



# Sustainability Report

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2015

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***“Sustainability is a major challenge in our industry and Stahl is fully committed to the environmental and social responsibilities that come with our leadership position.”***

# Message from the CEO

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I am very pleased to present our 2015 Sustainability Report which provides an overview of Stahl's activities over the last year.

Sustainability is a major challenge in our industry and Stahl is fully committed to the environmental and social responsibilities that come with our leadership position. Our primary goal is to achieve a more transparent supply chain by stimulating cooperation with our industry partners. We believe that sustainability evolves as a result of this transparency and our strategy is built around this belief. We also see sustainability as a great opportunity for Stahl, to gain a competitive edge and to drive operational excellence.

As you will see in this report, we are constantly working on ways to improve the environmental footprint linked to our activities. Aside from the innovative sustainable solutions we bring to our customers and partners throughout the supply chain, we have also published environmental indicators for our own activities around the world. We updated our Code of Conduct policy to underline our ethical commitment to business practices, and we rolled out an ambitious global Safety Awareness Campaign. Also, we completed some exciting technology acquisitions and partnerships that are directly linked to our sustainability goals.

You can find more details in this report about the initiatives that demonstrate Stahl's commitment to the environmental and social cause.

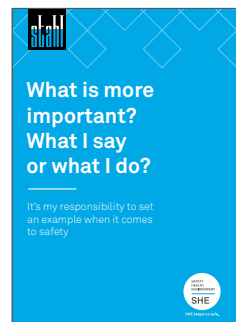


Best regards,

A handwritten signature in blue ink, which appears to read 'Huub van Beijeren'. The signature is stylized with a large, sweeping initial 'H'.

Huub van Beijeren  
CEO

# Highlights 2015



## 1 Ambitious Safety, Health and Environment campaign (SHE)

Stahl rolled out its 2-year long worldwide safety awareness campaign with the goal of reducing the number of incidents within the company. The campaign consists of 12 eight-week campaigns, each with its own theme and linked to **10 Golden Rules of Safety**. Given the expansion of Stahl's operations in recent years, we consider this SHE campaign a critical part of our strategy for sustainable growth.

## 2 Joint Venture with OEM NuTech

In July 2015, Stahl entered into a joint venture with OEM NuTech, an innovator in powder coatings for heat sensitive surfaces. Like Stahl, OEM NuTech has a strong focus on sustainability and their eco-friendly coatings will become a key part of Stahl's offering in the architectural coatings segment.

## 3 Agreement with Proviera® Probiotics for Leather™

Announced in early 2016, Stahl agreed distribution rights for an exciting new range of bio-based products used in the early stages of leather processing. Proviera® Probiotics for Leather™, derived from controlled fermentation using natural ingredients, can significantly reduce the effluent load while simultaneously improving leather quality.

## 4 New Centers of Excellence

Stahl opened its new Center of Excellence for Automotive in Waalwijk, the Netherlands in September 2015. This energy-neutral facility, which will be certified under BREEAM standards for sustainable buildings, is designed to inspire our customers and partners by showcasing our sustainable innovations for car interiors. The lab's high performance testing equipment also allows us to test according to global car manufacturer specifications.

In October 2015 Stahl opened its Center of Excellence for Leather Chemicals in León, Mexico. Thanks to this state-of-the-art laboratory, we can engage closely with customers to achieve practical and sustainable solutions throughout the entire leather process, from raw hides to the finished leather and after care.



## 5 Significant growth in the sales of Stahl's sustainable product range

Sales of Stahl EasyWhite Tan™ doubled in 2015 vs. 2014 and the forecast is for similar growth in 2016. Processing leather with Stahl EasyWhite Tan™ can result in reduced consumption of salt, water and chemicals, making it an increasingly popular choice for our customers. Promotion of Stahl EasyWhite Tan™ will be stepped up in 2016 as we learn more about the benefits it can provide our customers.

Sales of our STAHL EVO range of compliant coatings used in apparel and footwear tripled in 2015 vs. 2014. This exponential growth of the sustainable chemistry portfolio was fueled by promotional roadshows, for example in different cities in India, each of which were attended by hundreds of people. The STAHL EVO range is also compliant with the Manufactured Restricted Substances List (MRSL) launched by the ZDHC foundation in December 2015.



## 6 External assessment of Stahl's Sustainability Performance

Stahl has begun to utilize the expertise of external organizations to provide feedback on how we are doing. We received a score of 77/100 from the Higg Index - a self-assessment tool from the Sustainable Apparel Coalition which promotes transparency in the supply chain. We are taking steps to push this score even higher in the future. Stahl is also working on a plan to achieve a CSR rating from Ecovadis, another recognized methodology in the industry.

## 7 Stahl Campus® expands

Stahl Campus®, our global knowledge center established in 2014 in Waalwijk, the Netherlands, to promote a more transparent and sustainable supply chain, expanded to León, Mexico in November 2015. At Stahl Campus® we invite customers, suppliers, educational institutes, OEMs and others to come to our specialized laboratories and strengthen their knowledge through training. With this expansion, Stahl's partners in Mexico can benefit from our established training modules adapted to the local market. In 2016 we will expand Stahl Campus® activities to Asia.



# Sustainability Goal

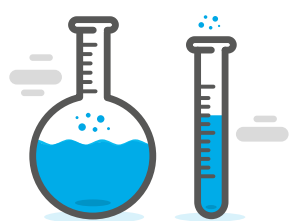
Stahl's goal is to achieve a more transparent and sustainable supply chain in the industries where we are active. By stimulating cooperation in the supply chain, via intense collaboration with our partners, we believe that sustainability evolves as a positive consequence.

