



Environment, Social & Governance

2019 Report



*This report has been prepared,
whenever possible, in accordance
with the GRI Standards: Core option.*

ESG Team



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“We continued to integrate ESG into all aspects of our business in 2019, like the Road to Zero safety campaign, mandatory employee compliance training and the Responsible Chemistry initiative focused on reducing the environmental footprint of the supply chains that we serve.”



Message from the CEO

I am proud to present the latest Environment, Social & Governance (ESG) report, which provides an overview of Stahl's activities in 2019.

For this report we have adopted the commonly used ESG terminology to assess the more specific actions that Stahl has taken on Corporate Social Responsibility (CSR) during the year. Acronyms aside, I have always felt that sustainability and the welfare of its stakeholders are critical for Stahl's success. I also believe that ESG performance is directly linked to financial performance and is necessary for creating lasting value for our customers and shareholders. That's why we continued to integrate ESG into all aspects of our business in 2019, like the Road to Zero safety campaign, mandatory employee compliance training and the Responsible Chemistry initiative focused on reducing the environmental footprint of the supply chains that we serve. Another significant ESG highlight in 2019 was the certification of Stahl's global leather portfolio in the ZDHC Gateway - Chemical Module, which underlines our long-standing commitment to transparency in the complex world of chemical substance compliance.

Climate change is the defining issue of our time and Stahl fully recognizes the need to continuously reduce its Greenhouse Gas emissions. In 2019 we beat our 5-year target and reduced CO₂ emissions by 25% (since 2015) but there is still more to do. Stahl is investing in renewable on-site energy sourcing, we have stepped-up research into renewable carbon technologies, and throughout our offices and manufacturing sites we continue to reduce the use of single-use plastics.

The 17 UN Sustainable Development Goals (SDGs) are a call for governments, businesses, civil society and other organizations around the world to take action and achieve a better future. With this in mind, we have provided updates throughout this report on those SDGs for which we believe Stahl can make the greatest impact.



2019 was a challenging year but we emerged from it stronger than ever. Indeed, the industry will always face new challenges but Stahl will continue to view them as an opportunity, to take action and create a better future.

Sincerely,

Huub van Beijeren
CEO

About this report

The 2019 ESG report (formerly Corporate Responsibility & Sustainability Report) covers the key activities over the period and corresponds to Stahl's strategy and stakeholder desire for transparency on environment, social and governance.

This report has been prepared, whenever possible, in accordance with the GRI Standards: Core option / self declared. Environmental, Safety and HR data has been validated by a 3rd party verifier (Deloitte).

Stahl has published its annual reports on environment, social and governance topics since 2013. The Global Reporting Initiative (GRI), the United Nations (UN) Global Compact and the 17 Sustainable Development Goals (SDGs) have been key references in the preparation of these reports and continue to provide valuable guidance for the company.

Stahl's approach to ESG is grounded in its long-term business strategy and based on the insights of shareholders, clients, supply chain and industry partners.

CSR versus ESG

CSR (Corporate Social Responsibility) describes a company's efforts on having a positive impact on the environment, employees, consumers and the wider community.

ESG (Environment, Social and Governance) measures CSR activities to give a precise assessment of a company's actions, and is used as a key marker for investors. Stahl's ESG reporting looks at how the company is responding to external influences, risks and trends like climate change and decarbonisation, but also at how it treats its workers and manages its supply chains.

Risk assessment

Stahl has performed a detailed review of its risk assessment and control policies, in accordance with the requirements of the European Law (including the Non-Financial Statement and the Duty of Care), on environmental, social, human rights and corruption risks

resulting from its activities. This review covers the risks linked to employees, suppliers, and to the external supply chain that we serve. Stahl has adopted due diligence policies on health, safety, environment and human rights that mitigate the risks identified in this review. This risk assessment was cross-checked with two types of organizations, used as reference sources:

- independent standards: MSCI (Morgan Stanley Capital International) and SASB (Sustainability Accounting Standards Board)
- companies comparable to Stahl in terms of industry sectors, geographical spread, disclosure of CSR risks and materiality

Stahl's identified gross risks are listed below. Gross risks are those which impact the company and its external shareholders, independent of mitigation policies that may be in place to reduce them.

