transport.

We have implemented systems that enhance effective and transparent labeling, communication, and notification and enable material and volume tracking and management. These efforts promote safe handling, enable rapid response in the event of an emergency, and support mandatory compliance with global hazard communication programs.

Stepan provides clear information on the environmental, social, health, and safety impacts of our products through our website, public disclosures, and standard safety data. We publish Product Stewardship summaries for select high priority chemistries and work to meet or exceed all applicable regulatory requirements to protect environmental and public health. Safety information is communicated throughout all stages of material handling and transport in accordance with the Globally Harmonized System (GHS) of Classification and Labelling of Chemicals. Stepan's active membership in industry organizations such as the American Chemistry Council (ACC), the European Chemical Industry Council (CEFIC), and similar bodies supports alignment with global safety and regulatory standards, reinforcing responsible chemicals management and consistent, transparent engagement with stakeholders.

Our experts work to improve and advocate for scientifically robust approaches to manage substances of concern, including microplastics and 1,4-dioxane. They also guide our management of long-standing and evolving regulatory requirements including Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), the Toxic Substances Control Act (TSCA), the Canadian Environmental Protection Act (CEPA), and others. From a risk perspective, regulatory changes are dynamic and complex, requiring strategic integration into our operations.

Prioritizing Regulatory Compliance and Product Safety Across Our Value Chain

MANUFACTURING
Sourcing, production processes, equipment, and quality control systems

HANDLING
Distribution, storage, transport, and supply chain logistics across all channels

END USE
Customer application, performance-in-use, and post-use disposal or recycling

CORE COMPLIANCE ACTIVITIES CONTINUOUSLY APPLIED ACROSS ALL STAGES

Regulation Monitoring, Hazard/Risk Assessment, Product Registration, Advocacy

Stepan promotes a culture of compliance, safety, and continuous improvement across our value chain.

Environment, Resources, and Climate Impact

GRI 3-3

IN THIS SECTION

Stepan manufacturing teams work to lower the impact of our operations by using resources more efficiently. We prioritize decreasing emissions, managing water resources, mitigating water risks, and reducing waste. Our teams combine the manufacturing of high-performing products with a focus on best-practice environmental management, operational efficiency, continuous improvement, and a strong safety culture. Together, we drive progress in each of these areas, delivering more positive environmental impact.

All Stepan sites are International Organization for Standardization (ISO) 9001 certified, and our sites follow the American Chemistry Council (ACC) Responsible Care® program, which emphasizes performance excellence and continuous improvement in Environmental, Health, Safety, and Security (EHS&S) and chemical safety management. Outside the United States our sites follow regional Responsible Care® program equivalents.

In recent years, Stepan has implemented systems that support stronger environmental performance and resource stewardship across the Company, including:

REGIONAL COUNCILS FOR OPERATIONAL SUSTAINABILITY AND EFFICIENCY

Councils in all our regions promote alignment with Company goals

ISO 50001 AND 14001 CERTIFICATIONS AT A GROWING NUMBER OF FACILITIES

Promotes best practices and continuous improvement for energy and environmental management

RENEWABLE ELECTRICITY COMMITMENTS

Investment in a portfolio of renewable electricity options, including local generation

EQUIPMENT AND PROCESS OPTIMIZATION

Investments that drive reliability, efficiency and improved resource management

RESOURCE CIRCULARITY

Reuse or selling of byproducts; capture of heat, steam, and condensate

SUSTAINABILITY CRITERIA IN CAPITAL PROJECT REVIEW

Larger projects reviewed for impacts on key sustainability criteria

STANDARDIZED DATA MANAGEMENT SYSTEMS

Stepan Management System (STEMS) for effective data quality control, tracking and monitoring

EXTERNAL REPORTING AND COMPLIANCE

Reporting to recognized frameworks that aim to promote transparency, drive continuous improvement, and promote best practices

GOVERNANCE STRUCTURES FOR SUSTAINABILITY TOPICS

Governance structures promoting Environmental, Social, and Governance (ESG) engagement across organizational levels

Stepan's Global Footprint

Reporting includes Stepan's Batangas, Philippines and Lake Providence, LA facilities, which were sold at the end of 2025.

Location	Responsible Care Management System Certification	Renewable Electricity Generation	Renewable Electricity Certificates (RECs, GOs,etc.)	ISCC PLUS Certification	RSPO Certification	ISO 14001 Certification	ISO 50001 Certification	ISO 45001 Certification	ISO 9001 Certification
Anaheim, CA, US	●				●				●
Batangas, Philippines[1]					●				●
Brzeg Dolny, Poland			●	●					●
Columbus, GA, US	●								●
Ecatepec, Mexico					●				●
Elwood, IL, US (Millsdale)	●			●	●				●
Fieldsboro, NJ, US	●				●				●
Jurong Island, Singapore			●		●	●		●	●
Lake Providence, LA, US[1]									●
Manizales, Columbia			●		●				●
Matamoros, Mexico					●				●
Maywood, NJ, US	●				●				●
Nanjing, China			●			●		●	●
Pasadena, TX, US[2]	●				●				●
Salto, Brazil		●			●				●
Stalybridge, England			●	●	●		●		●
Vespasiano, Brazil			●		●				●
Vlissingen, Netherlands			●	●		●			●
Voreppe, France		●	●	●	●		●		●
Wesseling, Germany				●		●	●		●
Wilmington, NC, US	●								●
Winder, GA, US	●				●				●

1 This site was sold at the end of 2025.

2 This site was commissioned in 2025, and RCMS and ISO 9001 certification are scheduled for 2026.

Energy and Greenhouse Gas (GHG) Emissions

GRI 3-3, 302-4, 302-5, 305-5

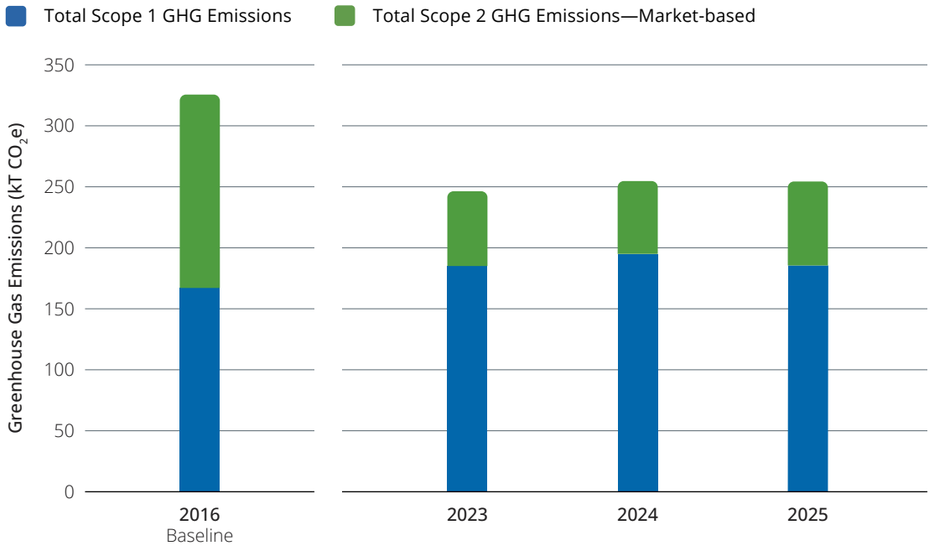
As Stepan grows our manufacturing capabilities and market impact, we continue our efforts to reduce greenhouse gas emissions. While our absolute Scope 1 emissions have increased since 2016 with expansion of our manufacturing footprint, we have offset those increases with renewable electricity paired with improved manufacturing efficiency and process optimization.

Stepan has reduced our combined Scope 1 and 2 greenhouse gas emissions by 22% over our 2016 baseline. We plan to further our progress with a goal of 35% combined Scope 1 and 2 emissions reduction by 2030. Stepan's Scope 3 emissions represent about 90% of our total greenhouse gas emissions footprint, with our raw materials contributing the vast majority. This past year we continued work to understand our Scope 3 footprint as part of our Sustainable Raw Materials efforts. We engaged with our suppliers to gather quantitative data on our existing raw materials and used secondary data sources to map material impacts. We also investigated alternative raw materials with the potential to lower the Product Carbon Footprint (PCF) of our finished goods based on customer interest and supplier capabilities.

Stepan's 2030 Emissions Goal: 35% reduction in Scope 1 and 2 GHG emissions[1]

1 Reduction against 2016 base year and building on reductions already achieved.

GHG Emissions



Increases in GHG emissions in 2024 and 2025 are primarily attributable to changes in organizational boundaries and energy sourcing, including the impact of commissioning our Pasadena facility and shifts to renewable electricity procurement. These factors contributed to an increase in Scope 2 market-based emissions compared to prior years, and this increase offset some of the Scope 1 efficiency gains. Stepan continues to track performance against our baseline and periodically reviews baseline assumptions to maintain comparability over time.

60%

of electricity use at Stepan's Europe, Asia, and South America facilities included renewable electricity contracts or on-site generation. Our Voreppe site contributes to hydropower energy generation through a power purchase agreement.

RENEWABLE ELECTRICITY

Our combined GHG emissions remained unchanged over the past year, even as we expanded activity at our new Pasadena facility. With our new 2030 target, we are reviewing our renewable electricity sourcing strategy, and in 2025, we paused our contracts for renewable energy at our Elwood, Illinois (Millsdale) facility for the first time since 2019. With this shift in our contracts, we had 18% of our electricity use covered by renewable energy sources, including our on-site generation of solar energy at our Salto, Brazil facility and our multi-year power purchase agreement (PPA) for hydrologic power generation at our Voreppe, France facility. The solar project at our Salto facility reduces site emissions by approximately 50% each year, and Voreppe's PPA covered nearly 60% of the site's electricity, reducing emissions by about 75 metric tons.

Other Stepan sites are evaluating on-site solar power to cover a portion of electricity needs, which can deliver further GHG emission reductions. Many of our sites use solar energy to meet smaller needs such as workplace lighting or use electric vehicles (EV) for transportation around the plant.

OPTIMIZATION AND OPERATIONAL EXCELLENCE

While use of renewable electricity is a key lever for emission reductions, optimizing our equipment and our processes is also important. Our Regional Sustainability and Efficiency Councils identify relevant opportunities and promote site-level efficiency and resource management.

To drive energy efficiency across our European sites, Stepan's European Sustainability Council prioritized ISO 50001 certification, with a goal for all sites to achieve certification by the end of 2026. At the end of 2025, three of our five manufacturing facilities in that region were already certified. As part of the focus on energy management, our Voreppe team demonstrated a 7% reduction in energy use, and the Stalybridge team reduced electricity use by 4% and natural gas use by 10% over the prior year. Each of our European sites also has energy teams that regularly conduct energy assessments to identify opportunities for improvement.

Efficiency projects often involve trade-offs, as actions taken to address one need can lead to impacts in other parts of the process. For example, Stepan's Vlissingen, the Netherlands facility is installing a system to reduce 1,4-dioxane, a byproduct from select manufacturing processes. Installation will successfully minimize the byproduct but requires input of additional energy and water to do so. Similar outcomes have been seen at Stepan's Elwood, Illinois (Millsdale), Winder, Georgia, and Fieldsboro, New Jersey facilities, with their installation of systems for dioxane removal in prior years.

This past year, we initiated work to model key manufacturing processes, with a goal of gaining insights into the energy requirements, greenhouse gas emissions, water use, and waste generation associated with those activities. Initial work focused on our largest facility at Millsdale. Insights are shared with the regional Sustainability and Efficiency council and Company leaders as an input for longer-term planning.

Examples of efficiency projects initiated or implemented:

- Condensate recovery and reuse for both water management and energy efficiency
- Insulation and steam trap improvements for select systems
- Equipment replacement or upgrades for improved reliability and efficiency, including boiler replacements and upgrades, economizers, etc.
- Use of energy generated through exothermic reactions for other manufacturing activities
- Process optimization and planned shutdowns for improved energy efficiency
- Shift to lower emission fuels
- Lighting efficiency projects

Stepan's 2030 Renewable Energy Goal:
90% of electricity use covered by renewable or zero carbon energy[1]

1 With at least 60% as renewable electricity.

HIGHLIGHT

Stepan's Stalybridge, UK Team Earns Prestigious Chemical Industry Recognition

In 2025, Stepan UK's Stalybridge manufacturing site celebrated a major accomplishment, achieving its fifth win since 2019 at the UK Chemical Industry Awards. The team received the Manufacturing and Resource Efficiency Award for its world class operational performance and resource stewardship. The recognition highlights Stepan's multiyear commitment to continuous improvement, with sustained efficiency gains across raw materials, energy, water, and utilities in their manufacturing processes.

Central to this success was the site's transformational reliability improvement program, which reduced unplanned downtime by 85% and shifted maintenance work from predominantly reactive to planned, dramatically improving product quality and reducing rework. These improvements have become best practice models adopted across Stepan's broader global network, reinforcing the Company's leadership in manufacturing excellence and sustainable operations.

This milestone reflects not only technical and operational success, but also the dedication of the Stalybridge workforce and its strong connection to the local community. The continued recognition underscores Stepan UK's role as a reliable, responsible industry leader and its ongoing contributions to advancing safety and sustainability across the chemical sector.

Water Management and Use

GRI 3-3, 303-1

The stewardship of freshwater resources remains a central priority for our organization and stakeholders. Through strategic decision-making and planning, we enhance site resilience and promote sustainable water access for operational needs, while also addressing community requirements and regulatory obligations.

Our manufacturing processes rely heavily on water for cooling, cleaning, and steam generation. A relatively small portion of the water we use (about 5%) is incorporated into our finished products, and for this content, water quality is a key requirement. Depending on location, sites may draw from surface water, municipal supply, or groundwater resources. Each of our sites is faced with different challenges and opportunities for effective water management.

In 2021 and 2022, Stepan conducted a comprehensive water risk assessment using the World Resources Institute (WRI) Aqueduct tool, supplemented by stakeholder surveys and site expert interviews. This process, which was reviewed again in 2024 and 2025, evaluated water quality, quantity, regulatory, and reputational risks. Results informed the development of water risk management plans addressing issues such as extreme weather impacts, local resource pressures from development, and evolving water quality regulations.

From these assessments, we identified sites facing higher water risk and set a 2030 goal to implement targeted water resilience projects at those manufacturing facilities. Some of our sites not identified as high risk also identified water-related challenges or opportunities.

Across our operations we continue to seek new opportunities to strengthen site resilience and advance best practices in alignment with local and regional priorities. This work helps ensure long-term access and sustainable management of shared water resources.

Stepan's 2030 Water Goal: Water resilience projects at 100% of high risk sites[1]

1 Based on WRI Aqueduct and site assessments.

Examples of water management projects under review, initiated, or implemented:

- Optimize cleaning processes for water conservation and reduced wastewater
- Process water reuse for scrubber cleaning to decrease freshwater consumption
- Water cooling circulation to eliminate dependence on municipal water, reduce water use and wastewater generation, and mitigate potential disruptions to availability
- Steam condensate recovery systems
- Caustic wash efficiency improvements
- Rainwater collection systems to reduce reliance on freshwater resources and decrease wastewater generation
- Wastewater and stormwater management systems to reduce waste infiltration, mitigate flooding, and provide treated water for on-site use
- Water filtration system upgrades and equipment right-sizing for water quality management, improved efficiency, and reduced waste generation
- Closed loop cooling systems to shift from continuous river water withdrawal to a recirculating system for significant water use reduction and improved energy efficiency
- Cooling tower blowdown optimization and water recovery to reduce need for freshwater

Circularity, Waste, and Wastewater Management

GRI 303-2, 306-1, 306-2 (B.), 306-4

Our teams advance waste and wastewater reduction initiatives across our facilities to deliver a range of benefits, including material reuse and circularity, responsible growth, regulatory compliance, reduced waste management costs, and positive environmental outcomes.