## The Stahl Sustainability Standard

To achieve our Sustainability goal, we have identified 5 focus areas.

- Raw Materials - suppliers and the products and services that they provide
- Responsible Operations - all the activities associated with doing business in Stahl
- Trusted Partnerships - collaboration with third parties throughout the supply chain
- Innovative Solutions - the products and services that we offer our customers
- People & Society - employees and the communities around us





# Raw Materials

The products that we receive from our suppliers are critical to achieving our sustainability objectives. By eliminating hazardous substances and using more sustainable raw materials we can make real changes in the industry.

## Supplier Partnerships

Sustainability has become the primary topic of conversation with our suppliers. Stahl has made it clear that it will only work with suppliers who have demonstrated full commitment to sustainability and who are able to offer competitive alternatives to the products and services that can harm the environment or may be non-compliant in the future.

### Many new raw materials are being evaluated as a result, for example:

- renewable plant-based resources, which can substitute existing synthetic raw materials derived from fossil fuels
- biodegradable products which can be incorporated into our products to reduce the waste effluent of our customers
- low toxicity alternatives to organic solvents
- smart packaging
- materials free of restricted substances

In some cases we have set up technology agreements which allow us to disclose information and work

closer with third parties on new concepts. These tight relationships with suppliers and partners are essential for us to meet our sustainability goals.

## Restricted Substances

A fundamental element of most company's chemical management system is a Restricted Substances List (RSL). For a clothing or footwear brand for example, the RSL is at the heart of their business, in that it ensures that specific products are not placed on the market which could harm consumers.

Stahl works closely with the consumer brands in the supply chain to ensure that it anticipates restrictions on chemical substances and acts ahead of time. This means that our suppliers are also made fully aware of the potential hazards and restrictions on substances contained in the materials that they provide us.

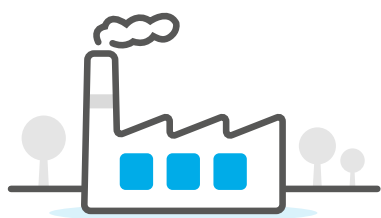
**Stahl RSL:** In a proactive move which shows our determination to stay ahead of legislation, Stahl established its own Restricted

Substances List in 2015 which ensures that substances on the list cannot be used in the development of any new products within the company. This list contains substances that we believe will be restricted by the industry or deemed undesirable in the future. This has implications for our suppliers, and they are informed continuously about our policy via updated lists of potentially restricted materials.

**ZDHC MRSL:** In 2011 a group of major apparel and footwear brands and retailers made a shared commitment to help lead the industry towards zero discharge of hazardous chemicals by 2020. In 2015 the ZDHC launched its own MRSL (Manufactured Restricted Substances List) for leather and synthetic substrates, a major milestone for the industry. This MRSL differs from an RSL in that it includes substances that are used during the processing of leather and synthetic materials, not just those found in the final product. Stahl has prepared ZDHC MRSL-compliant product ranges and it is working with the ZDHC foundation towards its common goal.

***“Stahl will only work with suppliers who have demonstrated full commitment to sustainability”***





# Responsible Operations

The impact of our operations on the environment and the wellbeing of our employees is a priority for Stahl. We have initiated a number of policies and initiatives to achieve this goal.

## Safety, Health and Environment (SHE)

Stahl's SHE policy is to manage all activities without hurting anyone, annoying our neighbors or harming the environment. Driving this policy are the following key principles:

- Safety, health and the environment have first priority
- Obey all laws and be a responsible corporate citizen
- Identify hazards and establish appropriate controls for risks, potential adverse environmental impact and regulatory requirements in the invention, manufacture, sale and use of its products
- Provide customer care with all products throughout the supply chain
- The goal is to eliminate all injuries, occupational illnesses and environmental incidents
- Report and investigate all incidents, then take corrective action and share learning
- Assure that employees and agents have appropriate competence for their roles
- Define SHE requirements in simple, clear terms then communicate them to all employees and secure their involvement
- Report, monitor and audit all aspects of SHE performance to confirm compliance and planned continual improvement
- Celebrate and reward excellence in SHE performance
- Require all employees to accept personal responsibility for their own safety and health and that of their colleagues

## SHE Organization and Reporting

All Local Managers and General Managers are responsible for implementing the Stahl SHE policy and principles in the areas under their control. This responsibility includes systems for the recognition

of hazards, assessment of risks and provision of effective controls. For outpost sites (applications labs, offices, warehouses) the Local Manager or General Manager of the controlling site may delegate this responsibility to the manager at the outpost site. This SHE reporting procedure was revised in 2015; data is now collected and presented in a new format that simplifies information collection and interpretation.



## Safety Awareness Campaign

We launched a 2-year campaign in October 2015, consisting of 12 eight-week campaigns, each with its own theme emphasizing personal and collective responsibility and linked to the **10 Golden Rules of Safety**. Aside from a poster campaign, display and safety signs were erected at the sites and everyone in the company received a Golden Rules Card. Stahl considers this campaign a key part of its Sustainability strategy.

Safety Key Performance Indicators

To ensure continued improvement in the evaluation and prevention of risks, Stahl reports some key performance indicators to track our progress on safety.

	2015	2014
Frequency rate of accidents with lost work time*	0,14	0,15
Severity rate of accidents**	3,8	5,55

\* Frequency rate: (number of reported accidents with lost days higher than three days x 100,000) / (number of worked hours).  
\*\* Severity rate: (number of lost days x 100,000) / (number of worked hours).