Health and safety	Occupational health and safety
ESG performance of products and services	Increasing demand and regulation for sustainable chemical products
Environment	Lowering GHG emissions that contribute to climate change
	Impact on water resources
Social	Hazardous waste management
	Attractiveness and talent retention
Governance	Corruption and bribery

Read further:

- [ESG reports since 2013](#)
- [Compliance reports](#)
- [Topics that matter – GRI materiality matrix](#)

Introduction



WANT TO LEARN MORE?

[Stahl's History](#)

[Stahl's Sustainability Strategy for a better future](#)

[The Stahl Sustainability Standard](#)

[Igniting the age of Responsible Chemistry](#)

[Life Cycle Assessment](#)

[The complexity of sustainability](#)

[Circularity: refurbishing a leather couch with Stahl chemistry](#)



Stahl creates the chemistry for coatings and processing that makes many everyday materials look good, feel softer, resist scratching, repel stains, diffuse heat, and last longer. There is a little bit of Stahl everywhere.

1. About Stahl

Stahl provides products and services to high-end industries in mobility, fashion & footwear, architecture & construction, interior spaces and paint, ink & packaging markets. In close collaboration with our partners, we initiate activities that promote transparency and provide high-performing, low-impact solutions to drive the transition to a fully sustainable supply chain and a circular economy.

“Our purpose is to create responsible chemistry that meets tomorrow’s needs”

In 2019 Stahl operated 11 manufacturing sites and 35 applications laboratories in 24 countries around the world, employing 1,847 people, 30% of whom are focussed on technical support. The key countries where Stahl does business are, in alphabetical order: Argentina,

Bangladesh, Brazil, China, Colombia, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, Pakistan, Singapore, Spain, Turkey and the USA.

As a supplier of chemical products and related services, Stahl considers the health and safety of its employees to be its primary responsibility. Stahl is a model for workplace safety, with a low accident frequency rate. Stahl also ensures that the impact of its activities on the surrounding ecosystems is limited. Stahl’s Environment, Social & Governance (ESG) strategy is to promote greater transparency throughout the whole supply chain, leading to a progressively lower environmental footprint for the industry. ESG also represents a significant opportunity for Stahl, to gain competitive advantage, attract potential employees and to drive operational excellence throughout the company.

Indeed Stahl is committed to attracting (and retaining) qualified and talented people, and strives to achieve this by the proactive use of employee engagement tools, diverse training modules and a deep-rooted corporate culture.

“If it can be imagined, it can be created.”

Stahl at a glance

Input

Stahl creates specialty chemistry for coatings, processing, and treatments of many different everyday materials.

11 Manufacturing sites of which 50% are located in emerging markets

61 Nationalities

4 Stahl Campus® locations

100 people working on innovations every day

38 Sales offices

35 Technical Centers

Workforce 1800+
♀ 24% | ♂ 76%

73 Active patent families*
*Including patent applications

600 Technical experts
30% in technical activities

Global suppliers from **54** countries

11 R&D Labs

9 Centers of Excellence

Powered by Wendel Group

Markets & products

Automotive | Footwear, Apparel & Accessories | Architectural & Interior | Design | Industrial Applications | Leisure & Lifestyle | Home Furnishing

Our products enhance:

Leather | PU | PVC | TPO | Fabric | EPDM | Bio-based substrates

Process

Stahl provides responsible, high-performance technologies and drives the transition to a transparent, sustainable supply chain and a circular economy.

Our driving values



Cooperation

One team, one task, one Stahl



Responsibility

Always contribute to a sustainable future



Initiative

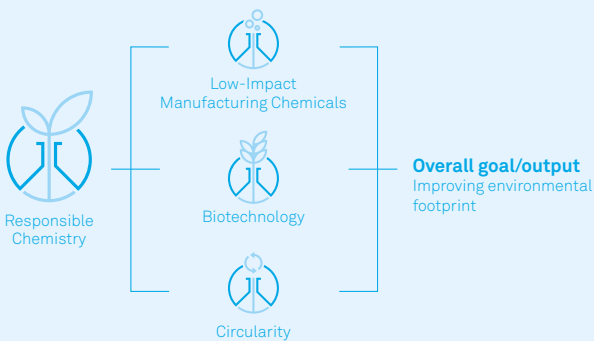
Go for it!