Just as our water management approach is customized for each location, our waste reduction strategies are site-specific, taking into account local manufacturing processes, opportunities for collaboration with neighboring industries, regulatory frameworks, and the capabilities of available waste management systems.

We utilize both on-site solutions and trusted third-party partners to treat our waste streams, prioritizing compliance and responsible material handling in line with our standards and relevant regulations.

To advance ongoing improvement and adherence, we regularly assess and audit our internal practices, and we extend this diligence to our external partners through Stepan's Partner for Sustainable Supply (PaSS) program and select supplier audits.

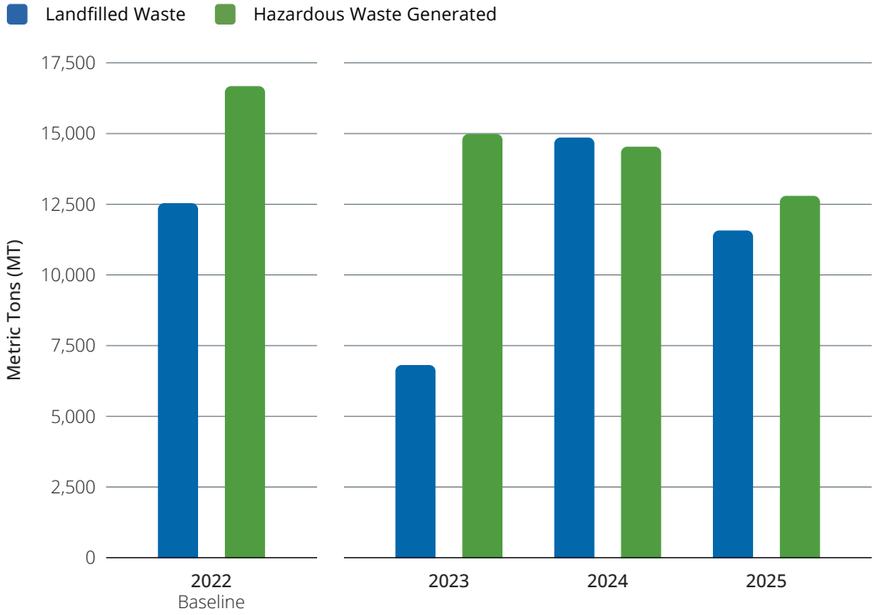
Waste management remains an ongoing responsibility for our teams, and we publicly announced our first waste-related goals last year. By 2030, we aim to reduce landfilled manufacturing waste by 10% and reduce generated hazardous waste by 20%, with a 2022 base year. Our regional sustainability and efficiency leaders are building out multi-year plans to improve waste management processes and drive progress toward these goals.

We continue to benefit from projects previously implemented to enable circular use of resources and reduce waste, including systems that reuse cooling tower wastewater, condensate recovery systems, installation of new flowmeters for more effective monitoring, and on-site UV or biological treatment of wastewater.

Examples of waste and wastewater management projects under review, initiated, or implemented over the past year include:

- Rainwater and wastewater management projects to reduce wastewater and control environmental impact
- Use of recycled plastic drums for select materials based on safety requirements and feasibility
- On-site wastewater treatment improvements at selected sites to expand the ability to reuse treated water
- Process optimization to reduce scrap acid generation
- Sale or reuse of byproducts and off-spec material to lower waste generation
- Projects to lower waste generation and improve water management, while reducing energy and emissions for treatment

Waste by Type and Over Time



Stepan's 2030 Waste Goal:
Reduce landfilled manufacturing waste by 10% and hazardous waste generation by 20%[1]

1 From 2022 baseline.

Pollution Management

Stepan's EHS&S teams are dedicated to minimizing risks to both people and the environment by ensuring robust compliance with air, water, and waste regulations. This commitment is realized through close collaboration among site and corporate engineers, regulatory compliance experts, Research and Development (R&D) teams, and other stakeholders. Together, they proactively identify and manage potential risks, enhance operational processes, drive innovation in priority areas, and foster a culture of safety and transparency.

Ongoing investments in regulatory compliance span all regions, supporting processes and manufacture of products that are safer for people and the environment. Compliance initiatives include installation of advanced processes or equipment to meet pollutant thresholds, adoption of improved material management strategies, transparent labeling and communications, and continuous monitoring, tracking, and review. For more details, see the Regulatory Compliance and Product Stewardship section.

In recent years, Stepan has implemented new systems in response to regulatory limits on 1,4-dioxane, a byproduct formed during the manufacture of other sulfate surfactants. These efforts enable our U.S. and European customers to uphold compliance with strict 1,4-dioxane regulations.

Numerous other local, state, or national regulations aimed at preventing and managing pollution, such as the US Toxic Substances Control Act (TSCA), Clean Air Act, Clean Water Act, the Registration, Evaluation, Authorization and Restriction of Chemical Substances (REACH) regulations in the European Union (EU) and the United Kingdom (UK), and Biocidal Products Regulations in the EU and the UK, require continuous focus to maintain our license to operate.

Process safety remains a core focus, with regular training conducted across all sites on safety protocols, ergonomics, spill prevention, hazard awareness, and other topics. Routine inspections for leak detection and equipment readiness reinforce Stepan's commitment to prevent incidents that could impact the environment or worker and community safety (see Process Safety section for more details).

Data on air, water, and waste pollutants are systematically collected and managed through the STEMS management system. Regional teams review this information quarterly to align practices, share insights, discuss upcoming changes, and capture lessons learned, strengthening improvement efforts across the organization.

Climate Impact

Climate-related impacts remain an ongoing consideration for our organization. Extreme temperatures, drought, and flooding can disrupt our operations by impacting raw material sourcing, transportation, and manufacturing reliability. Our management approach focuses on ongoing assessment and adaptation. We review potential threats and impacts through environmental risk assessments, scenario analyses, and enterprise risk evaluations. These efforts are complemented by additional site assessments that leverage local expertise to identify vulnerabilities related to resources and climate.

In recent years, several sites have faced severe weather events, including flooding, freezing, and intense storms. Other sites have experienced energy supply disruptions. These and other impacts prompt us to enhance our resilience strategies, as reflected in our 2030 environmental goals.

Our near- and longer-term planning is informed by consideration of numerous factors, with systematic review of procurement strategies, operational practices, resource access, logistics partnerships, and regulatory requirements. Our teams also closely monitor regional climate and weather events. In 2023 and 2024, we implemented targeted projects to strengthen operational reliability, such as flood, freeze, and hurricane protection measures at higher-risk sites, with additional investments made over the past year. These initiatives are part of our ongoing commitment to reliability and resilience across our operations.

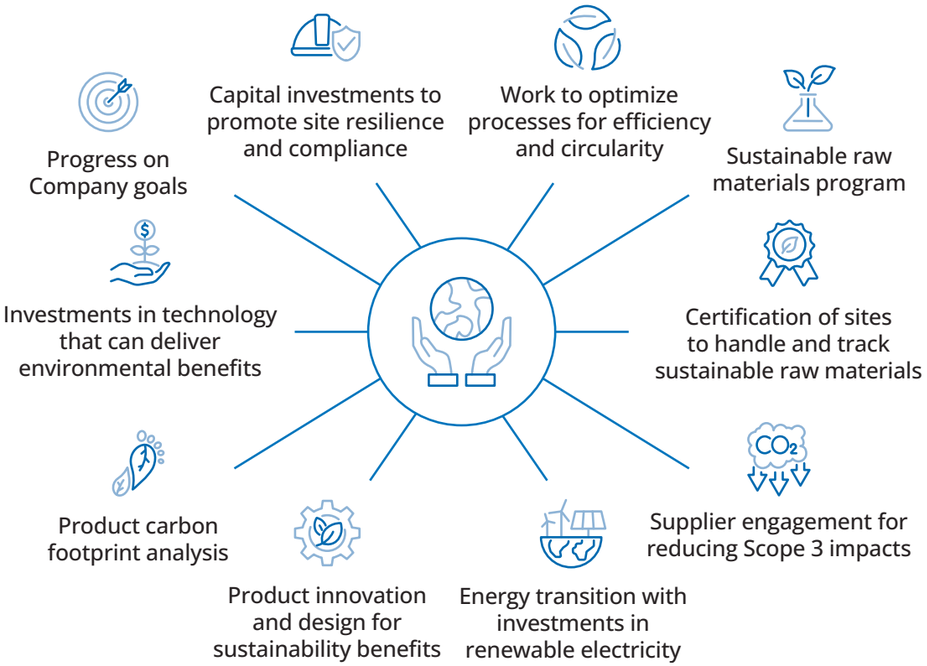
Beyond managing physical climate risks to our operations, we are also focused on reducing our climate impact. This includes actions related to raw material sourcing, manufacturing activities, and product design, as discussed in other sections of this report. Quantifying raw material impacts and identifying materials with a lower carbon footprint were key drivers for our supplier engagement activities in 2025 (see the Supplier Engagement section for more details). Stepan anticipates recognizing greenhouse gas emission reductions as our suppliers implement their own emission reduction strategies, and we regularly communicate with suppliers on this topic.

We continue to look for efficiency improvements in our direct operations, balancing investments in this area with those related to resilience and reliability. In addition to the work of our Regional Sustainability and Efficiency teams, we initiated further modeling to gain insights into site processes and associated resource use.The information gained from this and other work will serve to inform future operational efficiency improvements.

Stepan aligns our reporting with the criteria outlined by the Task Force on Climate-Related Financial Disclosures (TCFD). In 2022, we conducted a climate scenario analysis to deepen our understanding of both near- and long-term climate risks. This analysis evaluated physical and transition risks across multiple climate scenarios and identified region-specific risks, including increases in extreme heat or cold days, greater likelihood of flooding or tropical storms, water availability stress, higher wind speeds, and increased rainfall. These physical risks are consistent with those faced by others in our industry operating in similar regions.

Additionally, our teams monitor evolving regulations to maintain compliance readiness across environmental, social, and business ethics topics. For more information on our management approach, strategy development, and oversight, see the Governance section.

Stepan Activities to Mitigate Climate Impacts



Organizational resilience is embedded in our management practices. Our processes account for potential disruptions from natural disasters, weather events, disease outbreaks, transportation interruptions, regulatory changes, and other unforeseen challenges. We implement policies and practices that enable agile, effective responses to mitigate impacts where possible.

Biodiversity

GRI 2-12, 2-25

Stepan recognizes the foundational role of healthy ecosystems in sustaining resources, biodiversity, and the well-being of communities. As environmental challenges intensify, driven by factors such as industrial growth, resource depletion, habitat loss, pollution, and climate impact, our organization is dedicated to reducing our ecological footprint and advancing responsible stewardship throughout our operations.

Raw material sourcing is a key consideration for environmental footprint. Supply chain engagement is essential for gaining the information we need to understand raw material footprint, supply chain transparency, and availability of alternative feedstocks. In addition, our Responsible Sourcing Policy for Bio-sourced Materials and Third-Party Code of Conduct outline expectations of our suppliers related to environmental management.

Our ongoing collaboration with Action for Sustainable Derivatives (ASD) enhances visibility into our palm derivatives supply chain, which informs responsible procurement decisions. Since joining the ASD community, we improved supply chain transparency. This information is key for understanding risks of deforestation and identifying responsive supply chain partners.

We invest in innovative technologies to lower emissions and address other environmental impacts. These advancements require careful consideration and patience, as they often involve trade-offs and challenges.

Stepan's product portfolio spans a wide range of end markets, and our goal is to deliver solutions that are beneficial for both people and the planet. Across each stage of our products' life cycle, from the selection of raw materials and manufacturing efficiency to product use and end-of-life management, there are opportunities to reduce environmental impact.

Many Stepan facilities have earned third-party certifications that allow us to deliver products with externally validated claims for more sustainable raw materials and practices. This includes 16 manufacturing and processing sites that are certified to the Roundtable for Sustainable Palm Oil (RSPO) standards and six facilities that have maintained ISCC PLUS-certifications. Over the prior year, we added new product offerings that carry sustainability-related claims for material circularity and biobased content.

Stepan teams continue to explore opportunities for products that reduce environmental impact. Our ongoing expansion in agricultural solutions aims to enhance soil health and minimize negative impacts on ecosystems. While not every initiative reaches commercial scale, our pursuit of safer, more sustainable products remains unwavering.

Our sites continue their efforts to decrease water use, waste, energy consumption, and emissions. Local teams also lead habitat restoration, community clean-ups, species protection, and tree planting, contributing to positive changes in the communities and environment where we operate. Healthy ecosystems, climate stability, and societal prosperity are strongly interconnected, and we remain committed to reducing our environmental footprint and delivering solutions that advance global sustainability objectives.

Stepan's Palm Supply Chain Traceability[1]

	2022 Campaign	2023 Campaign	2024 Campaign
Traceability to Mill	89%	98%	96%
Traceability to Plantation	47%	78%	85%
Deforestation and Conversion Free Volumes	N/A	N/A	65%

1 2025 Campaign data not available at the time of publishing.

Valuing People and Communities

GRI 3-3

IN THIS SECTION

At Stepan, our success is driven by the dedication, expertise, and diverse talents of our global workforce. We are committed to a workplace that is inclusive, respectful, and safe—one that empowers employees to thrive, grow, and make meaningful contributions. To deliver on this commitment, we provide robust resources and development opportunities that promote career growth and personal fulfillment.

Leadership at all levels provides strategic oversight for workforce development, talent initiatives, and employee safety and well-being. We have strengthened alignment between business priorities and employee goals through clearer goal-setting processes and annual reviews.

These efforts support a culture where development, performance, and business outcomes are connected, helping employees maximize their impact. Through all our work, we foster an exceptional workplace culture and a strong sense of pride in being part of the Stepan community.

#ONETEAM

Stepan's Chief Executive Officer launched the #ONETEAM campaign to promote collaboration and interconnection as we work together to drive business success.

Employee Engagement and Connection

We know that employee engagement is essential for continuous improvement and supports a sustainable, successful workforce. Stepan leadership prioritizes building a strong sense of community by proactively engaging with employees across the organization. By listening thoughtfully and acting on feedback, Stepan refines workplace policies and programs to better meet the needs of employees and the organization.

Our global teams look for opportunities to stay connected, build community and have fun through a variety of events and activities such as town halls, roundtable discussions, regular communications through internal and public channels, social events, team building events, and a range of volunteer opportunities.

Stepan's Global Growth Summit brought together employees from around the world to connect and collaborate, while aligning strategies for the coming year.

Stepan's Brzeg Dolny, Poland team celebrated 15 years as part of Stepan operations in 2025, with team activities focused on site history and area ecology.

The Jurong Island team, with members of the Asia Sales team, join together for a day of service.

Stepan's Women's Network builds community, promotes business outcomes, and enriches Company culture.

Stepan's annual golf outing has been ongoing since at least 1970.

Stepan colleagues celebrate various holidays together.

Talent Attraction and Retention

GRI 3-3

Stepan aims to be an employer of choice by promoting an inclusive culture and providing robust career development opportunities. We stay agile and responsive to evolving workforce expectations, guided by thorough market analysis and benchmarking to inform recruitment efforts and compensation frameworks.

Our Human Resources management team develops comprehensive compensation and benefits packages that align with local practices, regulatory requirements, and employee preferences. Stepan's Total Rewards program includes benefits that support financial well-being, personal and family health and wellness, and professional development. We also offer personal leave and region-specific vacation and flexible work schedules in addition to traditional holidays, encouraging employees to recharge, connect with family, and maintain work-life balance.

Compensation is aligned with Company, team, and individual performance, recognizing outcomes and growth tied to business goals and values. Stepan also provides an annual profit-sharing contribution to about 73% of its global workforce. This program financially rewards employees in alignment with the Company's profitable growth.