ISO Norms

We act according to these external systems, as most of our production locations are ISO 9001 and ISO 14001 certified.

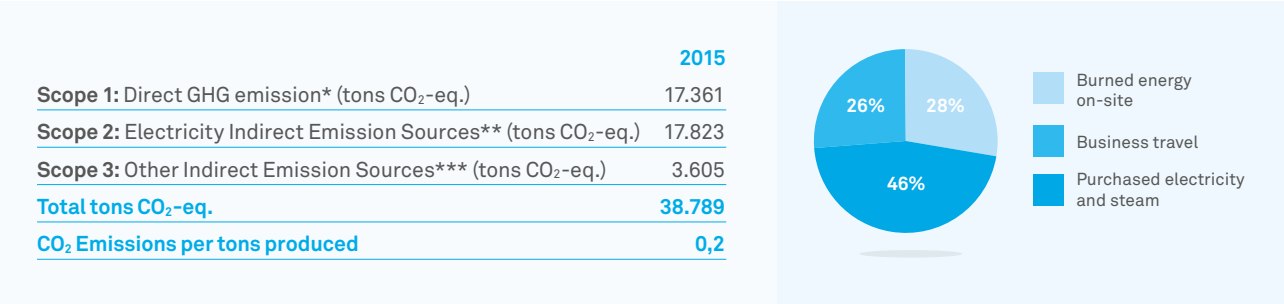
In 2015 the Stahl Leinfelden site started the certification process for the ISO 50001 energy management system.

Greenhouse Gases

Stahl recognizes that climate change represents a potentially irreversible threat to human society and that reductions in global CO<sub>2</sub> emissions will be required in order to meet the Global Climate Deal targets agreed at the historic Paris Conference in December 2015.

Stahl has therefore decided to embark on a comprehensive review of the initiatives that would be required to achieve reductions in CO<sub>2</sub> emissions over the next 5 years. Using 2015 emissions as a baseline, a long term CO<sub>2</sub> target will be communicated during 2016.

CO<sub>2</sub> Emissions



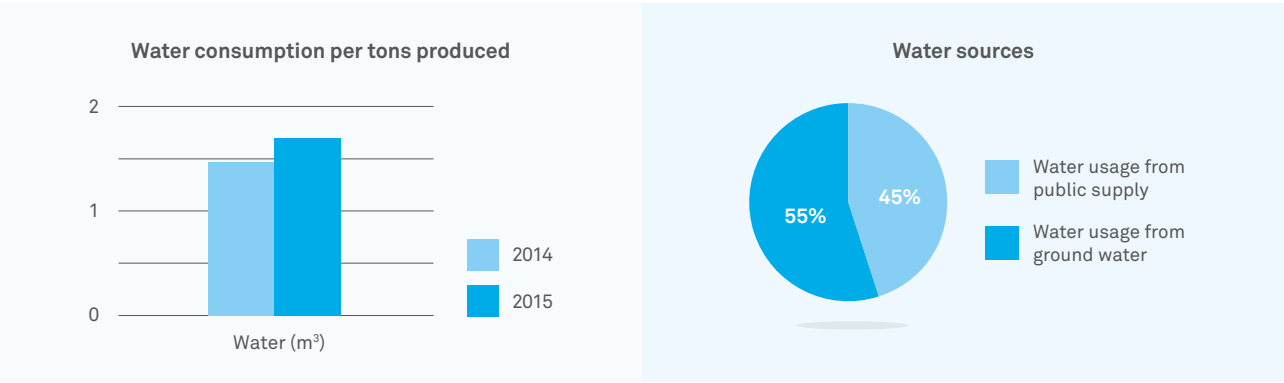
\* **Scope 1:** Direct GHG Emissions are those that occur from sources that are owned or operationally controlled by the company: company owned or leased cars, other company vehicles, gas and oil used on site.  
\*\* **Scope 2:** Electricity Indirect Emission Sources: are those that occur due to purchased energy (in the form of electricity, steam, heat and cooling) from the grid or district heating or cooling systems.  
\*\*\* **Scope 3:** Other Indirect Emission Sources: which occur due to company activity but are not sources owned or controlled by the company: business travel.

Environmental Key Performance Indicators

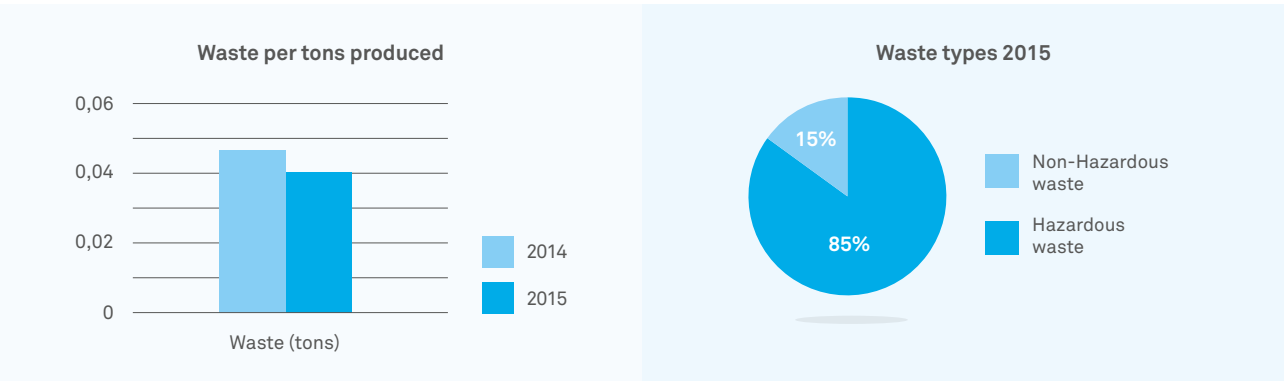
Stahl is continuously upgrading its production sites and laboratory facilities to achieve efficiencies and reduce its environmental footprint. We measure and report energy and water consumption on a monthly basis internally and

have many projects underway to reduce our usage in those critical KPIs. We have also made significant improvements in the generation of waste in recent years, thanks to tighter portfolio management and improved processes.