Imagination

Think beyond boundaries

ESG+ performance of our products



*Environment, Social and Governance (ESG)

Life Cycle Assessment



Our commitments



A responsible organization



A sustainable future

Our partnerships



Output

As a world leader, Stahl uses responsible chemistry that meets tomorrow's needs - for our customers and society.

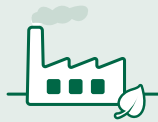
The result of our efforts

Environmental, Social and Governance performance



- **€809 million** sales revenue in 2019
- Technologies for **durable** and market-compliant products
- **1200+** products in the ZDHC gateway highest conformance level
- **93%** ISO 14001 | **100%** ISO 9001 of global production volume
- **76%** of our coating solutions are water-based

Responsible Operations



- **-25%** CO₂ emission since 2015
- **100% renewable energy** at European Manufacturing sites
- **35%** of all electricity is renewable
- **50%** of energy generated with on-site solar panels at Stahl Brasil

Industry Education & Training



- **842 people** trained at Stahl Campus® in 2019 in The Netherlands, Mexico, India and China (**8420 beneficiaries** - every trainee impacts 10 others)

Leader in environmental improvement projects in emerging countries



- Public Private Partnership with Solidaridad & other non-profits. Target to reduce leather-related water pollution by up to **40%** in Kanpur, India.

2. Our commitments

The below ESG landscape provides a flavor of all the laws and regulations, (mandatory and voluntary) guidelines and initiatives that impact the company. Stahl is subject to continuous assessment of its ESG performance, e.g.:

ISO certification, safe workplace monitoring, water controls, social audits, risk assessment questionnaires and chemical conformance testing of its products.

Figure 1: ESG landscape



3. ESG strategy

Stahl's goal is to achieve a more transparent industry that continuously reduces its environmental and social footprint. The company promotes environmentally and socially responsible practices through its Codes of Conduct, the use of natural and renewable resources where possible and a continuous commitment to reduce Greenhouse Gas (GHG) emissions.

Stahl and its key partners in the supply chain are increasingly aligned to the United Nations Global Compact, the world's largest Corporate Sustainability initiative, and to the 17 United Nations Sustainable Development Goals (SDGs) established in 2015. To demonstrate its progress, the Stahl ESG annual report is submitted to the UN Global Compact each year.

The Stahl Sustainability Standard

To achieve our sustainability goals, the company identified five focus areas:

1. Raw materials: suppliers and the products and services they provide
2. Responsible operations: all activities associated with our laboratories, offices and manufacturing sites
3. Trusted partnerships: co-operations with third parties throughout the supply chain
4. Innovative solutions: the products and services that we offer to our customers

5. People & society: employees and the communities around us

These focus areas allow the internal organization to implement its ESG strategy.

4. Responsible Chemistry & LCA

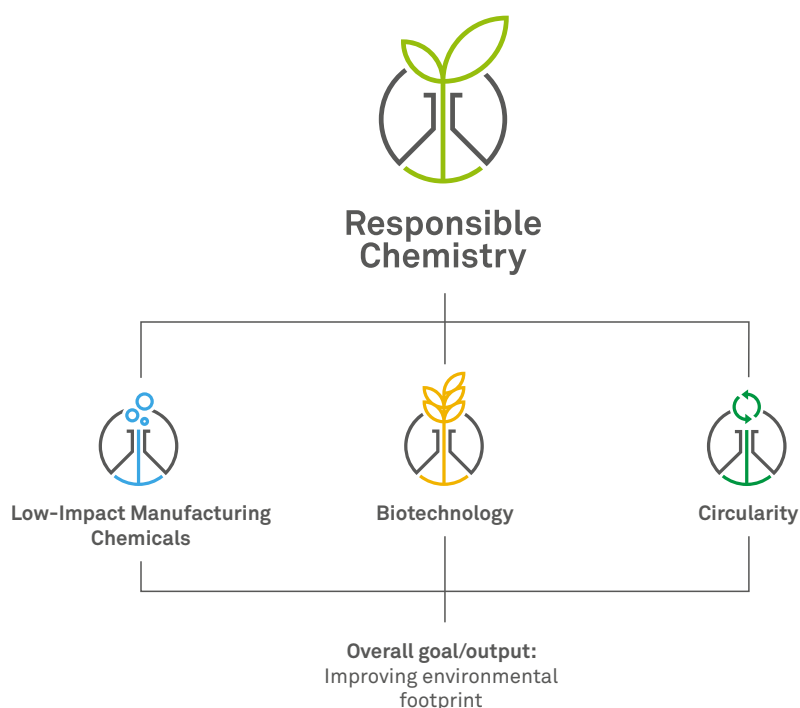
Rethinking priorities, rewiring production