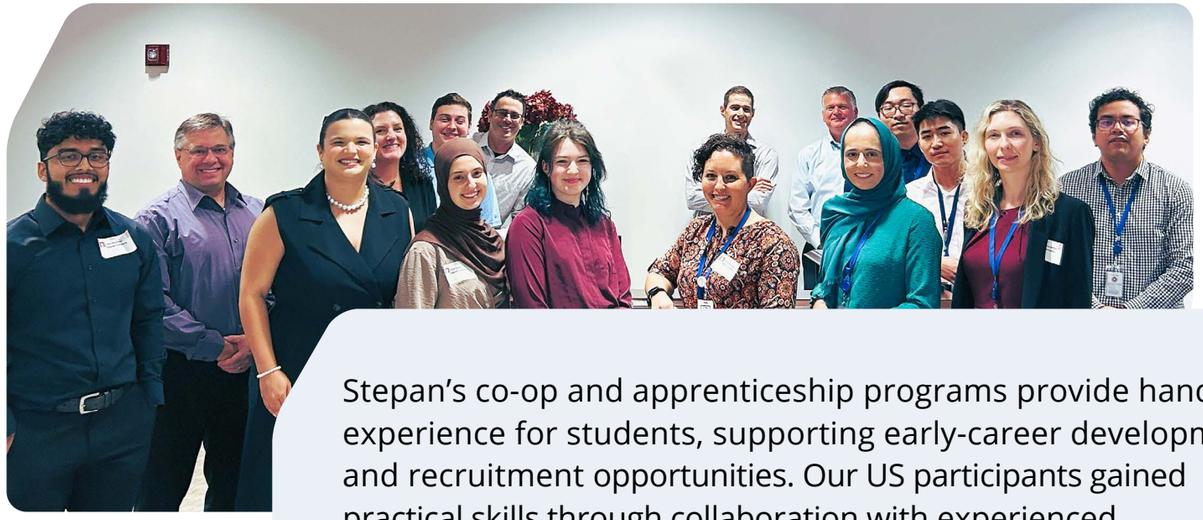
We attract new talent through a variety of partnerships with colleges and universities, engagement with industry organizations, and internship and apprenticeship programs. In addition, we continue to formalize programs that engage either high-school or college students interested in manufacturing careers. Our co-op and apprenticeship programs provide hands-on experience for students, supporting early-career development and recruitment opportunities. Our employees engage in numerous professional organizations that offer opportunities to cultivate leadership skills, inspire the next generation of science professionals, and raise the visibility of Stepan careers. Among the many groups in which we participated in 2025, Stepan served as a corporate sponsor of Women in Chemicals (WIC), took part in the Society of Women Engineers Annual Conference, and continued membership engagement with the Society of Hispanic Professional Engineers.

Stepan considers existing employees for internal opportunities with the goal of enabling career growth and development, while retaining in-house expertise. Employees have visibility into job opportunities across the organization and are encouraged to discuss their career ambitions with their managers.

With comprehensive benefits programs, competitive compensation packages, and a mission-driven Company culture, Stepan attracts top talent, promotes retention of our skilled workforce, and maintains a positive reputation in our communities.

Stepan's Total Rewards Program

- Market-competitive compensation and benefits
- Region-specific vacation and holidays
- Health and well-being programs
- Recognition program
- Retirement programs
- Tuition assistance
- Profit sharing
- Family support
- Parental leave



Stepan's co-op and apprenticeship programs provide hands-on experience for students, supporting early-career development and recruitment opportunities. Our US participants gained practical skills through collaboration with experienced engineering teams at our Millsdale and Winder sites.

HIGHLIGHT

Developing the Next Generation of Chemical Engineers

Stepan continues to invest in student internships and co-op programs, including our US Engineering Co-Op for chemical engineering students. Sponsored by our Continuous Improvement Team, the program provides applied, hands-on experiences that connect academic learning to real-world engineering work. Participants spend three to twelve months at Stepan as full-time paid contributors, gaining practical skills through collaboration with experienced engineering teams at our Millsdale and Winder sites. Each student leads a continuous improvement project and presents their results to site and corporate leadership.

Now in its third year, the Co-Op Program will expand in 2026, adding positions at Northbrook, Illinois, and Wilmington, North Carolina. Growth plans include strengthening mentorship, increasing executive sponsorship, and enhancing the curriculum with job shadowing, cross-functional exposure, and targeted professional development. These efforts help students receive meaningful, relevant experience while Stepan builds a strong pipeline of future engineering talent.

"I had a great experience all around! I saw so many different things, got to work on a variety of different projects, and had a great networking experience. My projects felt reflective of the responsibilities of a production engineer and allowed me to apply the knowledge learned in my courses to a real-life setting."

Summer 2025 Co-Op Participant

TRAINING AND DEVELOPMENT OPPORTUNITIES

GRI 3-3, 404-2

Stepan's Learning Governance Committee is responsible for management, development, and oversight of our learning and development strategy that caters to the various technical, functional, and soft-skill needs of our workplace. Investments in digital resources over the past several years have transformed how our employees gain needed skills, foster their professional development, and stay on top of required information and training content.

A few of the topics highlighted by our Learning and Development team include:

- Effective use of artificial intelligence (AI) to help streamline workplace activities
- Improving presentation skills
- Understanding cybersecurity threats
- Making ethical decisions in all aspects of work
- Team management skill development
- Workplace safety and security
- Manufacturing safety and best practices

Digital resources are available through our SuccessFactors platform and Stepan's library assets. With these resources, we deliver curated learning opportunities aligned with industry best practices to help employees efficiently and effectively find relevant content to further their goals at all career stages. Employees have access to a robust catalog of essential technical and safety information, expert-led courses, career coaching, and skill development to foster professional growth.

The SuccessFactors platform serves as a center for required and supplemental training across the organization and is a key tool in our talent management strategy. It offers flexibility for employees to engage at their own pace. It also allows for broad access across our regions, enabling effective roll-out of on-demand trainings in local languages, tracking engagement in training programs, and identifying opportunities for improvement.

Stepan's digital library resources expand learning opportunities, with access to over 22,000 books, more than 20 online databases, and 2,000 journals. Employees can leverage these resources for research, professional growth, and staying current with industry trends.

Introduced in 2025, Stepan's Manufacturing Training Hub is a centralized resource for all training, content, and materials essential for our Operations teams. The hub provides comprehensive site-specific content on manufacturing processes, safety protocols, and best practices, and will be further expanded in 2026.

In addition to these extensive resources, managers work closely with their staff to identify growth opportunities tied to career ambitions. This includes regular time-to-talk sessions as well as annual performance reviews. About 70% of Stepan employees are eligible for an annual performance review, where they gain valuable insights into ongoing growth and development, as well as recognition and rewards for taking on greater responsibility aligned with Company goals. Stepan offers other opportunities for leadership development and mentoring to foster development of our employees for long-term success.

We promote a culture that is open to learning at all career stages, encouraging each employee to cultivate new skills, take on stretch assignments, collaborate with diverse teams, and explore adjacent functions to build a deeper understanding of the organization.

With ongoing implementation of our robust talent management initiatives, Stepan's Human Resources (HR) team focuses on empowering our employees to reach their career ambitions and contribute impactfully to Stepan's success.

Stepan's Stalybridge, UK team members partnered with the Technical Education Network to develop Continuous Professional Develop videos promoting ongoing learning and development.

Focus on Well-Being

GRI 403-6

Employee well-being is a top priority. Across our sites, we offer a variety of wellness programs, including nutritional health, financial security, exercise, stress reduction, and smoking cessation, which complement our strong focus on workplace safety. We also create comfortable, respectful, and productive workspaces, with amenities that enhance daily work life.

Both personal and external challenges can affect an individual's ability to be fully present at work, and we strive for a workplace where everyone can engage productively. We offer, and continually enhance, resources and support for emotional, mental, and physical health. Our commitment is to provide a safe and supportive environment where employees feel empowered to seek assistance. By prioritizing employee well-being, we strengthen our sense of community, reduce absenteeism, and enable every team member to contribute effectively to our shared success.

Respectful Workplace Environment

GRI 2-8, 3-3, 405-1

Stepan fosters a culture built on inclusion, collaboration, and respect. Our Company policies are clearly communicated and reinforced through regular training, reflecting our core belief that the diverse perspectives and talents of every employee are vital to our ongoing success.

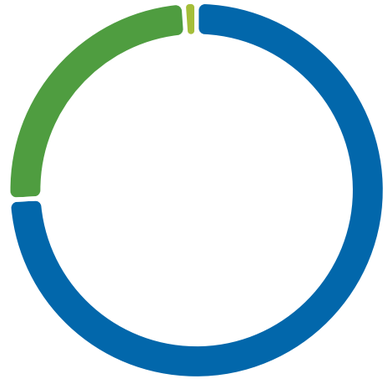
Our Code of Conduct sets clear expectations for workplace behavior and provides accessible channels for employees to raise concerns or seek guidance, including the EthicsPoint® hotline. Additional policies address anti-harassment and human rights issues, enabling fair hiring practices and a harassment-free environment. We remain committed to equitable pay and treatment for all employees, regardless of background, identity, or any other legally protected class, and these standards are expected of our suppliers and business partners.

Stepan actively encourages open dialogue and awareness around workplace respect. Through Employee Resource Groups (ERGs), our teams build community, strengthen connections, and promote understanding. The Stepan Women's Network, established in 2022, works to attract and develop talented women, driving business outcomes and enriching our culture. The network continues to advance regular dialogue, promote science education, and create opportunities for women in the chemical industry. EMBRACE (Empowering Black Resources and Cultural Ethnicity), launched in 2023, remains dedicated to fostering an inclusive and welcoming workplace that values diversity and supports equal opportunity. Leadership from EMBRACE has enabled Stepan to provide scholarships to recipients in the American Chemistry Council's (ACC's) Future of Science, Technology, Engineering, and Math (STEM) Scholars (FOSSI) program for the past several years.

Employee Diversity

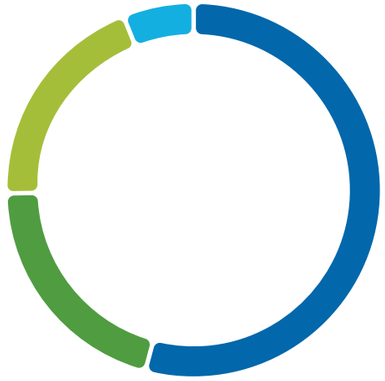
GRI 405-1

EMPLOYEES BY GENDER



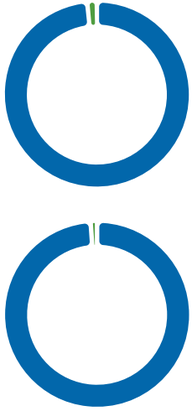
- Male **75%**
- Female **25%**
- Undeclared **<1%**

EMPLOYEES BY REGION



- US and Canada **54%**
- Latin America **21%**
- EMEA **19%**
- APAC **6%**

EMPLOYEES BY CONTRACT TYPE



- Full time **99%**
- Part time **1%**

- Permanent **99%**
- Temporary **<1%**

Community Connections for Positive Impact

GRI 3-3, 413-1, 413-2

Around the world, our employees make their communities stronger by giving their time in meaningful ways. Some 2025 Community Connections include:

REDUCING OUR IMPACT

Voreppe, France and Bauan, the Philippines

Stepan teams in Voreppe and the Philippines joined local clean-up efforts to remove waste from parks, streets, and waterways to create safer, cleaner community spaces.

SUPPORTING PEOPLE WITH DISABILITIES

Nanjing, China

Stepan's Nanjing team spent a day at a local center for people with disabilities, sharing crafts and participating in games that fostered connection and joy.

VALUED COMMUNITY PARTNER

Stalybridge, UK

Stepan's UK team is a recognized leader for community engagement in their area. This year, an HR leader was featured on a local podcast highlighting the team's long-standing volunteer and charitable initiatives.

ASIA WELLNESS DAY CLEAN-UP

Nanjing, China

Stepan's Nanjing team celebrated Asia Wellness Day by cleaning roadsides, gardens, and public spaces. Employees covered more than 148 kilometers while strengthening team connection and community pride.

CELEBRATING SENIORS

Jurong Island, Singapore

Stepan's Singapore team gathered at a nearby senior facility for an afternoon of food, games, and conversation, brightening the season for residents and demonstrating the power of small acts of kindness.

SEASONAL GIVING

Stalybridge, UK and Pasadena, Texas, US

The Stalybridge team provided holiday gifts for young people in the Tameside community. In Pasadena, employees supported a local "Back-to-School" drive by collecting backpacks and supplies for elementary students.

"DRINKABLE RIVERS" INITIATIVE

Vlissingen, the Netherlands

Employees in Vlissingen supported a 30-day environmental awareness journey by joining a local advocate for a day of river-cleaning activities and conversations about protecting the Scheldt River.

THE TALKING FARM

Northbrook, Illinois, US

Since 2019, employees have volunteered at The Talking Farm, helping plant, cultivate, and harvest produce that is shared with local food pantries and community organizations.

FIGHTING HUNGER

Houston, Texas, US

Stepan's Oilfield Services team volunteered with the Houston Food Bank to sort, pack, and distribute meals for families experiencing food insecurity.

CLOTHING AND ESSENTIALS DRIVES

Salto and Sao Paulo, Brazil and Northbrook, Illinois, US

Stepan's Brazil teams hosted their annual winter clothing drive, donating warm clothing and essentials to families in need. At Stepan's Corporate Headquarters, team members worked with the Stock the Shelves program to organize household supplies for Chicago-area families in need.

CHILDREN'S DAY CELEBRATION

Matamoros, Mexico

Stepan's Matamoros team celebrated Children's Day and Christmas with a local kindergarten, hosting a day filled with activities, food, games, and piñatas to make sure every child felt valued and supported.

EARTH DAY ACTIVITIES

Nanjing, China

Stepan's China team organized a no-car day, waste clean-ups, sustainability crafts, and a family picnic that encouraged children to engage in protecting their environment.

R&D VOLUNTEER ENGAGEMENT

Northfield, Illinois, US

Stepan's Research and Development (R&D) teams participated in science-education events at local schools, leading hands-on demonstrations, STEM career discussions, and classroom experiments designed to spark curiosity in the next generation of scientists.

INSPIRING FUTURE AGRONOMISTS

Mexico City, Mexico

As part of a new agreement aimed at promoting careers in agronomy, Stepan's Crop Productivity team presented at Universidad Autónoma Chapingo in Mexico, sharing insights on innovative agrochemical formulations and fostering dialogue with students, faculty, and community partners.

SITE TOURS FOR STUDENTS

Salto, Brazil, Ecatepec, Mexico and Singapore

Stepan's teams at Salto, Ecatepec, and Singapore hosted site tours for science and engineering students. Tours included a behind-the-scenes look at plant operations, laboratory tours and technical talks, introduction to sustainability initiatives, on-site solar energy production, and more.

WORKPLACE SAFARI EXPERIENCE

Stalybridge, UK

Stepan's Stalybridge team sponsored the Workplace Safari program, offering in-person and virtual work experiences to help students explore future career opportunities.

SUPPORTING STEM EDUCATION

Northbrook and Elwood, Illinois, US

Stepan sponsors and participates in events hosted by the Chemical Industry Council of Illinois and the Illinois Chemical Education Foundation, including career conferences and scholarship programs promoting chemistry education.

TEACH FOR AMERICA PARTNERSHIP

Northfield, Illinois, US

For more than a decade, Stepan has partnered with Teach for America (TFA). This year, R&D volunteers led site visits and full-day STEM demonstrations for nearly 250 high-school students, helping them explore careers in science and engineering.

FUTURE OF STEM SCHOLARS INITIATIVE

Pasadena, Texas, US

Stepan continues to support the Future of STEM Scholars Initiative (FOSSI), which provides scholarships for students pursuing STEM degrees at Historically Black Colleges and Universities. This year, team members attended the Scholar Luncheon at Prairie View A&M University to mentor and encourage students.

Governance

GRI 3-3

IN THIS SECTION

Stepan remains firmly committed to ethics, integrity, and responsible business conduct as we pursue growth and innovation. Our governance framework guides how we operate, make decisions, uphold accountability, and manage risks across our global organization. Stepan's Code of Conduct (the Code) and Third-Party Code of Conduct establish clear expectations for our employees, leaders, and business partners. To promote transparency and alignment across our global operations, our key policies are publicly accessible and available in multiple languages.