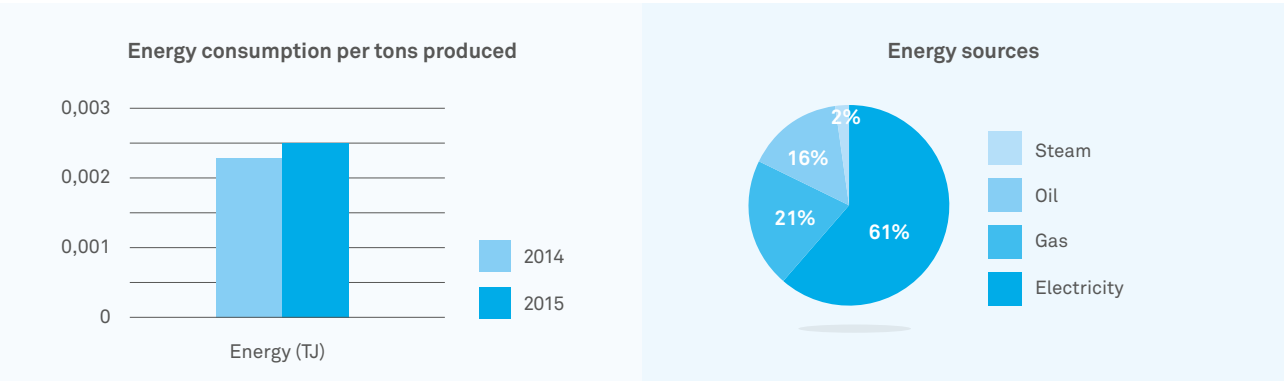
Water



Waste



Energy







# Trusted Partnerships

By stimulating cooperation in the supply chain, via intense partnership with our partners, we believe that sustainability evolves as a positive consequence. This chapter highlights some of the projects we are working on with NGOs, universities and industry associations towards achieving this goal.

### The ZDHC Foundation

In 2011 a group of major apparel and footwear brands and retailers made a shared commitment to help lead the clothing industry towards zero discharge of hazardous chemicals by 2020. The apparel and footwear value chain is long and complex and the ZDHC foundation is cooperating closely with its members to drive industry-wide change. Stahl is part of this cooperation and we are committed to the ZDHC goals.

### Spin 360 Life Cycle Assessment

In conjunction with Spin 360 and some well-known fashion brands, Stahl has embarked on a Life Cycle Assessment (LCA) of one of our key products, Stahl EasyWhite Tan™. This project will allow us to quantify the environmental impact of Stahl EasyWhite Tan™ that has been defined for chemicals within the International Environmental Product Declaration (EDP) system. Aside from the raw materials used to make the product, several process indicators are also taken into account for the analysis such as transport, waste, pollutants, electricity, energy and water. This project is being conducted in conjunction with Spin 360, one of the key players in product environmental assessment.

### SLEM

SLEM is an international innovation and education institute for footwear. Stahl cooperates with SLEM and contributes yearly to scholarships for their Masters of Footwear and Innovation. We also collaborate with them on innovative projects related to leather and chemistry.

### CSR Netherlands

In 2015 Stahl teamed up with CSR Netherlands and a group of leading Dutch businesses to sign up to a far-reaching target: a 100% circular economy by 2040. The idea behind this initiative is to encourage businesses to understand the social and environmental impact of their activities throughout their supply chains. The ambition of this partnership is completely aligned with Stahl's sustainability goals.

### UN Global Compact

Stahl is committed to the guiding principles of UN Global Compact, the world's largest corporate sustainability initiative. With this commitment we confirm the alignment of our strategy and operations with the universal principles of human rights, labor, environment and anti-corruption.

### Education Initiatives

The University of Northampton School of Leather Technology is one of the most reputed in the world. Many graduates from the school have gone on to achieve great things in the leather industry. In the interests of sustainability, Stahl Campus® and the University are cooperating on several projects which involve training of students and the promotion of sustainability practices throughout the supply chain.

### The Leather Working Group

The objective of this multi-stakeholder group is to develop and maintain an audit protocol that assesses the environmental compliance of tanners and to promote sustainable practices in the leather processing industry. It is the group's objective to work transparently, involving brands, suppliers, retailers, leading technical experts within the leather industry, NGOs and other stakeholder organizations. Stahl is an active member of this group and is committed to the same goals of promoting transparency and best practices to the leather industry. Meetings are held twice a year.



# Innovative Solutions

Stahl invests significant resources in our R&D labs around the world. With 9 R&D centers, employing 90 technical staff, much of our research is focused on sustainable solutions for customers. An ambitious approach to green product innovation is what is driving our sales growth.

## Leather Chemicals & Finishing

### Stahl EasyWhite Tan™

The main environmental benefit of using the Stahl EasyWhite Tan™ chrome-free system is the significant reduction in consumption of water, salt and energy in the leather tanning process. Sales of this unique product doubled in 2015 vs. 2014 and it is becoming an increasingly common choice for customers who value a simpler, more sustainable tanning process without compromising on the quality of the leather.