The world is facing challenges that require us to rethink priorities, drive environmental awareness and adapt production processes. The road to responsible chemistry began in the 1970s with the introduction of Stahl's first waterbased polyurethanes for coatings and finishes. In 2019 the company introduced its Responsible Chemistry policy, formalizing its commitment to continuously reducing the environmental footprint of the supply chain it serves. The policy also ensures the alignment of its product portfolio development to the future needs of its customers.

Three categories are defined under the Responsible Chemistry policy:

1. Low-impact manufacturing chemicals
2. Biotechnology and renewable carbon content to replace depleting raw material resources
3. Waste and recycled content, contributing to circularity

Figure 2: Stahl's Responsible Chemistry model



Stahl's 12 Principles of Responsible Chemistry

1. **Resource efficiency.** Avoid limited, finite feedstock where possible
2. **Atom efficiency.** Chemical solutions with a high atom efficiency
3. **Decarbonization of energy.** Energy efficient operations, sourcing from renewable energy where possible
4. **Water management.** Responsible water usage, clean effluent outflow, reduced demand
5. **Waste management.** Assign value to waste as a resource for energy and new materials
6. **Best available technology.** ie: with respect to sustainability and circularity
7. **Support innovation.** Flexible, creative, insourced and outsourced
8. **Share knowledge (educate).** Stahl is a knowledge-based company
9. **Safety, health and the environment (SHE).** Minimize risk of exposure to hazards for employees, customers and the environment
10. **Matching chemistry.** Understanding the complete value chain of our products – including recycling, composting – & matching usage with end-of-life
11. **Product stewardship.** Chemical compliance, services for the full life cycle of a product, chemical leasing, production efficiency
12. **Measure and assess.** Standardized methodologies to measure the impact of our products and processes on health, safety and the environment

Low-impact manufacturing chemicals

This category refers to the impact of chemicals on human health and the environment. For example, chemicals which are free of restricted substances are included in this category, like Stahl Neo® & Stahl EVO®. Stahl products that have demonstrated (either during their own manufacture or when used by customers) clear improvements in CO₂ emissions, energy consumption, water pollution or waste reduction, are also included in this category.

Biotechnology to replace non-renewable resources

This category refers to chemistry derived from bio-based or renewable carbon resources as opposed to fossil fuel based or depleting resources, and to products that contribute to the performance of substrate materials

made from renewable or natural resources (eg: residual fruit or plant waste). Stahl's biobased polyurethanes and Proviera® - Probiotics for Leather™ are included in this category.

Contributing to circularity

Stahl is committed to the idea of encouraging the restoration and regeneration of resources and in accelerating the transition to a circular economy (as opposed to the take, make, waste of a linear economy). Products or technologies that contribute to the repair and prolongation of materials, and products derived from waste or by-products which would otherwise be thrown away, are included in this category. Technology that allows for the successful composting and biodegradation of chemicals, or substrates, is also considered in this category.

Life Cycle Assessment (LCA)

The impact of a product or process on the environment is measured using [Life Cycle Assessment \(LCA\)](#) methodology. LCA provides quantitative data in the language of the environmentalist and in a format that allows meaningful comparisons to be made about environmental impact.



Climate Change



Abiotic Depletion



Land Use



Water Consumption



Eutrophication



Acidification



Toxicity



Photochemical Ozone Formation



Ozone Depletion


In 2019 Stahl began calculating the environmental impact of several of its key products in the leather chemicals portfolio. This LCA project will be expanded in 2020 to include more products and processes.