We anchor our governance practices in internationally recognized frameworks: Stepan upholds the principles of the United Nations Global Compact (UNGC) and maintains a longstanding commitment to the Responsible Care® initiative. These frameworks reinforce our disciplined approach to ethical operations, accountability, and continuous improvement. By setting clear expectations and embedding strong governance across the organization, we strengthen stakeholder trust and deliver long-term value for our customers, communities, and employees.

Board of Directors

GRI 2-9, 2-11, 2-12

Comprised of eight directors, including six independent members, the Board's deep experience in business leadership, industry operations, and strategic oversight guides Stepan's long-term direction.

F. Quinn Stepan, Jr.
Chairman

Luis E. Rojo
President and CEO

Lorinda A. Burgess
Audit Committee Chair

Susan M. Lewis

Joaquin Delgado
Nominating and Corporate Governance Committee Chair

Jan Stern Reed
Human Capital and Compensation Committee Chair

Randall S. Dearth
Compliance Committee Chair and Lead Independent Director

Corning Painter

Stepan's Board of Directors provides comprehensive oversight of the Company's global activities, maintaining alignment with our strategy, values, and commitments.

BOARD DUTIES AND RESPONSIBILITIES

Our Corporate Governance Guidelines and committee charters define the roles and responsibilities of the Board and its four committees: Audit, Compliance, Human Capital and Compensation, and Nominating and Corporate Governance.

To carry out these responsibilities effectively, members of the Board have complete access to corporate management at all times, enabling open dialogue, informed decision-making, and timely access to information.

The Board fulfills its duties by performing the following core functions, exercising business judgment in good faith:

- Ensuring legal and ethical conduct, including reviewing and approving updates to the Code of Conduct
- Overseeing risk management policies and processes
- Selecting, evaluating, compensating, and, where necessary, replacing the Chief Executive Officer (CEO) and planning for their succession
- Advising on senior management selection, evaluation, and development
- Participating in and monitoring strategic planning
- Providing general oversight of business operations and approving significant corporate actions
- Overseeing the integrity of Stepan's financial statements and reporting processes
- Overseeing environmental, social, and governance (ESG) and climate-related matters, including
  - reviewing and evaluating Stepan's ESG plans and practices
  - reviewing current trends and discussing such matters with management
  - monitoring the development and use of measurement and tracking metrics
- Evaluating Board processes and performance
- Selecting and nominating Board candidates
- Compensating directors

Sustainability Governance

GRI 2-12, 2-13, 2-17

Stepan's sustainability program is guided by a cross-functional team representing our global regions. The Sustainability Steering Team is responsible for defining the Company's sustainability strategy and goals, driving key initiatives, monitoring and preparing for related regulations and mandates, and fostering collaboration and partnerships that enable success in these areas.

Our Steering Team membership is reviewed annually and evolves with the shifting needs and requirements of the organization. The leaders of Stepan's Regional Supply Chain Sustainability Councils also sit on the Steering Team, facilitating communication across regions and streamlining efforts to deliver progress on our sustainability goals and initiatives.

Functional teams across the Company collaborate with Stepan's Steering Team to monitor shifting expectations and requirements. They work to drive positive impact, including reducing manufacturing and product impacts, delivering safer and more sustainable products, and maintaining regulatory compliance.

Stepan's Sustainability Steering Team is overseen and guided by our Director of Sustainable Growth and Innovation, who serves on the ESG Subcommittee of Stepan's Executive Leadership Team (ELT). This subcommittee directs the Company's current and future sustainability-related priorities, monitors progress toward Company goals and guides a strategy that enables resilience and agility on these topics. Established in 2022, the subcommittee meets quarterly and provides regular reports to the complete ELT, the President and CEO, and the Board.

The President and CEO provides approval, review, and guidance on identified sustainability topics, including:

- Strategic planning
- Risk management policies and processes
- Significant corporate actions
- ESG and climate matters including:
  - Stepan's plans and practices
  - Current trends
  - Development and use of measurement and tracking metrics
  - Emerging ESG regulations

Governance Framework

GRI 2-13

Stepan's sustainability governance is integrated at the highest level of company leadership to promote a culture of sustainability across Company functions. Ongoing collaboration with dedicated team leaders is essential to meeting the expectations of our stakeholders and driving meaningful progress towards our sustainability goals.

Responsible Practices

GRI 2-28, 3-3

IN THIS SECTION

Responsible practices form the foundation of a safe, ethical, and resilient value chain. Stepan upholds our responsibilities by embedding integrity, transparency, and continuous improvement into every aspect of our operations. As a charter member of the American Chemistry Council (ACC) Responsible Care® program, we align our actions with globally recognized principles that promote safety, environmental stewardship, and ethical conduct across the chemical sector.

We remain committed to advancing robust systems that safeguard our people, our communities, and the environments in which we operate. Through disciplined product stewardship and responsible management of our chemistries, we strive to be a trusted partner to customers, suppliers, and other stakeholders who rely on us for safe, high performing, and responsibly made ingredients.

Our comprehensive Process Safety Management program reinforces this commitment. It integrates hazard assessments, risk management, process standardization, rigorous employee training, emergency preparedness, and external assurance to strengthen safety performance and compliance across our global manufacturing footprint. Together, these practices support our mission to deliver innovative products with positive impact, anchored in robust governance and a culture of accountability and responsibility.

>95%

of all plant personnel completed line-of-fire training, supported by multiple toolbox talks developed to heighten awareness and reinforce consistent practice

Occupational Health and Safety

GRI 3-3, 403-1, 403-2, 403-3, 403-4 (B.), 403-5, 403-7, 403-9, 403-10

Over the past year, Stepan advanced initiatives to reduce risk, improve work conditions, and reinforce a culture where safety is an active, shared responsibility across all regions and functions. This included continued commitment to behavior-based programs such as SafeStart®, Safe Journey, and Life Saving Rules (LSR) training, as well as the expansion of foundational systems that support consistent, high-quality Environmental, Health, Safety, and Security (EHS&S) performance.

In 2025, Stepan launched a North America Training Council to enhance EHS&S and other critical training programs. An early focus was improving regulatory-required EHS&S training and developing more effective systems to oversee and continually improve delivery and competency building for frontline personnel and leaders.

Consistent with this emphasis on improved training and competency, Stepan delivers a wide range of safety programs across its global operations, including forklift operations, emergency response drills, HAZWOPER training, advanced first aid and cardiopulmonary resuscitation (CPR), ropes rescue, lockout/tagout, confined space procedures, LSR training, and industrial hygiene training. In 2025, Stepan also developed several new safety-focused standards covering heat stress, ergonomics, injury case management, and targeted industrial hygiene topics to strengthen global consistency and risk mitigation.

Ergonomics remained a core priority last year as we drove improvements to reduce strain, prevent musculoskeletal injuries, and enhance day-to-day working conditions for operators and technical staff. At the Salto facility, for example, the integration of an electric drum turner system standardized container handling practices, reduced ergonomic strain, and improved both safety and productivity.

Stepan is committed to a sustained zero incident culture, where risk is proactively managed, compliance is consistently achieved, and industry-leading EHS&S performance drives sustainable, long-term profitable growth.

Across the organization, Stepan continues to expand systems for root cause analysis, near miss reporting, and proactive risk identification. In 2025, we increased activity and engagement in our near miss and safe/at-risk observation program, achieving a 50% increase in total reports over the prior year. A focused, yearlong initiative on line-of-fire hazards played a significant role in this improvement.

These comprehensive efforts contributed to strong safety performance gains in 2025. As of January 2026, all European manufacturing and laboratory facilities achieved one full year without a recordable injury, and the Company recorded a Total Recordable Incident Rate (TRIR) of 0.36, its strongest performance on record and a 40% improvement over 2024.

Many individual sites achieved multiyear milestones, with several manufacturing sites reaching three or more years injury free.

Knowledge sharing across sites promotes awareness and accelerates adoption of best practices. Employees participate in continuous improvement processes, including engagement with site Safety Committees and the National Safety Council Safety Barometer survey. Conducted every three to five years with more than 1,300 participants, the survey provides critical insights that guide strategic planning and identify areas for further enhancement.

Our sites also receive external awards for safety performance, including Stepan's Winder site, certified at the Star level of the Occupational Safety and Health Administration (OSHA) Voluntary Protection Program in 2025. This designation recognizes workplace safety and health management performance above the national average for their industry.

Together, these efforts reflect Stepan's unwavering commitment to safeguarding employees, strengthening safety culture, and driving continuous improvement across our global footprint, so that every employee returns home safely each day and safety remains central to operational excellence.

Stepan's annual President's Safety Award is an internal recognition for sites with a strong safety culture and top performance throughout the year. In 2025, seven of our manufacturing sites and six of our Research and Development (R&D) facilities received the award for performance related to recordable injuries, incidents, compliance, and other safety-related criteria.

0.36

TRIR recorded by Stepan in 2025, its strongest performance on record and a 40% improvement over 2024

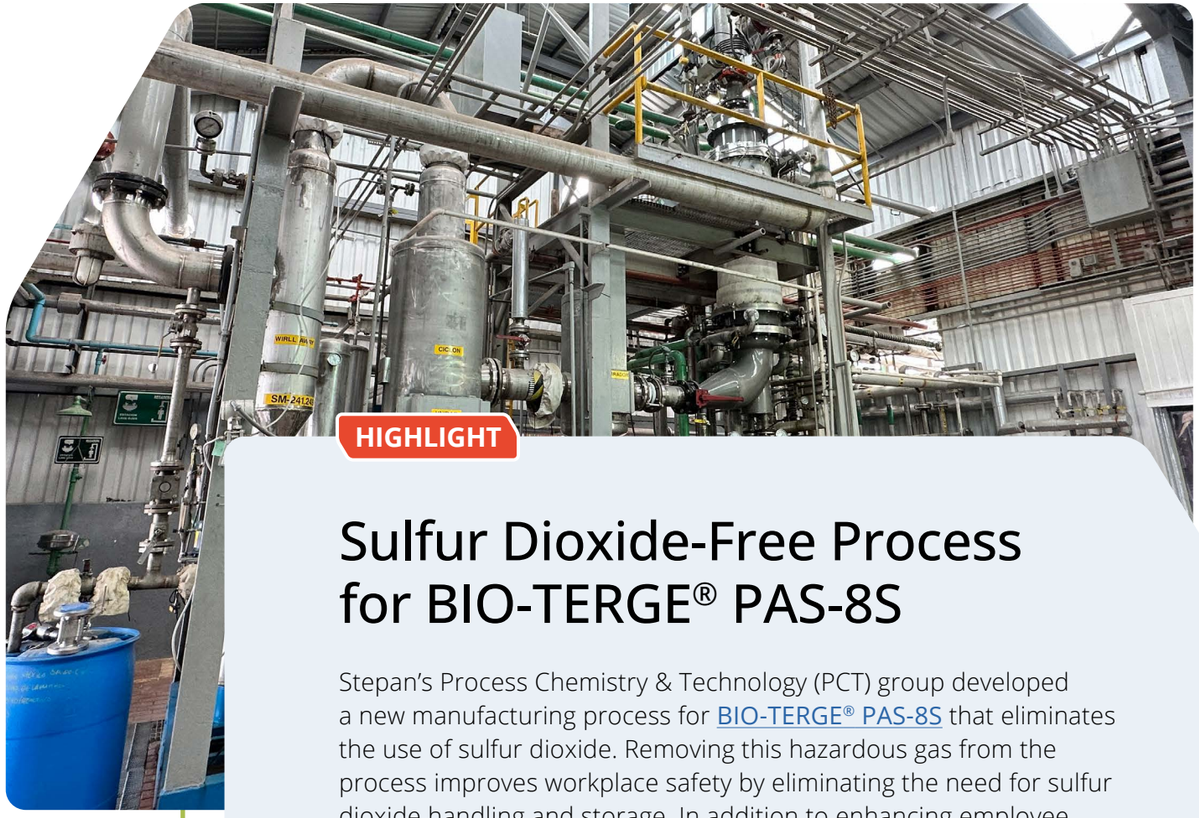
Process Safety

GRI 3-3, 403-2, 403-3, 403-4 (B.), 403-9, 403-10

A core element of Stepan's safety culture is maintaining strong safeguards around our chemicals management and manufacturing processes. As a member of the Center for Chemical Process Safety (CCPS) of the American Institute of Chemical Engineers, we reinforce our strategies for protecting people and promoting safe operations. CCPS's Risk-Based Process Safety Management System provides the foundation for our program and drives adoption of industry best practices to exceed regulatory expectations.

In 2025, Stepan advanced global Process Safety Management (PSM) performance through disciplined implementation of our management systems, proactive risk identification, and strong leadership engagement. As part of our commitment to go beyond regulatory requirements, we applied our global PSM Compliance Auditing Program across six manufacturing sites during the year. These audits strengthen operational discipline, reinforce consistent implementation of PSM elements, and highlight enterprise level opportunities for improvement.

Stepan's European manufacturing organization meeting in Brzeg Dolny, Poland to share good practices, discuss energy management programs, and prepare annual tactical plans.



HIGHLIGHT

Sulfur Dioxide-Free Process for BIO-TERGE® PAS-8S

Stepan's Process Chemistry & Technology (PCT) group developed a new manufacturing process for BIO-TERGE® PAS-8S that eliminates the use of sulfur dioxide. Removing this hazardous gas from the process improves workplace safety by eliminating the need for sulfur dioxide handling and storage. In addition to enhancing employee health and safety, eliminating sulfur dioxide supports compliance with updated United States (US) Environmental Protection Agency (EPA) National Ambient Air Quality Standards. The new process also improves operational efficiency and shortens cycle time, delivering both environmental and operational benefits. BIO-TERGE® PAS-8S delivers key performance characteristics for a variety of cleaning products and meets the US EPA Safer Choice programs surfactant screen.

Our Process Safety team also conducts systematic and comprehensive Process Hazard Analyses (PHAs) across all facilities, including more than 30 PHAs in all regions as part of the revalidation cycle and new or changed processes. PHAs provide a structured method for identifying, evaluating, and controlling potential hazards associated with chemical processes. Insights from these analyses strengthen operating conditions, improve risk controls, and inform decision making across our global footprint.

Leadership engagement remained a critical driver of process safety advancement in 2025. Our Operations Committee, including Stepan's Chief Executive Officer (CEO), participated in a full-day PSM-focused workshop that deepened understanding of enterprise-wide risks and set the direction for strategic improvement programs, including Asset Integrity and Operational Control. These initiatives strengthen mechanical reliability, enhance procedural rigor, and support safe, consistent operations across all regions.

Employees receive regular training and collaborate with local first responders and industrial park partners to prepare for relevant emergency scenarios. Sites also undergo external audits and assurance for emergency preparedness. We enhance our management systems to support effective tracking, monitoring, and systematic review of safety issues.

By capturing leading and lagging indicators, rigorously investigating incidents and near misses through robust root cause analysis, and implementing corrective and preventive actions in a timely manner, we identify emerging risks and reduce the likelihood of more serious events. These practices, supported by systematic documentation, cross-functional knowledge sharing, and a risk-based approach to nonroutine tasks, help drive ongoing improvements for site safety.

Through these combined efforts, Stepan is building a culture of disciplined and proactive process safety management, with a focus on continuous improvement, operational excellence, and ongoing safety performance.

Sites continue to strengthen implementation of safety policies and practices, including innovative measures such as the temperature-sensitive paint used at the Wesseling, Germany facility, which changes color based on tank temperature and enables real-time fire prevention monitoring through thermal imaging.

Ethics and Compliance

GRI 2-16, 2-25, 205-2

Stepan's comprehensive ethics and compliance program establishes clear best practices and behavioral expectations for business conduct across the organization. Our long-term success depends on daily ethical decision-making, guided by the Stepan Code of Conduct ("the Code"), which applies to all employees, leaders, and to the Board. Supported by related policies, procedures, and processes, the Code promotes the highest standards of business integrity. We enhance our program through ongoing training and rigorous oversight.