### Proviera® Probiotics for Leather™

The early ('beamhouse') stage of the leather process requires the use of chemicals to clean and prepare the hide for tanning. Proviera® Probiotics for Leather™ are metabolites derived from controlled fermentation using natural ingredients. The use of these products can reduce the effluent load during the cleaning process while improving leather quality. Stahl has acquired the exclusive rights to promote and sell the Proviera® Probiotics for Leather™ product range into the industry.

### Green PolyMatte®

Stahl's PolyMatte® technology is built around water-based polyurethanes which form a matt and smooth surface structure during the film forming of coatings. It is used extensively by Stahl customers in the coatings and leather industries respectively. As part of the PolyMatte® portfolio of products, Stahl has developed green PolyMatte® which is partially based on renewable plant-based resources instead of traditional petroleum based materials. Its soft feel and matt surface properties have been maintained.

### Stahlite®

The Stahlite® system of products enables customers to reduce the weight of leather while maintaining its full thickness. By using carefully selected processing chemicals, no concessions are made to the tear strength and natural look and feel of the leather. Lower weight leather has obvious benefits in the automotive and aircraft industries as 20-30% weight reduction vs. regular processed leather can be achieved. Sales of Stahlite® are growing steadily.

## Performance Coatings & Polymers

### STAHL EVO

STAHL EVO is our new generation of polyurethane based products for use in the manufacture of garment and footwear. Topcoats, skins, adhesives, foams and pigments are all part of this constantly expanding range of products. The STAHL EVO portfolio is ZDHC MRSL-compliant and the products also allow customers to eliminate the use of DMF in their process, reducing water and energy consumption at the same time. Sales of STAHL EVO products tripled in 2015 vs. 2014 and we expect the strong growth to continue as our customers switch away from solvent based products.

### Powder Coatings

Homes and workplaces are increasingly being furnished with natural materials. As architects and interior designers opt for sustainable materials, these spaces also contain fewer products that are harmful to your health. Powder coatings for wood are a good example, as they are free of heavy metals and have zero volatile organic content. In July 2015, Stahl entered into a joint venture with OEM NuTech, an innovator in powder coatings for heat sensitive surfaces. Like Stahl, OEM NuTech has a strong focus on sustainability and their eco-friendly coatings are now a key part of Stahl's portfolio in the architectural coatings segment.

### Biobased Polyurethanes

Designing water-based polyurethanes using renewable raw materials is not new. Stahl has introduced several products based on this idea and bio-content levels of 35% can be achieved. Our vision, however, goes beyond that: we have begun working on high-performance polyurethanes which contain over 80% bio-content. More to come on this breakthrough technology in 2016.



# People & Society

The foundation of Stahl's success is its workforce. Stahl employs 1780 people in 23 countries at 11 manufacturing sites and 37 laboratories. We encourage trust, honesty, personal growth, innovation, creativity and team work among our workforce.

## Code of Conduct

Stahl has an active Code of Conduct policy which is being implemented throughout the supply chain. This Code of Conduct ensures that human rights and the environment are respected by our partners. Related to this, a whistleblower policy is in place with clear rules that allow employees to report suspicious behavior that could be in conflict with the Code of Conduct, with the necessary protection guarantee for the whistleblower in question. There were no incidents of corruption during 2015.

## Workforce

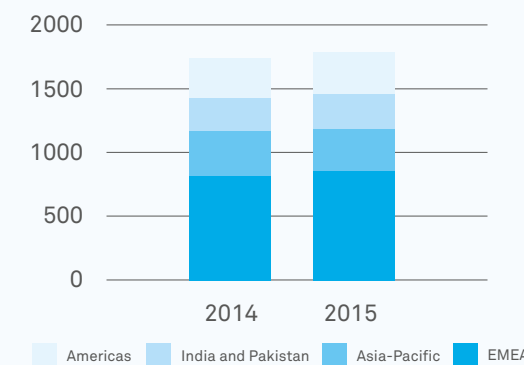
85% of Stahl's employees are on permanent contracts. Its workforce is 78% male and 22% female. Total Full Time Equivalents (FTE) leaving (dismissals and resignations) during 2015 were 153 and 190 joined

in the same period. These ratios are reasonable and in line with the market for the kind of activities and the location in which they take place. The turnover rate over 2015 was 9.7%. Stahl is an equal opportunity employer in all its locations worldwide.

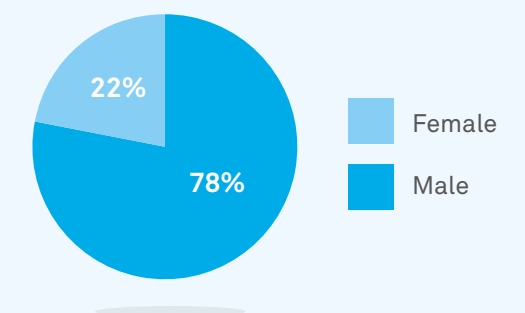
## Training

Stahl's international management training program, initiated in 2013 and extended after the Clariant Leather Services Business acquisition, was completed in early 2016. The program involved 123 middle management employees from around the world and was focused on leadership and general management skills. It was widely viewed as a positive initiative for the company and a source of motivation for the staff.

Full-time employees as of December 31, by region



Ratio of Male-Female employees



***“Stahl is an equal opportunity employer in all its locations worldwide.”***

## Sustainable Industrial Development

Aside from our commercial activities around the world, Stahl experts are also involved in non-profit activities in emerging countries.