The company believes that LCA will be an important value-added service for its customers in the supply chain in the future.


Environment

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Yao

WANT TO LEARN MORE?

[Energy: renewable energy sources get first preference](#) 

[Water & Effluents: reducing water pollution and effluent emissions](#) 

[Project Pollution Prevention and Efficient Water Use in Kanpur-Unnao Leather Cluster](#) 

[Effluents and waste as a by-product for a circular economy](#) 

[Project to reduce single-use plastics at Stahl Ibérica](#) 

[Zero Discharge of Hazardous Chemicals \(ZDHC\)](#) 

[bluesign®](#) 

Our commitment begins with our widely communicated corporate strategy on ESG: to achieve transparency throughout the whole supply chain, leading to a more sustainable industry and a progressively lower environmental footprint. This means reducing the environmental impact of our own operations (including purchased raw materials) as well as that of the supply chain into which we provide our products and services.

The company is continuously upgrading its manufacturing sites and laboratory facilities in order to achieve energy, waste and water efficiencies and to reduce our environmental footprint. To monitor the effectiveness of these mitigation activities, we measure and report on:

- CO₂ emissions and energy
- water
- waste

1. Climate change: GHGs and Energy



QUICK FACTS

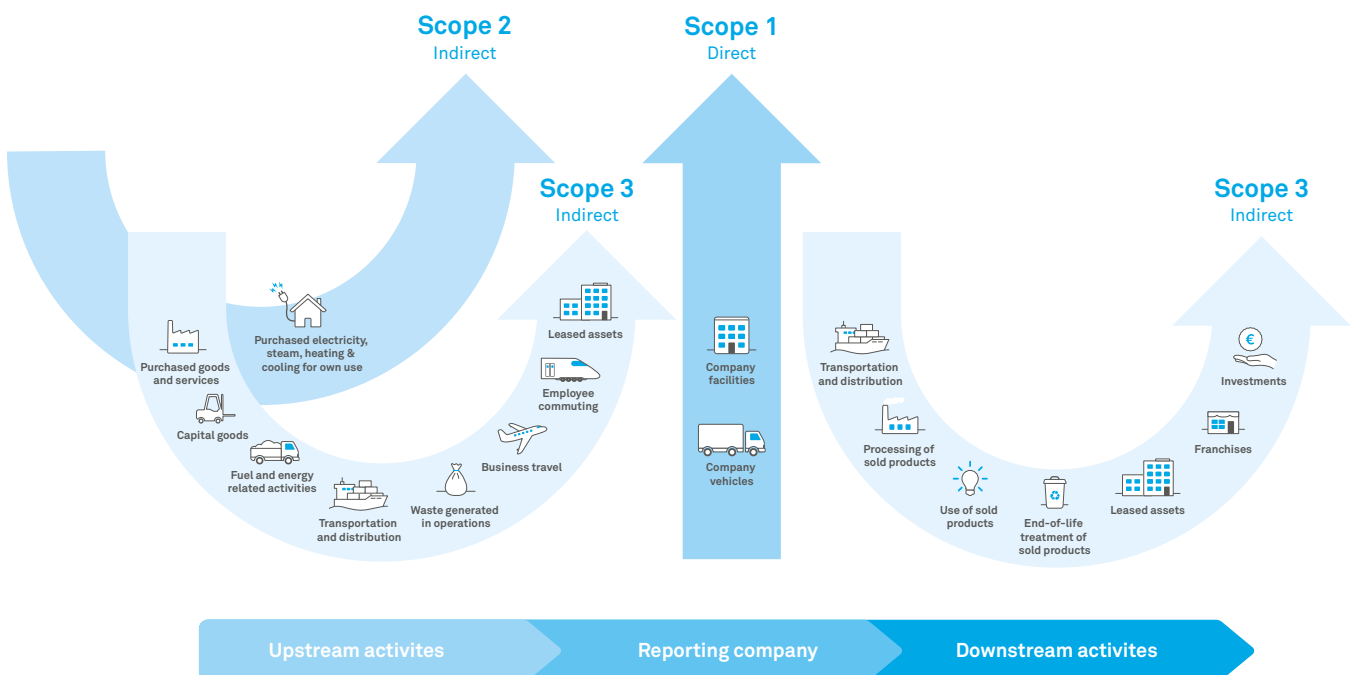
- Stahl achieved its 5-year goal and has reduced CO₂ emissions by 25% since 2015
- On-site generation of solar energy at Stahl Brasil site was an example of its commitment - solar panels are already supplying 50% of the factory's energy needs