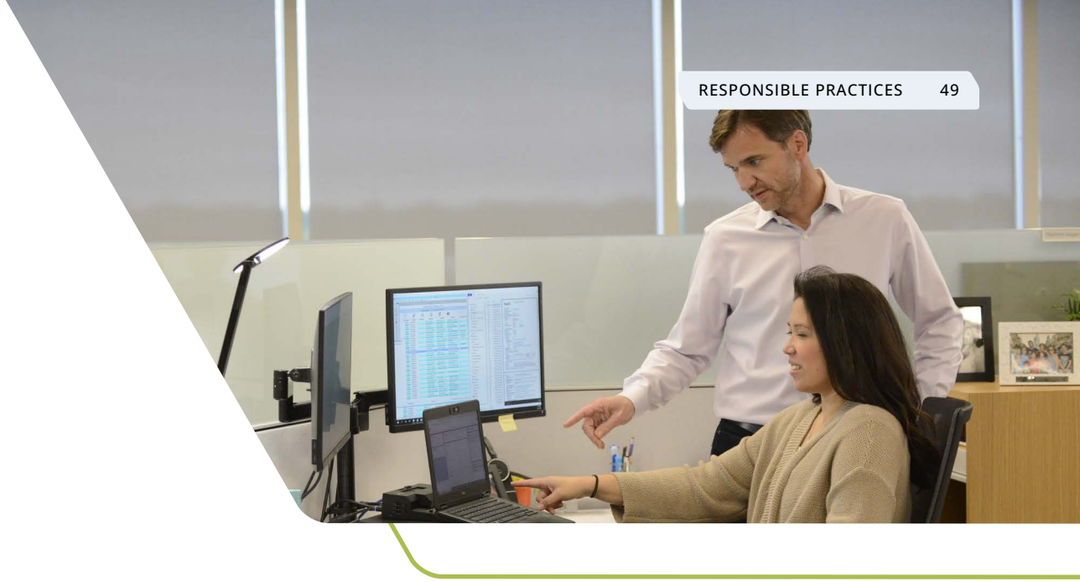
Stepan values the diversity of its workforce, fostering an environment where fundamental human rights are respected and best practices are prioritized. The Code of Conduct, along with our policies on human rights and workplace behavior clearly communicate these commitments to all stakeholders.

The Code also outlines the laws and regulations relevant to our business, addressing topics such as anti-harassment, cybersecurity, data privacy, confidential information, anti-bribery and anti-corruption, anti-money laundering, third-party relationships, conflicts of interest, fair competition, antitrust compliance, gifts, entertainment, and insider trading.

Employees receive regular training to identify questionable or potentially unethical behavior and are provided with clear guidance and secure channels for raising concerns. Our annual objective is for all employees to complete ethics and compliance training, and in 2025, we achieved 100% participation.

Stepan maintains robust policies and procedures for reporting non-compliance and implementing corrective actions. We adhere to all applicable local, state, and federal laws and regulations related to business ethics. We communicate clear expectations, so stakeholders understand their responsibility to speak up if they suspect a potential violation of the Code. Multiple reporting channels are available, including direct communication with supervisors and our 24-hour EthicsPoint® helpline, which supports local languages and offers online and phone access, with anonymous reporting permitted where allowed by law. These measures help us prevent incidents and, when necessary, take defined steps to prevent recurrence.

Stepan's Ethics Ambassador (EA) program remains a cornerstone of the Company's strategy to embed ethical practices into everyday activities. Since its launch in 2022, local EA teams have been established in every region where we operate, reinforcing the Company's core values and cultivating a culture rooted in integrity. In June 2025, Stepan successfully completed its first rotation for Ethics Ambassadors in our Latin American sites following their service of three-year terms. This rotation underscores Stepan's commitment to the program and advancing our ethics and compliance priorities.



100%

of employees completed ethics and compliance training in 2025

Ethics and compliance beyond our direct operations is a priority for Stepan. We expect our third-party partners to uphold our defined principles and practices in their own activities.

Stepan's Corporate Ethics and Compliance group works directly with regional teams to reinforce transparent communication, promote accountability, and integrate ethical principles into all business operations.

All potential partners undergo risk screening before business approval. Through our Third-Party Code of Conduct, which aligns with our Company Code of Conduct, we communicate clear expectations for ethical business practices (see the Supplier Engagement section for more details). As supply chain due diligence and ethical practices receive increasing attention, our teams actively review existing processes and strengthen our approach as needed.

Supplier Engagement

GRI 3-3, 308-2

Stepan actively advances third-party engagement efforts to strengthen partnerships that support responsible and sustainable supply chains while delivering market benefits. Our business partners play an essential role in this work, and we hold them to the same high standards of integrity, performance, and ethical conduct that guide Stepan's own operations (see the Ethics and Compliance section for more details). Beyond risk-based pre-screening and communication of our Third-Party Code of Conduct, Stepan also defines requirements for our biobased raw material suppliers in our Responsible Sourcing Policy for Stepan's Biosourced Raw Materials, including expectations designed to prevent deforestation and safeguard human and labor rights.

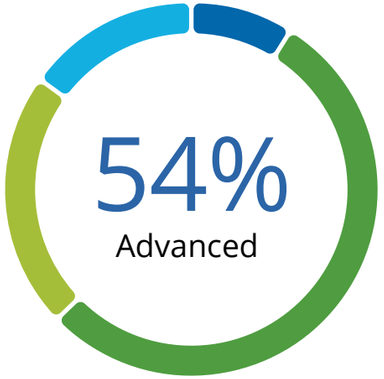
Over the past several years, Stepan expanded and formalized a comprehensive supplier engagement approach, increasing visibility into our suppliers' sustainability commitments and performance. Our Partner for Sustainable Supply (PaSS) program creates structured dialogue on responsible sourcing, due diligence, and sustainability priorities across the value chain. Through this program, we collaborate with suppliers to identify lower-impact raw material options, quantify raw material environmental impacts, and pursue solutions that reduce our Scope 3 emissions.

The PaSS program includes an annual supplier assessment based on broad sustainability criteria (business ethics, human and labor rights, environmental practices, and sustainable procurement) using the EcoVadis platform. In 2025, we expanded the assessment to evaluate supplier Carbon Maturity and alignment with key Stepan policies.

Since launching in 2021, we expanded participation across a wider range of suppliers, increasing coverage of our raw material, packaging, transportation, logistics, waste treatment, and on-site service providers. On a spend basis, almost 90% of our raw material and packaging suppliers and 80% of our transportation and logistics suppliers participated in an EcoVadis assessment in 2025. We also increased participation to 80% among our waste treatment providers and covered more than 50% of our on-site service partners. Of all participating suppliers, more than 80% by spend performed at or above industry average, and more than 60% earned an "advanced" rating.

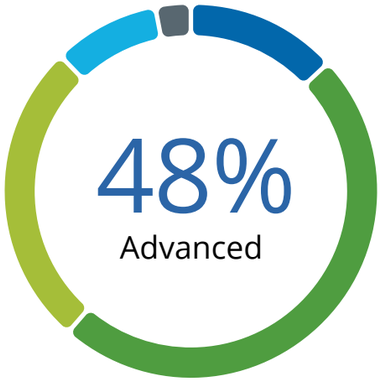
From a carbon-maturity standpoint, 88% of our raw material suppliers scored above intermediate, with over 60% achieving advanced carbon maturity. Through our PaSS program, we communicate expectations, share best practices, and support year-over-year improvements in responsible supply chain management. Looking ahead, we will continue focusing on Scope 3 emissions reduction and supply chain due diligence.

Stepan Supplier Performance on EcoVadis ESG Assessment



- Outstanding **9%**
- Advanced **54%**
- Moderate **22%**
- Partial **15%**

Stepan Raw Material Supplier Carbon Maturity



- Leader **13%**
- Advanced **48%**
- Intermediate **26%**
- Beginner **9%**
- Insufficient **3%**

Within our palm supply chain, Stepan has taken additional steps to advance traceability and responsible sourcing. We are an active member of the Action for Sustainable Derivatives (ASD) and engage directly with suppliers to map our palm derivatives supply chain, identify higher-risk sourcing regions, and strengthen oversight. In our 2025 campaign, we achieved 96% traceability to our sourcing mills and over 85% traceability to plantations based on our 2024 activity. Our ASD partnership enhances data quality and transparency, which informs sourcing strategies and meets reporting needs.

Over the course of the year, we continued preparing for anticipated requirements of the European Deforestation Regulation (EUDR) and assessing potential impacts on our business. Although the implementation deadline has been extended, we remain engaged with suppliers, customers, and industry associations to monitor developments and prepare to meet evolving requirements.

>60%

of Stepan suppliers assessed by EcoVadis ranked at advanced or above for sustainability performance.

Enterprise Risk Management

GRI 2-12, 2-25

Stepan employs Enterprise Risk Management (ERM) principles to identify, prevent, and mitigate potential risks to the organization. Our ERM program aligns with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Through surveys, in-person interviews, and workshops, leaders across Stepan's global locations and functions provide insights that shape the Company's risk profile and support a risk-ranking process. This includes the review of current, emerging, and anticipated issues. The ERM program identifies owners who develop and refine mitigation plans for key risks and share these risks across the organization. Stepan's Vice President, Chief Compliance and Risk Officer leads the ERM program and reports regularly to the Audit Committee of the Board of Directors on ERM matters.

A key priority for Stepan's risk mitigation strategy is the principle of resilience. The Company designs management systems, operational practices, infrastructure, and business strategies that promote resilience and agility during disruptive circumstances. These challenges can include issues posed by climate- or weather-related events, supply chain disruptions, or other challenges.

We assess these risks and their potential impacts on our plants and value chain partners, and we engage with risk owners and stakeholders to consider potential risks in our strategic and capital planning processes.

Cybersecurity and Personal Data Protection

With rapid advances in technology and increasing sophistication of cyber threats, Stepan invests in advanced security measures and comprehensive training to maintain a resilient data management environment. These efforts safeguard the organization's data, management systems, and operations, and help the Company meet legal and regulatory obligations in a landscape with growing global requirements.

Stepan's policies and practices protect confidential information, safeguard the availability of essential data, and maintain accuracy, consistency, and reliability throughout the information lifecycle, from creation through destruction. Stepan's cybersecurity program follows the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We strengthen our processes by aligning with new and emerging international data protection laws, including updates to the European Union (EU) General Data Protection Regulation (GDPR), the US Securities and Exchange Commission (SEC) cybersecurity disclosure rules, and other regional mandates that require greater transparency, incident reporting, and proactive risk management.

Stepan's Use of Information Technology Policy is communicated to our global workforce and is updated as new risks are identified, with a goal of preventing accidental or intentional misuse of Information Technology (IT) resources that could compromise the confidentiality, integrity, or availability of sensitive data and systems.

All employees receive regular training on their responsibilities for the safe use of IT assets, with emphasis on emerging threats such as ransomware, phishing, and social engineering. In 2025, alongside our ongoing cybersecurity training, we concluded a Company-wide cyber fraud awareness and prevention training program designed to strengthen our digital resilience and protect organizational and stakeholder assets. The mandatory training equips employees with practical knowledge and skills to identify, prevent, and respond to fraud in an increasingly complex digital landscape, including recognizing emerging threats such as deepfakes and other forms of AI-generated deception.

In 2024 and 2025, we expanded our cybersecurity program to include Operational Technology (OT) environments, strengthening the protection of process control systems critical to manufacturing and operational continuity. This effort redefined technical security controls and enhanced the governance framework supporting cybersecurity across our process controls. While implementation is subject to executive approval, the initiative resulted in a defined roadmap and prioritized set of actions designed to align Manufacturing and IT cybersecurity practices. This foundational work supports long-term operational resilience, risk management, and responsible stewardship of critical operational assets.

As cyberattacks grow more complex and carry greater financial and reputational risks, our team advances Stepan's security efforts. Our defense-in-depth strategy layers protections such as firewalls, intrusion detection and prevention systems, system hardening, advanced endpoint protection, email filtering, access controls, and encryption, to guard against a wide range of threats. By strengthening our cybersecurity posture and data protection practices, we remain committed to protecting our organization, partners, and stakeholders, and reducing the likelihood and impact of future cyber incidents.

Stakeholder Engagement

GRI 2-29, 205-3

Stepan regularly seeks feedback from a broad group of stakeholders, including employees, customers, suppliers, investors, and local communities. Their input contributes to our sustainability strategy, ensuring alignment with our Company Values.

In 2025, Stepan engaged our stakeholders through a variety of channels:

EMPLOYEES

Direct engagement, townhalls, surveys, site safety committees, email, Company portal, digital signage, social media, webcasts, and ethics hotline

CUSTOMERS

Email, surveys, client panels and meetings, site visits, virtual laboratory collaborations, tradeshows and events, website and live chat, online platforms, social media, and digital portals

INVESTORS

Annual stockholders meeting, quarterly earnings calls, US SEC filings, website, conferences, email, and meetings

SUPPLIERS

Annual and periodic meetings with key suppliers, industry trade shows, quality and sustainability assessments, and requests for product data

LOCAL COMMUNITIES

Volunteer support, philanthropic giving, science and engineering training, chemistry education days, safety awareness activities and training, including with local first responders

Public Policy and Industry Associations

Stepan actively participates in leading industry associations, taking on membership and leadership roles to drive collaboration and share expertise on critical industry trends, policy matters, and evolving regulatory landscapes. As a charter member of the American Chemistry Council Responsible Care® program, and through ongoing engagement with a broad network of organizations, Stepan partners with groups that align with our business priorities and sustainability commitments.

Our external partnerships are key for knowledge sharing, fostering continuous improvement and best practices, driving technological advancements, policy development, and engagement on regulatory topics. Stepan actively monitors and engages on emerging regulations and policies that impact our global operations. Recent focus areas include 1,4-dioxane regulations, revisions to the OSHA HazCom Standard, 2012 REACH developments related to microplastics, the EU Chemicals Strategy for Sustainability (CSS) Roadmap, and the European Deforestation Regulation (EUDR), as well as evolving reporting requirements such as the US EPA's Toxics Release Inventory (TRI) program and the EU's Corporate Sustainability Reporting Directive (CSRD).

By maintaining strong industry engagement, Stepan reinforces proactive compliance, strategic alignment with industry trends, and continued leadership in sustainable chemical solutions.

Stepan partners with leading organizations, including:

- American Chemistry Council (ACC)
- American Cleaning Institute (ACI)
- Action for Sustainable Derivatives (ASD)
- American Society for Testing and Materials (ASTM)
- European Chemical Industry Council (CEFIC)
- European Committee of Organic Surfactants and their Intermediates (CESIO)
- Polyisocyanurate Insulation Manufacturers Association (PIMA)
- Renewable Carbon Initiative (RCI)

HIGHLIGHT

Stepan Leadership Recognized in Global Standards Development

This past year, Stepan's Krista Turpin was recognized with the prestigious American Society for Testing and Materials (ASTM) International Award of Merit. The award, established in 1949, is one of the organization's longest-standing honors, and is granted to one individual that shows distinguished service and leadership. As a recipient of the award, Krista also received the honorary title of Fellow of ASTM International. The Award of Merit acknowledges her dedicated service to the organization, with committee support related to standards development for pesticides, antimicrobials, and alternative control agents. It also recognizes her dedication to organizing ASTM symposia and developing resulting publications. Krista has spent 32 years with Stepan Agricultural Solutions, contributing extensively to formulation development and technical training for internal teams and customers globally. Stepan is very proud to have one of our team members recognized with this selective award.

Appendix

IN THIS SECTION

Global Reporting Initiative (GRI) Index

Statement of use: Stepan has reported with reference to the GRI Standards for the period January 1, 2025 through December 31, 2025.