### UNIDO

The mission of the United Nations Industrial Development Organization (UNIDO) is to promote and accelerate inclusive and sustainable industrial development (ISID) in developing countries and economies in transition. Stahl and UNIDO are collaborating on projects which involve the promotion of sustainable practices in the leather industry, for example in Bangladesh and Pakistan.



### PUM

PUM is a Dutch organization that links small and medium sized companies in developing countries to experienced professional experts in order to improve sustainability and combat poverty in those regions. Stahl and PUM have begun to work together on projects for the leather sector. This partnership involves Stahl experts travelling voluntarily to the country in question with PUM country staff and visiting tanneries that require the technical skills and service that the Stahl technicians can offer.

### ADUU MAL

Designed by renowned Dutch fashion designer Hans Ubbink, ADUU MAL is the result of Stahl's cooperation with the Mongolian Government, the Dutch government, MIM (Made in Mongolia) and other fashion companies to support Mongolian tanneries in establishing a more sustainable industry. Since the partnership started in 2013, more Mongolian tanners are using technologies with reduced environmental footprint. Leather tanners who participate in the project can tag their products with the Mongolian sustainability label: ADUU MAL. This product label signals to consumers that the leather article was produced in a sustainable way in Mongolia, i.e.: tanners were trained on processing horse hides that would not have been tanned otherwise, wastewater was purified and reused and tannery employees, tailors and shoemakers receive fair wages under good working conditions.



## Community Projects

Stahl recognizes the importance of continuous engagement with the local communities located around its operations, laboratories and offices. There are many activities at the Stahl sites around the world which demonstrate our contribution to the well-being of the people who live nearby. Some highlights:



### Talent Incubator Program in Stahl Mexico

Stahl Mexico offers scholarships and internships for students from different universities such as La Salle, Tecnológico de Monterrey, Universidad Tecnológica del Valle de Toluca, Universidad del Valle de Toluca and Universidad de Guanajuato, through the Stahl Talent Incubator (STI) program. The STI offers real work environment for students in the final phase of their degree. This is coordinated via ANIQ (National Society for the Chemical Industry).



### Education support and training in India

The Vanapadi Middle School is located in the neighborhood of one of the Stahl sites in India. We support this school with equipment like tube lights, fans, an audio system and computer technology. Stahl also sponsors improvements to the school building, such as the extension of the sanitary installations and a new water tank with a Reverse Osmosis (RO) filter system. Stahl India is also involved in many local initiatives, such as vocational training and an environmental awareness program for a nearby village community.



### Mobility for people in need (Stahl Italy)

Stahl cooperates with PMG, an association working with the local (Palazzolo) municipality to assist in the mobility and transport of disabled children and people in need. Activity is mainly focused on transport to school in the mornings and to social centers in the afternoons but also on supporting the families, promoting social involvement and integration of the disadvantaged in general. Two minibuses/drivers, equipped with voluntary helpers, are made available to the municipality every day for the required travel schedules.



### Gold Medal Award in Singapore

Stahl Singapore was proud to receive the Gold Medal Award from Singapore HEALTH for the second time. The Singapore HEALTH (Helping Employees Achieve Lifetime Health) Award is presented annually to give national recognition to organizations with commendable workplace health promotion programs.



### University cooperation in China

Stahl China established a program with leather specialized universities in China. Stahl sponsors these universities with scholarships and organizes technical lectures for students interested in leather processing. We also provide the top students from these universities an opportunity to attend a two-week practical training session on leather manufacturing in the Stahl Guangzhou Technical Center.



### Donations in Stahl Brazil

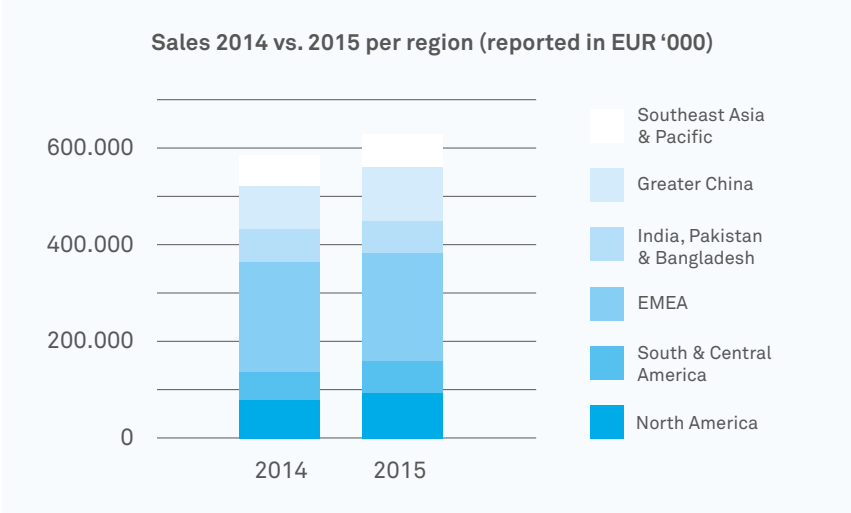
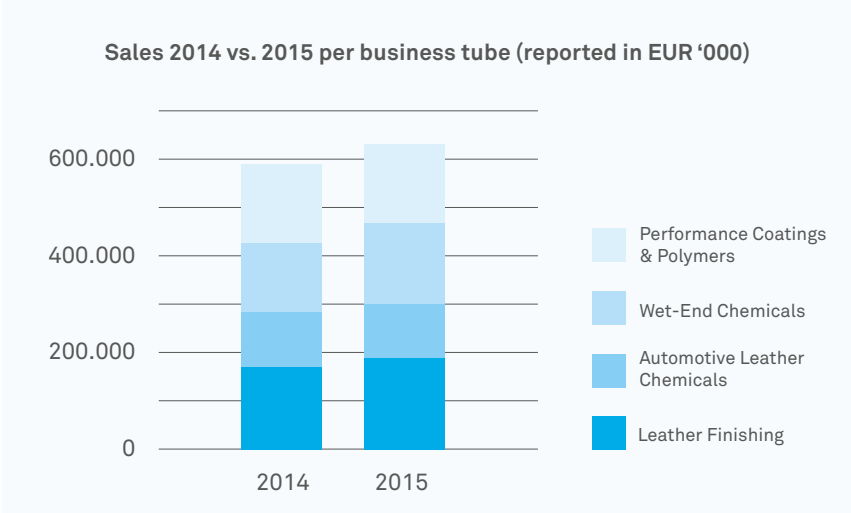
On an annual basis, Stahl employees donate clothes to different voluntary organizations in Portão which are dedicated to helping the less fortunate. This year food, water, clothes, mattresses and cleaning material were collected for people displaced due to floods in the southern regions of the country.