Greenhouse gasses (GHG) like methane, PFCs and CO₂ contribute to global warming, ozone depletion and climate change. Stahl made an inventory of its scope 1, 2 and 3 emissions which gives insight into the impact of the greenhouse gas emissions in its value chain. This is a step towards managing emissions-related risks and opportunities and reducing value chain GHG emissions. Of greenhouse gasses identified, CO₂ is the most important for Stahl.

Stahl's main direct source of CO₂ emissions come from its manufacturing sites, i.e.: burning fuels like gas, furnace oil and briquettes (scope 1 / direct emission) and consuming electricity (scope 2 / indirect emission). Stahl employees travel by car and plane and its products are shipped by air, rail and road (scope 1 and 3). CO₂ is emitted indirectly when electricity is generated elsewhere that may have emitted CO₂ (scope 3). CO₂ emissions are calculated according to the GreenHouse Gas (GHG) protocol.

- **Scope 1:** Direct GHG emissions are those from sources owned or operationally controlled by the company: company owned or leased cars, other company vehicles and gas and oil used on site
- **Scope 2:** Electricity indirect emission sources are those that occur through buying in energy (electricity, steam, heat and cooling) from the grid or district heating or cooling systems
- **Scope 3:** All other indirect emission sources

Figure 3: GreenHouse Gas (GHG) protocol

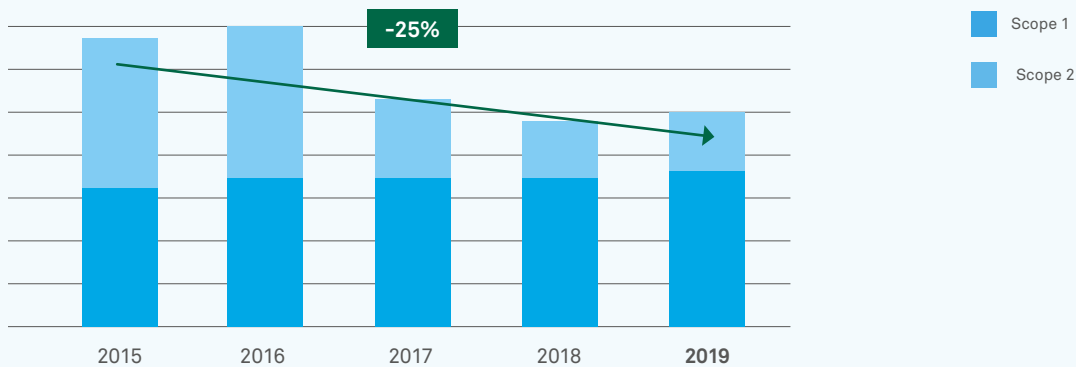


CO₂ emissions reduced by 25%

Aligned with Paris Climate Agreement - an agreement within the United Nations Framework Convention on Climate Change (UNFCCC), relative to greenhouse gas emissions mitigation, adaptation, and finance - Stahl has reduced its CO₂ emissions by 25% since 2015

(-18% per tons produced). Switching to renewable energy at European sites and investing in long-term energy efficiency equipment have been key contributors in this achievement.

Graph 1: Absolute CO₂ emissions since 2015



Data verified and validated by Deloitte.

Table 1: Scope 1 & 2 emissions

	2019	2018	2017	2016	2015
Scope 1	18,380	17,114	16,915	16,924	15,569
Scope 2	6,585	7,119	8,984	18,595	17,759
CO ₂ emission scope 1+2 (in tons)	24,966	24,232	25,898	35,519	33,152
CO ₂ intensity ⁽¹⁾	0,120	0,106	0,109	0,171	0,169

⁽¹⁾Scope 1 and 2 CO₂ emission / production volume

Data verified and validated by Deloitte.