GRI Standard/Other Source	Disclosure	Location/Response
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Stepan 2025 Form 10-K, p.1; Stepan Company; Stepan Website: Locations; About Stepan
	2-2 Entities included in the organization's sustainability reporting	Stepan 2025 Form 10-K, p. 23; Basis of Reporting Document; About This Report; Stepan's sustainability report includes reporting on the same entities as covered in the Company financial reporting statements.
	2-3 Reporting period, frequency, and contact point	Stepan 2025 Form 10-K, p. 23; About This Report
	2-4 Restatements of information	Not applicable
	2-5 External Assurance	About This Report; Assurance Report
	2-6 Activities, value chain, and other business relationships	Stepan Responsible Sourcing Policy; About Stepan
	2-7 Employees	Analyst Download
	2-8 Workers who are not employees	Respectful Workplace Environment; Stepan is not able to report on this topic at this time but will evaluate possible tracking in the future. Contractors may hold responsibilities for office-related work, laboratory roles, or work at our manufacturing facilities, and they support a range of technical and soft-skill duties.
	2-9 Governance structure and composition	Stepan Corporate Governance Guidelines; Board of Directors
	2-10 Nomination and selection of the highest governance body	Stepan Corporate Website: Nominating and Corporate Governance Committee Charter; Stepan Corporate Governance Guidelines
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Stepan Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors; Sustainability Governance; Enterprise Risk Management; Regulatory Compliance and Product Stewardship; Stepan Corporate Governance Guidelines
	2-13 Delegation of Responsibility for managing impacts	Sustainability Governance; Governance Framework
	2-14 Role of the highest governance body in sustainability reporting	Sustainability at Stepan; ESG Materiality and Reporting
	2-15 Conflicts of interest	Stepan Corporate Governance Guidelines
	2-16 Communication of critical concerns	Stepan Code of Conduct; Stepan EthicsPoint Hotline; Ethics and Compliance
	2-17 Collective knowledge of the highest governance body	Sustainability Governance
	2-18 Evaluation of the performance of the highest governance body	Stepan Corporate Governance Guidelines
	2-19 Remuneration policies	Stepan 2026 Proxy Statement, p. 18
	2-20 Process to determine remuneration	Stepan 2026 Proxy Statement, p. 18
	2-21 Annual total compensation ratio	Stepan 2026 Proxy Statement, p. 18
	2-22 Statement on sustainable development strategy	Message From the CEO; Products and Services for Sustainability Benefit
	2-23 Policy Commitments	Stepan Website: About Us; Stepan Human Rights Policy; Stepan Code of Conduct

GRI Standard/Other Source	Disclosure	Location/Response
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Stepan Code of Conduct
	2-25 Processes to remediate negative impacts	Stepan Corporate Governance Guidelines; Enterprise Risk Management; Ethics and Compliance
	2-26 Mechanisms for seeking advice and raising concerns	Stepan EthicsPoint Hotline
	2-27 Compliance with laws and regulations	Stepan 2025 Form 10-K, p. 33
	2-28 Membership associations	Responsible Practices
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	Analyst Download; Stepan leadership upholds our People First value. Our Code of Conduct, Inclusion and Diversity policy, Human Rights policy, Anti-Harassment policy, and numerous safety policies and programs are some of tools that we utilize to define the principals by which we operate and hold ourselves accountable. About 30% of our employees are covered by collective bargaining agreements and all of our employees should expect to be treated in a manner consistent with our public policies and commitments. All employees have access to our public ethics hotline and are trained on their right and responsibility to raise issues of concern.
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Materiality and Reporting
	3-2 List of material topics	ESG Materiality and Reporting; Progress on Our Sustainability Goals

GRI Standard/Other Source	Disclosure	Location/Response
Delivering Superior Customer Experience		
Climate Change, Energy, and GHG Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Analyst Download; Environment, Resources, and Climate Impact; Energy and Greenhouse Gas Emissions; Stepan sites utilize diverse energy sources to operate our manufacturing and business activities. This includes natural gas, diesel, propane, gasoline, electricity, steam, as well as renewable sources of energy. Based on broad scientific consensus, use of fossil fuels contributes to climate change impacts. Stepan is working to increase the percentage of our activities using renewable electricity, however some activities will depend upon fossil fuels for the foreseeable future. In addition to increasing the percentage of renewable and zero carbon electricity we use, we look for opportunities to drive efficiency in our manufacturing activities, including capture and reuse of steam and heat, equipment upgrades, operational efficiency improvements and more.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Analyst Download; Stepan Company monitors energy use and greenhouse gas (GHG) emissions data in support of sustainability goals and reporting and has collected this data for numerous years across our sites. This information is used to communicate to external stakeholders on our environmental footprint and to identify opportunities for improvement to our global operations. We work to align with broadly recognized frameworks and report annually to the CDP (formerly the Carbon Disclosure Project) on our energy usage and emissions. CDP works to drive further alignment with widely adopted frameworks including the GHG Protocol Corporate Accounting and Reporting Standard. Stepan strives to align with the GHG Protocol for emissions calculations, and we work to drive continuous improvement in our GHG data collection and management process.
	302-2 Energy consumption outside of the organization	Stepan conducts Scope 3 inventories based on the GHG Protocol. Scope 3 emissions are estimated using a combination of activity-based, hybrid, and spend-based analysis with emissions factors based on the most current IPCC reports, the EcoInvent database, EIA and DEFRA. We are unable to meaningfully calculate downstream emissions, and our reporting includes upstream and operational emissions only (3.1–3.7 emission categories). Purchased Goods and Services represent the largest source of our upstream Scope 3 emissions (~85%). Energy and Fuel-Related Activities and Upstream Transportation and Distribution are the next largest categories. Combined, these three categories account for over 95% of Stepan's cradle-to-gate Scope 3 emissions. Stepan's combined Scope 3 emissions were estimated to be approximately 2.6 and 1.8 million mt CO_2e excl. and incl. biogenic carbon respectively, based on 2025 activity.

GRI Standard/Other Source	Disclosure	Location/Response
GRI 302: Energy 2016	302-3 Energy intensity	Analyst Download
	302-4 Reduction of energy consumption	Basis of Reporting Document; Energy and Greenhouse Gas Emissions; Assurance Report; Absolute energy usage remained about the same compared to the prior year, with ~4,180 terajoules of consumption. About 30% of our total energy usage is related to electricity and steam and about 18% of electricity use was covered by renewable energy sources. Stepan has implemented efficiency projects at different sites, including equipment upgrades, installation of solar power supply, and process optimization. However, we have also increased our manufacturing footprint and implemented other projects to comply with regulations that have resulted in increased energy use at some sites.
	302-5 Reductions in energy requirements of products and services	Energy and Greenhouse Gas Emissions; Products and Services for Sustainability Benefit; Basis of Reporting Document
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Basis of Reporting Document; Analyst Download
	305-2 Energy indirect (Scope 2) GHG emissions	Basis of Reporting Document; Analyst Download
	305-3 Other indirect (Scope 3) GHG emissions	Basis of Reporting Document; Analyst Download; Please refer to the response given above for GRI 302-2.
	305-4 GHG emissions intensity	Analyst Download
	305-5 Reduction of GHG emissions	Energy and Greenhouse Gas Emissions; Analyst Download
	305-6 Emissions of ozone-depleting substances (ODS)	Basis of Reporting Document; Analyst Download; Stepan Company monitors energy use and greenhouse gas (GHG) emissions data in support of sustainability goals and reporting. We report according to the GHG Protocol Corporate Accounting and Reporting Standard.
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Basis of Reporting Document; Analyst Download

GRI Standard/Other Source	Disclosure	Location/Response
Waste Reduction and Water Use		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Management and Use
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management and Use; The World Resources Institute's (WRI) Aqueduct™ Water Risk Atlas is used to evaluate water risks for our sites. The framework assesses water risk based on water quantity, water quality, and reputational risk. An overall Water Risk score enables a portfolio-level comparison of water risks over a wide geographical range. Stepan's sites were analyzed using both the "Baseline" and "Future" Risk scenarios. The results identified the highest potential risks for Stepan's facilities and ranked the facilities based on their Overall Water Risk scores.
	303-2 Management of water discharge-related impacts	Circularity, Waste, and Wastewater Management; Stepan manages water discharge and wastewater in accordance with local, state, and national laws and as required to maintain our permits to operate. This includes regulations outlined by the US Clean Water Act.
	303-3 Water withdrawal	Analyst Download
	303-4 Water discharge	Analyst Download
	303-5 Water consumption	Analyst Download
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circularity, Waste, and Wastewater Management
	306-2 Management of significant waste-related impacts	Circularity, Waste, and Wastewater Management; Stepan collects waste-related data in our STEMS platform with reporting categories and enable sustainability-related reporting as well as mandatory reporting to regulatory bodies.
	306-3 Waste generated	Analyst Download
	306-4 Waste diverted from disposal	Analyst Download; Circularity, Waste, and Wastewater Management
	306-5 Waste directed to disposal	Analyst Download

GRI Standard/Other Source	Disclosure	Location/Response
Talent Attraction, Engagement, and Retention		
Employee Learning and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Attraction and Retention; Training and Development Opportunities
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Analyst Download
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Development Opportunities
	404-3 Percentage of employees receiving regular performance and career development reviews	Analyst Download
Workplace Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Respectful Workplace Environment; Employee Diversity
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Respectful Workplace Environment; Analyst Download
	405-2 Ratio of basic salary and remuneration of women to men	Every 2–3 years Stepan conducts an analysis of pay equity across gender and other diversity metrics for our US sites. This is part of our work to uphold our commitments and remain accountable to the principles outlined in our Code of Conduct, Anti-Harassment Policy and other policies that apply to our global workforce.
Occupational Health, Safety, and Well-Being		
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Practices; Occupational Health and Safety; Process Safety
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety; Process Safety
	403-3 Occupational health services	Occupational Health and Safety; Process Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety; Process Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
GRI 403: Occupational Health and Safety (2018)	403-6 Promotion of worker health	Focus on Well-Being
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Stepan is a member of the American Chemistry Council (ACC) and a Responsible Care partner. Stepan's Management system (STEMS) is based on the Responsible Care Management System (RCMS), which is an integrated health, safety, security and environmental management system using the Plan-Do-Check-Act continual improvement cycle, as well as applicable regulations and Stepan Company Corporate policies. This includes requirements outlined by the Occupational Safety and Health Administration (OSHA) in the US and other such regulations that apply to our global facilities. ISO 45001:2018 Occupational Health and Safety Management Systems ISO 14001:2015 Environmental Management principles are also integrated into Stepan's Management System. STEMS is utilized across our global operations.
	403-9 Work-related injuries	Analyst Download; Occupational Health and Safety; Process Safety; Stepan continuously works to identify, manage, and mitigate risks including standard processes for pre-start-up safety review and hazard analysis, process hazard analysis checklists, monthly EHS&S team meetings to review incidents, learnings, and best practices, and more. Behavior-based training programs are implemented at our global sites and tools to identify workplace ergonomic hazards are also utilized.
	403-10 Work-related ill health	Analyst Download; Occupational Health and Safety; Process Safety
Customer Experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety
Community Connection		
GRI 3: Material Topics 2021	3-3 Management of material topics	Valuing People and Communities; Community Connections for Positive Impact
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Connections for Positive Impact
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Connections for Positive Impact

GRI Standard/Other Source	Disclosure	Location/Response
Regulatory Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Products and Services for Sustainability Benefit; Regulatory Compliance and Product Stewardship
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Analyst Download; Regulatory Compliance and Product Stewardship
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Analyst Download
Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Advantageous Products
Product Stewardship		
GRI 3: Material Topics 2021	3-3 Management of material topics	Advantageous Products
Corporate Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance
GRI 3: Material Topics 2021	3-3 Management of material topics	Stepan Code of Conduct
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Analyst Download
	205-2 Communication and training about anti-corruption policies and procedures	Stepan Third-Party Code of Conduct; Stepan Code of Conduct; Analyst Download; Ethics and Compliance
	205-3 Confirmed incidents of corruption and actions taken	Stakeholder Engagement; All Stepan stakeholders have access to the ethics hotline reporting system, EthicsPoint. Calls placed through this system remain anonymous and are independently reviewed to determine necessary actions. Stepan currently manages any such incidents according to our stated grievance management process. We will review reporting practices to determine any changes in disclosure.

GRI Standard/Other Source	Disclosure	Location/Response
Promoting a Circular Economy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Products and Services for Sustainability Benefit; Stepan Third-Party Code of Conduct; Stepan Responsible Sourcing Policy
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Analyst Download
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Raw Materials; Supplier Engagement; Analyst Download
Partnerships and Collaborations		
GRI 3: Material Topics 2021	3-3 Management of material topics	Supplier Engagement
Non-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stepan Inclusion and Diversity Policy; Stepan Code of Conduct; Stepan conducts annual Enterprise Risk as well as Compliance Risk Assessments. Results are compiled and analyzed by Stepan's Ethics and Compliance team, with oversight from Stepan's Chief Compliance and Risk Officer. The results of the Enterprise Risk Assessment are shared and confirmed by the Chief Executive Officer (CEO), the Operating Committee and the Audit Committee of the Board, which is responsible for overseeing the Company's risk management practices generally.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Stepan Code of Conduct; Stepan publicly communicates clear policies related to anti-discrimination and harassment, with training required of all employees on an annual basis. Stepan also maintains an ethics hotline for reporting concerns or incidents. Reported incidents are managed according to the process outlined in Stepan's Code of Conduct.

Sustainability Accounting Standards Board (SASB) Index

Topic	Accounting Metric	Code	Location or Direct Answer
GHG Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulation (Metric tons (t) CO_2-e, Percentage (%)	RT-CH-110a.1	Analyst Download
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	Progress on Our Sustainability Goals; Environment, Resources, and Climate Impact; Energy and Greenhouse Gas Emissions;
Air Quality	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs) (metric tons)	RT-CH-120a.1	Analyst Download
Energy Management	Percentage of energy that is grid electricity, renewable, and self-generated (GJ and %)	RT-CH-130a.1	Analyst Download
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress (Thousand cubic meters (m^3), Percentage (%))	RT-CH-140a.1	Analyst Download
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	Analyst Download
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	Environment, Resources, and Climate Impact; Water Management and Use
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Analyst Download
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	Valuing People and Communities; Community Connections for Positive Impact; Environment, Resources, and Climate Impact; Water Management and Use
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	Analyst Download
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Responsible Practices; Occupational Health and Safety

Topic	Accounting Metric	Code	Location or Direct Answer
Product Design for Use-Phase Efficiency	Revenue from products designed for use phase resource efficiency	RT-CH-410a.1	Omission: Stepan does not currently track this metric but is evaluating ability to disclose in future reporting.
	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	Analyst Download; Responsible Practices; Advantageous Products; Regulatory Compliance and Product Stewardship
Safety and Environmental Stewardship of Chemicals	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	Advantageous Products; Products and Services for Sustainability Benefit; Regulatory Compliance and Product Stewardship; Responsible Practices; As a member of American Chemistry Council (ACC), Stepan is actively engaged with the Global Product Strategy (GPS) initiative. GPS, which is designed to meet the United Nation's Strategic Approach to Chemicals Management, aims to improve product stewardship within the chemical industry and with suppliers and customers throughout the chain of commerce. Additionally, Stepan implemented the Product Safety Code which contains 11 management practices to focus on the knowledge, management, and communication of the health and environmental impacts of chemical products. Stepan prioritizes the chemicals we manufacture and uses a tiered approach to create our product stewardship summaries. We completed product stewardship summaries for those chemicals identified as high priority according to national and/or international regulation.
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	We do not currently have data for percentage of products by revenue that contain genetically modified organisms, but genetically modified raw materials represent less than 1% of Stepan's total raw materials by spend.
Management of the Legal and Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Environment, Resources, and Climate Impact; Advantageous Products; Stepan 2025 Form 10-K, p. 9
Operational Safety, Emergency Preparedness and Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Analyst Download
	Number of transport incidents	RT-CH-540a.2	Analyst Download
Activity Metric	Production by reportable segment	RT-CH-000.A	Analyst Download