# Financial Performance

## Sales

2015 was the first full financial year since the acquisition and successful integration of Clariant's Leather Services Business. The results shown are on a proforma basis and include Clariant's 2014 sales.



## Strategic Business Units (SBUs)

Stahl's strategic global business units are managed centrally and each one has dedicated commercial and technical service staff located around the world:



### Wet-End Chemicals and Dyes for Leather

This division is focused on providing products and services for the beamhouse (rawhide treatment), tanning and retanning steps of the leather manufacturing process.



### Automotive Leather Chemicals

Stahl is the market leader for the process chemicals and finishing technology used to manufacture automotive leather. This division is focused on providing high performance solutions for car leather applications.

Stahl has 2 SBUs focused exclusively on providing products and services for the final step in the leather process:



### Leather Finish

With nearly a century of experience around the globe, Stahl is the undisputed leader in leather finishing technology and is renowned for its quality and 'Golden Hands' technicians.



### PielColor

The second brand in the Stahl group, founded in 1977 in Spain, PielColor provides leather finishes to its clients with an emphasis on fashion and technical service.

Stahl has 2 divisions dedicated to the industrial coatings market:



### Performance Coatings

Stahl's fastest growing business unit, this division is focused on providing custom-made solutions for almost any type of surface, both flexible and rigid.



### Polymers

Founded as Picassian in 2005, Stahl Polymers supplies raw materials to coatings manufacturers across several segments.

# Management Team

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Our senior management team consists of ten members representing the business units, finance, operations, procurement, R&D and marketing and includes the Group CEO. The management team conducts formal meetings on a monthly basis where the strategy and performance of the company are discussed.



**Huub van Beijeren**  
Chief Executive Officer

“I believe the most effective contribution that Stahl can make to society is by working tirelessly with our partners in the supply chain to promote transparency and sustainability. This is our mission.”



**Harald Bauer**  
Group Director Wet-End Chemicals and Dyes

“The recent success of Stahl's effluent-reducing products like Stahl EasyWhite Tan™ for leather processing is proof that the industry is committed to a truly sustainable model.”



**Bram Drexhage**  
Chief Financial Officer

“Stahl's commitment to Corporate Responsibility is directly linked to our financial performance. Being responsible affects the bottom line today and adds value in the long term.”



**Xavier Rafols**  
Group Director Leather Finish

“Above all Stahl is a customer-driven organization and our customers are demanding products and services which exceed the current standards for performance and environmental compliance. We are passionate about satisfying their needs.”



**Guido Borgart**  
Group Director Operations & Supply Line

“The Safety and Health of our employees and the protection of our environment is completely integrated into our daily activities, and is the responsibility of everyone in the company.”



**Mark Chatwood**  
Group Director Automotive Leather Chemicals

“People still love the touch and feel of leather in their cars and they expect consistently high performance over the lifetime of the vehicle. This is precisely the value that Stahl provides and we are committed to doing it in a sustainable way.”



**Ralph Günther Blach**  
Group Director R&D and Technical Application

“Every new product concept that comes across my desk is directly linked to improving the environmental footprint of our customers.”



**Uwe Siebgens**  
Group Director Performance Coatings & Polymers

“We are constantly thinking outside the box, offering new concepts like STAHL EVO to our customers to replace conventional coatings technology. Sustainability is driving this innovative thinking.”



**Jacques Potier**  
Group Director Procurement

“The ongoing sustainability conversation with our suppliers has moved beyond discussions about green chemistry: now we discuss supply-chain transparency, water consumption, carbon dioxide emissions, codes of conduct and much more.”



**John Fletcher**  
Group Director Marketing & Brand Sales

“The big consumer brands in fashion and interior design have begun to implement sustainable business practices throughout their supply chains. Stahl's technology allows them to improve the environmental footprint of the industry in practical and lasting ways.”



# Global Presence

Our long-standing commitment to providing local technical service for our customers is also driving the promotion of sustainable products and practices around the world.

**Corporate Headquarters:**  
Waalwijk, the Netherlands

**Manufacturing Sites (11):**  
The Netherlands, Germany, Italy, Spain, USA, Mexico, Brazil, India (2), Singapore, China

**R&D Centres (9):**  
The Netherlands, Germany, Italy, Spain, Mexico, Brazil, India, Singapore, China

**Applications Labs (37)**  
The Netherlands, Germany, Italy (5), Spain (2), France, USA, Mexico (2), Brazil, India (6), Singapore, China (2), Japan, Thailand, Indonesia, Bangladesh, Pakistan (4), Turkey (2), Ethiopia, Argentina, Uruguay, Colombia



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# Appendix

## Stahl Code of Conduct

### Introduction

This Code of Conduct sets out Stahl general business principles. These principles are applicable for Stahl Group S.A. and all its subsidiary companies, referred to in this document as 'Stahl'.