Scope 3 GHG emissions

Scope 3 emissions have been calculated as per the GHG Protocol Corporate Value Chain Accounting and Reporting Standard. This calculation tool is designed to understand the full value chain impact of activities and helps to focus Stahl's efforts on significant sources of GHG emissions.

Purchased goods and services (category 1) represent the largest portion of the company's indirect emissions. This includes raw materials purchased and also office supplies, IT services and packaging.

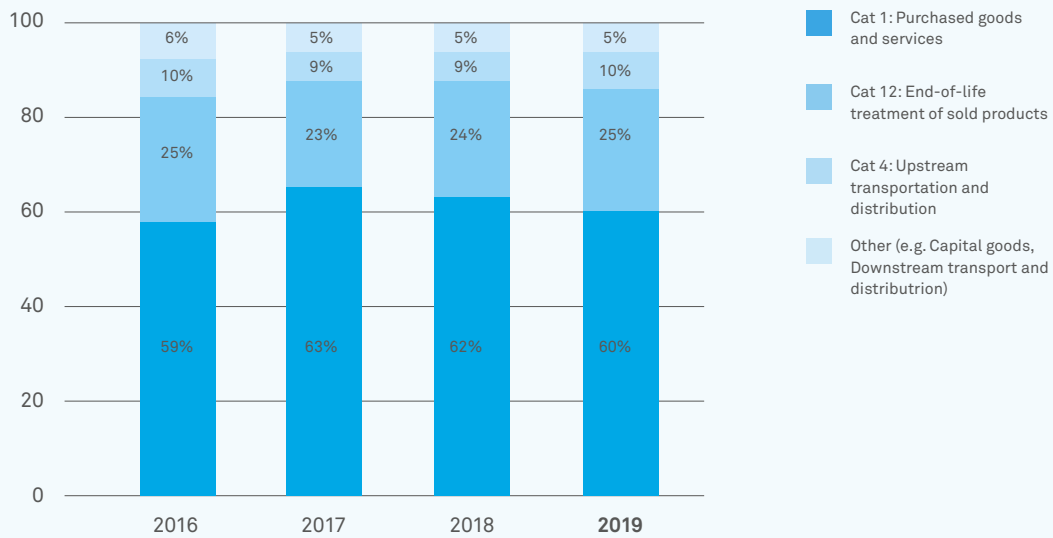
Table 2: Scope 3 GHG emissions

Scope 3: estimation of the other indirect emission sources (CO₂-EQ. X 1 million)

2019	2018	2017	2016
500-530	560-590	560-590	500-530

Data verified and validated by Deloitte.

Graph 2: Scope 3 GHG emissions per category



Data verified and validated by Deloitte.

Our renewable energy commitment

Using energy more efficiently and switching to renewable energy sources is essential for combating climate change. Upgrading our production sites and laboratory facilities helps Stahl to achieve energy efficiencies which, more importantly, improve our environmental footprint.

Stahl's energy consumption is the sum of electricity, gas, oil, steam, renewable briquettes and high speed diesel consumed at the manufacturing sites (see the pie chart on the next page). Energy is reported as the total energy consumed in terajoule (TJ) and per production volume: the energy intensity. Several energy projects are underway towards the goal of self-sufficiency and renewable energy sourcing. As production volume decreased in 2019 (due to softer demand), energy per ton produced slightly increased at the same time, while total energy consumption in TJ remained stable.



"Our site in Brazil has a self-generation method to obtain 50% of its energy from the sun. The energy is taken from the sun by solar panels and is injected directly into the company's electrical system."

Fabiano André Trein
Stahl Brazil

Table 3: Energy consumption	2019	2018	2017	2016
Energy (TJ)	380	380	390	319
Share of Renewable energy	35%	34%	34%	-
Total production volume	208,114	228,440	238,590	207,923
Energy intensity (TJ)*	0.00182	0.00166	0.00163	0.00153

Data verified and validated by Deloitte.