Task Force on Climate-Related Financial Disclosures (TCFD)

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
Governance			
a) Describe the board's oversight of climate-related risks and opportunities.	What are the processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues?	2025 CDP Report, C4.1.2, C4.2, C4.3.1 A full Board review of the Company's strategic plan, which includes sustainability objectives, targets, progress and process, is completed on an annual basis with supplemental reviews happening as progress is completed. The Company publicly committed to the Task Force on Climate-Related Financial Disclosures in 2022 and conducted climate risk scenario analyses for physical and transition risks to Stepan business. This and other information informs further planning and strategy in the area of climate mitigation. Progress on ESG topics including water risk, energy sourcing, emissions targets, climate impacts, enterprise risks, etc. are regularly communicated to the Board.	IFRS S2 Climate-related Disclosures, 2023, para. (6) (a) (i-iv), (b) (i-ii)
	Do the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures?	2025 CDP Report, C4.1.2 Board of Directors; Sustainability Governance; Enterprise Risk Management The Board reviews needs and initiatives related to operational efficiency, compliance, product development, and other Company efforts with the potential to deliver climate-related benefits. See defined responsibilities and oversight structures in the Governance section of the Sustainability Report. Responsibilities include review and approval of public sustainability goals, review of progress toward to goals, and oversight related to investments that can impact delivery on company goals. The ESG Subcommittee of the Executive Leadership Team (ELT) meets on a quarterly basis and provides oversight for the corporate ESG Steering Team, monitors progress in implementing Stepan's ESG strategy, reviews and provides inputs regarding public sustainability goals, reviews progress toward those goals, and regularly reports to the Board on these matters.	
	How does the board monitor and oversee progress against goals and targets for addressing climate-related issues?	2025 CDP Report, C4.1.2, C4.3.1 Sustainability Governance A full Board review of the Company's strategic plan, which includes sustainability objectives, targets, progress and process, is completed on an annual basis with supplemental reviews happening as progress is completed. The ESG Subcommittee of the ELT meets on a quarterly basis and provides oversight for the corporate ESG Steering Team, monitors progress in implementing Stepan's ESG strategy, reviews and provides inputs regarding public sustainability goals, reviews progress toward those goals, and regularly reports to the Board on these matters. **Frequency:** Quarterly reports on select ESG topics from the ESG Subcommittee of the Executive Leadership team.	
b) Describe management's role in assessing and managing climate related risks and opportunities.	Does the organization have assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues?	2025 CDP Report, C4.1.2, C4.3.1 Sustainability Governance Stepan's ESG Subcommittee members report on quarterly basis to the Board on select ESG topics that may include assessment and management of sustainability topics including climate-related risks and opportunities. Beginning in 2022 the President and Chief Executive Officer (CEO) introduced a new governance structure to allow for more direct reporting on ESG and sustainability topics to Stepan's ELT. The ESG subcommittee directs the Company's current and future sustainability-related priorities, monitors progress toward Company goals, and guides a strategy that enables resilience and agility on these topics. The committee receives quarterly reporting from Stepan's ESG Steering Team. Stepan's ESG Steering Team has also been reorganized to support defined deliverables and accountability in the areas of Environment and Resources Management, Product Carbon Footprint and Life Cycle Impact, Sustainable Raw Material Sourcing, and Sustainable Growth.	IFRS S2 Climate-related Disclosures, 2023, para. (6) (a) (i-iv), (b) (i-ii)
	Does it include a description of the associated organizational structure(s)?	2025 CDP Report, C4.3.1 Sustainability Governance The Director of Sustainable Growth and Innovation oversees the ESG Steering team and reports to Stepan's ESG Subcommittee. This group reports to the President and CEO.	

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
b) Describe management's role in assessing and managing climate related risks and opportunities.	What are the processes by which management is informed about climate-related issues?	2025 CDP Report, C4.3.1 Sustainability Governance Numerous teams at Stepan may have responsibilities with potential connection to climate related issues. Teams monitor emerging or anticipated issues. or they work within management structures to address existing issues. Teams with potential connection to climate related issues include Regulatory Affairs, Supply Chain, Environmental, Health Safety and Security, Procurement and other teams. Depending on the specific topic, teams will raise awareness to appropriate leaders. Mitigation and management decisions, necessary actions or investments, and other decision-making is escalated to senior leadership, Stepan's ELT and to the Board based on the scale of impact to the organization. The ELT includes an ESG Subcommittee which receives quarterly updates from the ESG Steering Team and reports up to the Board on these topics. Awareness of regulatory shifts are raised from the ESG Steering Team to the ESG Subcommittee and then to the Board. Issues that impact our plants that are climate or weather related are communicated to the Board from various teams based on the impact.	IFRS S2 Climate-related Disclosures, 2023, para. (6) (a) (i-iv), (b) (i-ii)
	How does management (through specific positions and/or management committees) monitor climate-related issues?	2025 CDP Report, C4.1.2, C4.3.1 Board of Directors; Sustainability Governance; Climate Impact The ESG Subcommittee holds primary responsibility for guiding Stepan's ESG initiatives and provides direction to the ESG Steering Team. The ESG Subcommittee provides oversight and guidance on topics and key deliverables including climate-related risk understanding and management. Topics range from Double Materiality Assessment, monitoring and preparation for emerging regulations, and integration of sustainability criteria into other review phases of Stepan's work. The President and CEO has overall responsibility for-and serves to provide approval, guidance and/or review of-identified needs and proposed actions required for the Company, including those concerning climate-related issues and opportunities. Responsibilities for the Board are outlined in the Governance section of this report.	
Strategy			
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Does the organization have a description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms?	2025 CDP Report, C2.1 Short-term: 0–3 years Mid-term: 3–10 years Long-term: 10+ years Aligned with Stepan's annual strategic planning process and with Stepan's financial reporting process and informed by work to align with TCFD.	IFRS S2 Climate-related Disclosures, 2023, para. (9) (a), (b), (c), (d), (e) para. (10) (a), (b), (c), (d) para. (13) (a), (b) para. (14) (a) (ii-v), (b), (c) para. (15) (a), (b) para. (16) (a), (b), (c) (i-ii), (d) para. (18) (b) para. (21) (a), (b), (c) para. (22) (a) (i-ii) (iii) (1-3), (b) (i) (1-7) (ii) (1-5) (iii)
	Does the organization have a description of the specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the organization?	2025 CDP Report, C2.2, C3.1 Enterprise Risk Management; Climate Impact Stepan integrates climate related considerations into its broader Enterprise Risk Management (ERM) processes, conducting annual risk assessments with internal stakeholders. While not solely climate focused, these assessments capture related operational risks. In 2022, Stepan completed a Climate Scenario Analysis to evaluate potential physical and transition risks under multiple climate pathways. **Physical Risks:** Physical risks were modelled for the present, 2030, and 2050 using RCP4.5 and RCP8.5, representing moderate to more extreme climate outcomes. The analysis identified site specific exposure to water stress, extreme temperatures, extended and more frequent heatwaves, shifts in cold extremes, changes in snowfall, increased wind events, heavy precipitation, tropical cyclones, and inland flooding. These risks are consistent with those expected for companies operating in similar regions. **Transition Risks:** Transition risks were assessed under a 1.5°C pathway through 2030, representing the most stringent regulatory and market environment. Near term transition risk is low but expected to rise to moderate high by 2030, driven by costs of adopting lower emission technologies, evolving product related regulations, enhanced reporting expectations, and raw material availability and pricing. Customer demand for more sustainable products is expected to intensify, presenting both risk and opportunities for innovation. **Risk Management Integration:** Stepan's existing management systems already incorporate preparedness and response measures for a broad range of disruptions due to diverse factors including natural disasters, weather, disease, strikes, transportation interruption, government regulation, political unrest or terrorism, or internal reasons such as fire, explosions, mechanical failure, labor-related work stoppages or slowdowns, maintenance, discharges, contamination, environmental remediation or other manufacturing problems. The Company maintains policies designed to enable agile response and actively monitors regulatory changes across environmental, social, and business ethics domains. **Complementary Assessments:** From 2021–2023, Stepan conducted water risk assessments that now support site level water management planning. In 2024, Stepan completed a Double Materiality Assessment with internal and external stakeholders to evaluate sustainability impacts and financial risks, with results informing sustainability reporting. See below (Strategy c) for additional details.	

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	What are the process(es) used to determine which risks and opportunities could have a material financial impact on the organization?	2025 CDP Report, C2.2 Sustainability Governance; Enterprise Risk Management Information is also communicated from functional leadership teams to the Executive Leadership committee and up to the Board. Stepan's ELT and Board evaluate possible risks across Company's functions. Stepan's Board of Directors and the Audit Committee of the Board of Directors have responsibilities for identification of risk with potential for substantive financial impact. This includes identification of the most significant factors that may materially and adversely affect the Company's business, financial condition, results of operations and cash flows.	IFRS S2 Climate-related Disclosures, 2023, para. (9) (a), (b), (c), (d), (e) para. (10) (a), (b), (c), (d) para. (13) (a), (b) para. (14) (a) (ii-v), (b), (c) para. (15) (a), (b) para. (16) (a), (b), (c) (i-ii), (d) para. (18) (b) para. (21) (a), (b), (c) para. (22) (a) (i-ii) (iii) (1-3), (b) (i) (1-7) (ii) (1-5) (iii)
	Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate.	2025 CDP Report, C3.1 Core to our risk mitigation strategies is the principle of resilience. Stepan strives for management systems, operational practices, infrastructure and business strategies that promote resilience and agility in the event of disruptive circumstances. This can include risks posed by climate- or weather-related events, supply chain disruptions or other challenges. We work to understand these risks and their potential impacts on our plants and on our customers, and we engage with risk owners and stakeholders to appropriately consider potential risks in our strategic and capital planning processes. Inputs include results from site-specific water risk assessments, monitoring of the regional and local regulatory landscape, results from climate scenario analysis work (see above disclosure for details), and other sources of information.	
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	How have identified climate-related issues affected businesses, strategy, and financial planning in relation to: Products and services, Supply chain and/or value chain, Adaptation and mitigation activities, Investment in research and development, Operations (including types of operations and location of facilities), Acquisitions or divestments, Access to capital)	2025 CDP Report, C3.1 Advantageous Products; Responsible Practices Stepan's strategic planning process involves leadership across Company functions and across all regions of operations, capturing short, medium, and longer-term strategic planning considerations. This includes evaluation of potential risks and opportunities related to the Company's strategic priorities of market diversification, customer intimacy, operational excellence, innovation, and M&A, as well as priorities related to sustainability/ESG. During the annual planning and budgeting process, identified or potential enterprise risks and opportunities are evaluated as discussed in prior sections, and this process informs business strategy and planning. Company investments in recent years have included those related to supply chain agility and security, operational resilience, product innovation, portfolio and technological diversification, regulatory compliance. See below (Strategy c) for discussion of identified potential risks and actions taken as part of Stepan's standard process to evaluate and escalate risks.	IFRS S2 Climate-related Disclosures, 2023, para. (9) (a), (b), (c), (d), (e) para. (10) (a), (b), (c), (d) para. (13) (a), (b) para. (14) (a) (ii-v), (b), (c) para. (15) (a), (b) para. (16) (a), (b), (c) (i-ii), (d) para. (18) (b) para. (21) (a), (b), (c) para. (22) (a) (i-ii) (iii) (1-3), (b) (i) (1-7) (ii) (1-5) (iii)
	Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time.	2025 CDP Report, C3.1 Core to our risk mitigation strategy is the principle of resilience. Stepan strives for management systems, operational practices, infrastructure and business strategies that promote resilience and agility in the event of disruptive circumstances. This can include risks posed by climate- or weather-related events, supply chain disruptions or other challenges. We work to understand these risks and their potential impacts on our plants and on our customers, and we engage with risk owners and stakeholders to appropriately consider potential risks in our strategic and capital planning processes. Stepan's strategic planning process involves leadership across Company functions and across all regions of operations, capturing short, medium, and longer-term strategic planning considerations. This includes evaluation of potential risks and opportunities related to the Company's strategic priorities of market diversification, customer intimacy, operational excellence, innovation, and M&A as well as priorities related to sustainability/ESG. During the annual planning and budgeting process, identified or potential enterprise risks and opportunities are evaluated as discussed in prior sections, and this process informs business strategy and planning. Company investments in recent years have included those related to supply chain agility and security, operational resilience, product innovation, portfolio and technological diversification, regulatory compliance. See above (Strategy a) and below (Strategy c) for details on review process and description of the models used.	

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Organizations should describe the impact of climate-related issues on their financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities). If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.	2025 CDP Report, C2.2, C5.1 Stepan conducted physical and transition risk scenario analyses in 2022 according to the following climate scenarios: **IEA NZ 2050:** Under this scenario while the physical risks associated with the scenario will be relatively limited, the risks and opportunities relating to policy and legal; reputation; market and technology risks will be more pronounced. **RCP 4.5:** The climate scenarios and time periods have been selected to capture a wide range of uncertainty in future physical climate-related impacts and to provide a range of temporal snapshots of physical risk when the effect of climate change is likely to be substantially different. See above (Strategy a) for details on scenario analyses conducted.	IFRS S2 Climate-related Disclosures, 2023, para. (9) (a), (b), (c), (d), (e) para. (10) (a), (b), (c), (d) para. (13) (a), (b) para. (14) (a) (ii-v), (b), (c) para. (15) (a), (b) para. (16) (a), (b), (c) (i-ii), (d) para. (18) (b) para. (21) (a), (b), (c) para. (22) (a) (i-ii) (iii) (1-3), (b) (i) (1-7) (ii) (1-5) (iii)
	Organizations that have made GHG emissions reduction commitments, operate in jurisdictions that have made such commitments, or have agreed to meet investor expectations regarding GHG emissions reductions should describe their plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities intended to reduce GHG emissions in their operations and value chain or to otherwise support the transition.	2025 CDP Report, C5.2 Message From the CEO; Progress on Our Sustainability Goals; Advantageous Products; Environment, Resources, and Climate Impact; Sustainable Raw Materials Stepan will take a multi-faceted approach to drive efficiencies in resource usage and lower our emissions. This includes a strong commitment to use of zero carbon electricity to reduce our Scope 2 emissions and projects to improve efficiency of our operations for reduction of Scope 1 emissions. Stepan is working to increase the number of our manufacturing sites that are ISO 14001 and ISO 50001 certified (for environmental management and energy management), and we have invested in on-site renewable electricity, Power Purchase Agreements, and renewable energy certificates across our regions. We anticipate continuing to increase our commitments to renewable electricity. Stepan has already invested in Research and Development (R&D), supplier partnerships, supply chain certifications for sustainable raw materials, development of new product impact assessment tools, and new partnerships to explore emerging technologies. Each of these efforts is part of a broader effort to deliver products and processes with lower environmental footprint and to lower our greenhouse gas emissions. Current goals for emissions reduction and use of renewable electricity include: • Scope 1 and 2 GHG intensity targets: 35% reduction from base year by 2030 • 90% zero carbon electricity usage by 2030	
c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	Organizations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks.	2025 CDP Report, C5.1 Climate Impact Stepan conducted climate scenario analyses in 2022. See above (Strategy a)) for details and summarized results on scenario analyses conducted. **Time periods modeled for physical risks**: • Present-day: 20-year climatological data spanning 2001–2020 is used. Acute impacts use historical data and probabilistic models. • 2030s: 20-year climatological data spanning 2021–2040 (centered on 2030) • 2050s: 20-year climatological data spanning 2041–2060 (centered on 2050) **Physical impacts:** The climate scenarios and time periods were selected to capture a wide range of uncertainty in future physical climate-related impacts and to provide a range of temporal snapshots of physical risk when the effect of climate change is likely to be substantially different. **Climate scenarios (Representative Concentration Pathways):** • RCP 4.5—approx. 2–3°C warming by end of century, relative to pre-industrial, • RCP 8.5—approx. 4.3°C warming by end of century, relative to pre-industrial.	IFRS S2 Climate-related Disclosures, 2023, para. (22) (a) (i-ii) (iii) (1-3), (b) (i) (1-7) (ii) (1-5) (iii)
	Is there disclosure on where will the organizations strategies may be affected by climate-related risks and opportunities?	2025 CDP Report, C5.3.1, C5.3.2 Message From the CEO; Sustainability Governance; Advantageous Products; Environment, Resources, and Climate Impact We see ongoing interest in products with reduced product carbon footprint, greater transparency about product impact, and products promoting circularity. Stepan offers numerous products that support these goals. Stepan continues work to diversify into new technologies that will enable Stepan to support markets focused on reduced environmental impact, including products based on biobased and renewable raw materials, as well as local to regional raw material sourcing. Stepan initiated work in 2023 aligned with safe and sustainable by design principles as early efforts to shift our product portfolio. Stepan works to promote adaptability and flexibility with our network of supply chain partners, including raw material suppliers, energy suppliers, and transport providers. Stepan also evaluates options to move our materials via transport modes with a lower carbon footprint. Stepan examines environmental risks in evaluation of potential acquisitions and has worked to more formally integrate criteria related to these risks in our M&A process. This includes risk associated with chronic issues such as drought, extreme or acute risks such as hurricanes or flooding, regulatory shifts, etc. Stepan strives for continuous improvement across our operations, including improvements related to resource use efficiency and adaptability in the face of climate-related risks and opportunities. This includes increased use of renewable electricity, with investments in on-site solar power generation or in local renewable energy projects.	