Integrity is essential in establishing and maintaining our reputation and providing our quality services to our customers. Our objective is to preserve continuity of the company by maintaining a strong financial basis. This implies balancing long and short term interests, with due care and respect for our customers, employees, shareholders and other business relationships.

Should employees have any concern about what conduct would be appropriate, they should promptly raise that concern with the Compliance Officer. Any concern so raised is addressed with discretion and respect.

### 1. Integrity

Stahl strives to conduct its business with the highest standards of integrity, ethical behaviour, honesty and openness. Stahl respects the interests of its customers, its business partners and the community at large. Integrity is essential to Stahl' business and will not be compromised, also not by mere financial results.

### 2. Legal Compliance

Stahl complies with the laws and regulations of the countries in which it operates. These laws and regulations are numerous and often complex. Whenever any question arises, employees should seek guidance from the Compliance Officer.

### 3. Working Environment

Stahl is committed to creating and maintaining a working environment in which each individual is treated with respect and to ensuring equal employment opportunities without discrimination or harassment on the basis of race, colour, nationality, religion, sex, sexual preference, age or disability.

Stahl strives for offering a safe working environment. Each employee actively strives to comply with the safety regulations applicable to his/her work place.

### 4. Conflict of Interest

Stahl employees shall avoid financial and business interests that might interfere with effective job performance or might result in (the appearance of) a conflict of interest or interests adverse to the interests of Stahl.

Should an employee or any of his/her family members have a financial or other interest in a company or enterprise supplying products or services to Stahl, or which is a competitor of Stahl, then such interest shall be promptly reported to the Compliance Officer.

### 5. Business Entertainment

In dealing with customers, suppliers, governmental agencies, competitors and other business relationships, Stahl employees may not give or accept bribes. Any demand for or offer of bribes or anything of value must be immediately rejected by Stahl employees and reported to the Compliance Officer.

In accordance with local business practice and regulation, the giving and acceptance of small business gifts – representating a value of maximum 50 euro - may be decided upon in consultation with the Local Manager. Gifts may not be received on the employee's private address.

An employee may accept and provide reasonable business entertainment (lunch, dinner) in the course of business.

### 6. ICT Systems

It is Stahl policy to purchase official license agreements governing the use of software and to fully comply with the terms and conditions thereof. Therefore, software may not be copied or otherwise reproduced from any of the ICT systems or installed on any of the ICT systems.

All information transmitted by, received on, created on or stored on any ICT system are deemed to be company records and property of Stahl. Subject to any applicable privacy laws, Stahl may monitor and review the usage of the ICT systems, including deleting information stored on the ICT systems.

### 7. Stahl Property and Confidentiality

Each Stahl employee is responsible for the proper use of all facilities, property and confidential information of Stahl Group S.A.

Information regarding the activities, strategy and data of Stahl (including, without limitation, data with respect to its employees, customers, suppliers and competitors) are the property of Stahl Group S.A.. Unlawful use of any such information may cause damage to Stahl or may provide others with an unjustified advantage.

Any Stahl employee engaging in or attempting theft of any property of Stahl (including, without limitation, documents, office equipment and intellectual property rights) may be dismissed with immediate effect. Stahl may also pursue criminal proceedings against such employee.

### 8. Financial Reporting

Stahl accounting and operational records and supporting documents must accurately describe and reflect the nature of the transactions and are subject to audit. Undisclosed or unrecorded accounts shall not be maintained or established. No employee may manipulate, mislead or otherwise fraudulently influence an internal or external expert or auditor conducting a (financial) audit or reviewing the financial records of Stahl Group S.A..

### 9. Application, Suspected Fraud, Whistleblower Rules

This Code of Conduct applies to all employees of Stahl and its group companies. Questions regarding this Code of Conduct may be directed to the Compliance Officer. Subject to applicable law, any violation of this Code of Conduct may result in disciplinary sanctions.

Each employee is encouraged to report internally to the Manager or to the Compliance Officer any suspected irregularity of a general, operational or financial nature relating to Stahl Group S.A.. Reference is made to the Whistleblower Rules of Stahl.

The Compliance Officer will start an investigation into the suspected fraud. The investigation may include all appropriate measures to research and secure (computer) records, assets and documents. The approval of the relevant employee will not be required. Depending on the results of the investigation, and subject to applicable law, Stahl may take appropriate actions against the employee and may notify law enforcement and/or regulatory authorities.

The position of an employee who has in good faith made a report under this paragraph 9 will not be affected in any way as a result of making such report.

### 10. Compliance Officer

The Compliance Officer under this Code of Conduct is the Chief Financial Officer of Stahl and its group companies, B. Drexhage. The Compliance Officer investigates the suspected irregularity and, as appropriate, takes corrective action.

With respect to any notification under this Code of Conduct regarding (any member of) the Board of Directors, including the Chief Financial Officer, of Stahl Group S.A., the primary point of contact is the Chairman of the Board of Directors, Mr D.J. van Ommeren

This Code took effect on April 2013.



## Statement of Continued Support

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Waalwijk, March 2016

To our stakeholders,

I am pleased to confirm that Stahl Holdings BV reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human rights, Labour, Environment and Anti-Corruption.

In this annual Communication of Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "H.J.J. van Beijeren", written over a faint, light blue rectangular background.

H.J.J. van Beijeren  
Chief Executive Officer  
Stahl Holdings BV



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