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	How will the organizations strategies change to address such potential risks and opportunities?	2025 CDP Report, C5.3.1, C5.3.2 Message From the CEO; Sustainability Governance; Advantageous Products; Environment, Resources, and Climate Impact Sustainability is a key consideration in the early phases of Stepan's innovation process and includes evaluation of areas of actual or potential impact. As our customers increasingly inquire about the carbon footprint of their purchased materials, we work to identify opportunities to reduce the associated GHG emissions. Given that raw materials are the largest contributor to our Scope 3 emissions, finding drop-in alternatives with a lower footprint is key to reducing those emissions. This includes biobased or circular feedstocks, and/or raw materials produced with renewable energy. Stepan's commitment to ISCC PLUS certifications enables us to support customers with products that carry externally validated sustainability benefits. Over the past year, Stepan strengthened our capabilities to calculate PCF based on the Together for Sustainability PCF Guideline for the chemical industry. This work not only supports our customers in their emissions reduction efforts, but also provides insights that inform portfolio development, raw material procurement and other business decisions. Looking ahead, our goal is to develop PCF data for a majority of our commercial products, with increased use of primary data.	IFRS S2 Climate-related Disclosures, 2023, para. (22) (a) (i-ii) (iii) (1-3), (b) (i) (1-7) (ii) (1-5) (iii)
	Does the organization take into consideration the potential impact of climate-related issues on financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities)?	2025 CDP Report, C5.3.2 Stepan strives for management systems, operational practices, infrastructure and business strategies that promote resilience and agility in the event of disruptive circumstances. Stepan's strategic planning process involves leadership across Company functions and across all regions of operations, capturing short, medium, and longer-term strategic planning considerations. This includes evaluation of potential risks and opportunities related to the Company's strategic priorities of market diversification, customer intimacy, operational excellence, innovation, and M&A as well as priorities related to sustainability/ESG. Weather and climate impacts may affect raw material availability or cost, manufacturing costs, resource use efficiency/ reduction efforts, or impact our costs to meet tighter environmental regulations. Extreme or severe weather or chronic conditions may impact water supply, our ability to continue manufacturing, or our ability to receive raw materials and deliver goods. Disruptions to energy supply can result in higher energy costs and severe climate events can result in tighter supply and higher costs for biorenewable raw materials. For some of our facilities, operating costs may be affected by direct impacts of weather and climate events that result in the need for increased capital investment. The ability to be agile and maintain business continuity in the face of such events represents an opportunity to Stepan and operational agility and resilience is a Company priority. Stepan Company continues to look at opportunities to expand our production capacity. Environmental factors that influence our consideration of potential acquisitions include regional or national regulations, availability of secure and reliable water source, chronic climate conditions such as drought or fire, likelihood of extreme climate events such as hurricane. Stepan also looks for opportunities to expand into adjacent chemistries, with one area of focus being expansion of sustainability-related capabilities. See above (Strategy a) for additional details.	
	Are the climate-related scenarios and associated time horizon(s) considered?	2025 CDP Report, C2.1 See above (Strategy a) for details and summarized results on scenario analyses conducted.	
Risk Management			
a) Describe the organization's processes for identifying and assessing climate related risks.	Organizations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organizations determine the relative significance of climate-related risks in relation to other risks.	2025 CDP Report, C2.2 Sustainability Governance; Enterprise Risk Management Stepan's Board of Directors and the Audit Committee of the Board of Directors have responsibilities for identification of risk with potential for substantive financial impact. This includes identification of the most significant factors that may materially and adversely affect the Company's business, financial condition, results of operations and cash flows. In addition, the Board of Directors provides oversight of Stepan's risk assessment and risk management processes and policies, as well as steps taken to control such exposures. Stepan's Operating Committee and Board evaluate possible climate related risk across the Company's functions. Information is communicated from the functional team level up through leadership to the Board. Stepan's strategic planning process involves leadership across Company functions and across all regions of operations, capturing short, medium, and longer-term strategic planning considerations. This includes evaluation of potential risks and opportunities related to the Company's strategic priorities of market diversification, customer intimacy, operational excellence, innovation, and M&A as well as priorities related to sustainability/ESG.	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (i-vi), (b), (c)

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
a) Describe the organization's processes for identifying and assessing climate related risks.	Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.	2025 CDP Report, C2.2 Stepan's ESG Steering Team works to provide insights and facilitate action to manage and support sustainability efforts and obligations. One of the key responsibilities of the team is to monitor and promote understanding related to emerging regulations and to engage relevant stakeholders as needed. In 2025, the ESG Subcommittee continued to guide the Company's sustainability commitments. The Subcommittee also provided guidance on emerging regulations, such as the European Union Deforestation Regulation (EUDR), the EU Corporate Sustainability Reporting Directive (CSDR) and California climate reporting regulations. Current, emerging, and anticipated regulations are monitored by Stepan teams to understand impacts to the organization and timing and scope of our responsibilities. During our various risk and opportunity assessments (e.g., Enterprise Risk, Water Risk, Climate Scenario Analysis, Materiality), we included emerging regulations as a topic and evaluated their potential impact to our sites and to our business. This includes regulations, taxes and other such regulatory impacts related to climate change.	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (i-vi), (b), (c)
	What is the organization's process for assessing the potential size and scope of identified climate-related risks?	2025 CDP Report, C2.2 Sustainability Governance Stepan's Board of Directors and the Audit Committee of the Board of Directors have responsibilities for identification of risk with potential for substantive financial impact. This includes identification of the most significant factors that may materially and adversely affect the Company's business, financial condition, results of operations and cash flows.	
	What definitions of risk terminology used or references to existing risk classification frameworks are used?	2025 CDP Report, C2.2 Stepan defines financial impact, including impacts related to climate risk, as a change in the Company's financial condition or results. Strategic impact to the Company is defined as factors that advance our strategic priorities (including indicators reflecting market diversification, customer intimacy, operational excellence, innovation, and M&A). Conversely, strategic risks are those that interfere with these same strategic priorities.	
b) Describe the organization's processes for managing climate related risks.	Organizations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations.	2025 CDP Report, C2.2, C5.1 Sustainability Governance; Enterprise Risk Management Stepan separately conducted a climate risk scenario analysis in 2022. The scenario analysis for transition risks considers residual risk as an annual impact using Stepan's Enterprise Risk Management scales. The assessment considered current risks and those across future time horizons: short term (2025) and medium term (2030). For each risk, it is intended that the following elements and focal questions are addressed: 1. Likelihood of risk impacting Stepan 2. The potential financial impact the risk could have 3. Any risk mitigation actions or associated opportunities of the risk For physical risks, Stepan considered the approach adopted by the IPCC to describe the level of confidence in the climate model projections for hazard variables. These are included in the transmission channel diagrams, using the labels 'high', 'medium', or 'low'. A 'low confidence' rating has also been applied to transmission channels related to changes in wider market (demand/supply balance) due to extreme events & climate change, and risks of legal action. Risks and focal questions considered include: • Increasing temperatures • Rising sea levels • Changing rainfall patterns (e.g. water stress) Changes in extreme (acute) events (e.g. tropical windstorms, floods) See above (Strategy a) for further details.	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (i-vi), (b), (c)
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.	How are the processes for identifying, assessing, and managing climate-related risks integrated into overall risk management?	2025 CDP Report, C1.3.3 See above (Risk Management b) for additional details. Core to our risk mitigation strategies is the principle of resilience. Stepan strives for management systems, operational practices, and infrastructure and business strategies that promote resilience and agility in the event of disruptive circumstances. This can include risks posed by climate- or weather-related events, supply chain disruptions or other challenges. We work to understand these risks and their potential impacts on our plants and customers, and we engage with risk owners and stakeholders to appropriately consider potential risks in our strategic and capital planning processes.	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (i-vi), (b), (c)

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
Metrics and Targets			
a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Does the organization provide the key metrics used to measure and manage climate related risks and opportunities? See tables in methodology.	2025 CDP Report, C2.2 Current/emerging regulation, technology, legal, market, reputation, acute physical, chronic physical.	IFRS S2 Climate-related Disclosures, 2023, para. (29) (a) (i) (1-3) (ii) (iii) (1-3) (iv) (1-2) (v) (vi) (1-2), (b), (c), (d), (e), (f) (i-ii), (g) (i-ii) para. (32) para. (33) (b), (c), (e), (f), (g), (h) para. (34) (a), (b), (c), (d) para. (35) para. (36) (a), (b), (c), (d) (i-iv)
	Where climate-related issues are material, organizations should consider describing whether and how related performance metrics are incorporated into remuneration policies.	2025 CDP Report, C4.5 In 2025, performance incentives for select ESG leaders were tied to implementation of Stepan's Sustainability vision and mission and establishment of new environmental targets.	
	Organizations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a low-carbon economy.	Stepan does not currently use an internal carbon price within the organization.	
	Metrics should be provided for historical periods to allow for trend analysis. Where appropriate, organizations should consider providing forward-looking metrics for the cross-industry.	2025 CDP Report, C7.5 Scope 1 and 2 emissions are reported in Stepan's Analyst Download for historical periods.	
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Organizations should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks.31 All organizations should consider disclosing Scope 3 GHG emissions.	Analyst Download 2025 CDP Report, C7.6, C7.7, C7.8 Yes—Scope 1, 2, and 3.	IFRS S2 Climate-related Disclosures, 2023, para. (29) (a) (i) (1-3) (ii) (iii) (1-3) (iv) (1-2) (v) (vi) (1-2), (b), (d), (e), (f) (i-ii), (g) (i-ii) para. (32) para. (33) (b), (c), (e), (f), (g), (h) para. (34) (a), (b), (c), (d) para. (35) para. (36) (a), (b), (c), (d) (i-iv)
	GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions.	2025 CDP Report, C7.26 Stepan calculates our Scope 1, 2, and 3 emissions according to the GHG Protocol.	
	GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.	2025 CDP Report, C7.5 Scope 1 and 2 emissions are reported in Stepan's Analyst Download for historical periods.	

Disclosures	Criteria	Stepan Disclosure	ISSB Indicator
c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with the cross-industry, climate related metric categories in Table A2.1 (p. 79), where relevant, and in line with anticipated regulatory requirements or market constraints or other goals.	2025 CDP Report, C7.53 Progress on Our Sustainability Goals Goal: Scope 1 and 2 emissions absolute reduced by 35% by 2030 from 2016 baseline. Goal: 90% zero carbon electricity usage by 2030	IFRS S2 Climate-related Disclosures, 2023, para. (29) (a) (i) (1-3) (ii) (iii) (1-3) (iv) (1-2) (v) (vi) (1-2), (b), (d), (e), (f) (i-ii), (g) (i-ii) para. (32) para. (33) (b), (c), (e), (f), (g), (h) para. (34) (a), (b), (c), (d) para. (35) para. (36) (a), (b), (c), (d) (i-iv)
	In describing their targets, organizations should consider including the following: • whether the target is absolute or intensity based; • time frames over which the target applies; • base year from which progress is measured; and • key performance indicators used to assess progress against targets.	2025 CDP Report, C7.53 Progress on Our Sustainability Goals Goal: Scope 1 and 2 emissions absolute reduced by 35% by 2030 from 2016 baseline. Goal: 90% zero carbon electricity usage by 2030	
	Organizations disclosing medium-term or long-term targets should also disclose associated interim targets in aggregate or by business line, where available.	2025 CDP Report, C7.53	
	Where not apparent, organizations should provide a description of the methodologies used to calculate targets and measures.	2025 CDP Report, C7.53	

Assurance Report

Independent Limited Assurance Report

ERM Certification & Verification Services Incorporated ("ERM CVS") was engaged by Stepan Company ("Stepan") to provide limited assurance in relation to the Selected Information set out below and presented in the Stepan 2025 Sustainability Report, and 2025 ESG Analyst Download (together the "Reports").

ENGAGEMENT SUMMARY

Scope of our assurance engagement	Whether the following Selected Information for 2025 is fairly presented in the Reports, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Reports.
Selected Information	**Energy and GHG emissions** • Total Scope 1 emissions [Kilotons CO_2e] • Total Scope 2 emissions (location-based) [Kilotons CO_2e] • Total Scope 2 emissions (market-based) [Kilotons CO_2e] • Total Energy Consumed [1,000 Terajoules] **Process Safety** • Process Safety Incidents Count (PSIC) • Process Safety Total Incident Rate (PSTIR) • Process Safety Incident Severity Rate (PSISR)
Reporting period	January 1, 2025 – December 31, 2025
Reporting criteria	• Stepan's Basis of Reporting as referenced in the Reports • The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for Scope 1 and Scope 2 GHG emissions • GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard • API Recommended Practice 754 3rd Edition: Process Safety Performance Indicators for the Refining and Petrochemical Industries. Note: For transparent reporting and to meet the requirements of the Assurance Standard, details of definitions, boundaries, applied methodologies and assumptions must be either included in the Report or published as a standalone document on Stepan's website.
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	Stepan is responsible for preparing the Reports and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Reports. ERM CVS' responsibility is to provide a conclusion to Stepan on the agreed assurance scope based on our engagement terms with Stepan, the assurance activities performed and exercising our professional judgement.

OUR CONCLUSION

Based on our activities, as described on this page, nothing has come to our attention to indicate that the Selected Information for 2025 is not fairly presented in the Reports, in all material respects, in accordance with the reporting criteria.

OUR ASSURANCE ACTIVITIES

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information within the Reports, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Reports;
- Interviewing management representatives responsible for managing the Selected Information;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the Selected Information;
- Reviewing of a sample of qualitative and quantitative evidence supporting the Selected Information at a corporate level;
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated 2025 group data for the Selected Information which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Conducting one virtual visit to a Stepan facility in Ecatepec, Mexico, and one in-person site visit to the Maywood Stepan facility in New Jersey, USA, to review source data and local reporting systems and controls;
- Evaluating the conversion factors, emission factors and assumptions used;
- Reviewing the presentation of information relevant to the assurance scope in the Reports to ensure consistency with our findings.

ERMCVS

5 June 2026

Malvern, PA

ERM Certification & Verification Services Incorporated

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THE LIMITATIONS OF OUR ENGAGEMENT

The reliability of the Selected Information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

OUR INDEPENDENCE, INTEGRITY AND QUALITY CONTROL

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Stepan in any respect.

Stepan