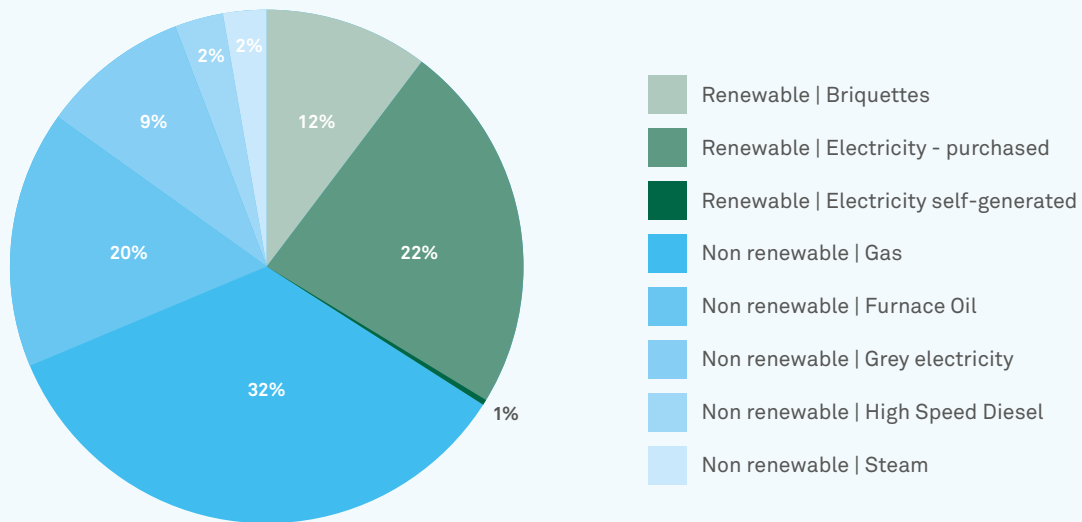
* Energy intensity = total energy consumption (TJ) / total production volume (kg)

Energy intensity: total energy consumed per production volume

The more you produce, the more energy you need. Therefore we report energy intensity, i.e.: total energy consumed (in TJ) / per production volume. In 2019 Stahl included more energy sources in our reporting (briquettes,

high speed diesel and renewable vs. traditional and grey electricity) and it introduced a distinction between renewable, traditional and grey electricity sources.

Graph 3: Stahl energy sources



Data verified and validated by Deloitte.

2. Water



QUICK FACTS

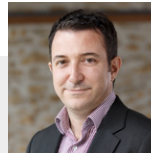
- Stahl consumed less water in 2019 because production volumes were slightly lower, but also because of continuing efficiency gains at its manufacturing sites
- In November 2019 Stahl hosted a sustainability seminar for our leather supply chain partners in China. This training included over 50 participants from 23 companies who came together with a common goal of reducing the environmental impact of the leather supply chain, including its water impact

Stahl uses water from its adjacent municipality sources and from groundwater. Water is required for 2 main purposes:

- Commercial products using water-based technology (where water replaces petrochemical-based solvents)
- Process water at manufacturing sites (cleaning tanks, pipes and for processing, heating & cooling), and utility water for labs and offices

Water is one of Stahl's strategic focus areas. The company dedicates significant resources to researching the reduction of water consumption, developing water-

based products and improving the quality of its own water effluent stream. On the commercial side, Stahl's purpose is to avoid water pollution linked to its products. The company invests significantly into projects and technology designed to reduce water consumption and effluent for its customers in the supply chain.



"The goal of the Kanpur cluster project is to reduce the volume of effluent water discharged into the Ganges up to 40% and persuade tanneries to introduce leather-making technologies and processes that have a lower environmental impact."

Tuncay Deriner
Managing Director IPB Region

Water KPIs

Stahl consumed less water in 2019 because production volumes were slightly lower but also because of continued efficiency gains at the sites. Water consumed per ton produced is stable versus previous years.

Table 4: Water consumption

	2019	2018	2017	2016
Water consumption (m ³)	330,649	344,922	370,855	355,041
Other water use (m ³)*	460,097	456,820	561,788	506,056
Total Water Used (m ³)	790,746	801,742	932,643	861,097
Total production volume (tonnes)	208,114	228,440	238,590	207,923
Water intensity**	1.588	1.510	1.554	1.708

Data verified and validated by Deloitte.

* Other Water use = Water in Palazzolo, in particular ground well water, is used for the processes but also as cooling water (for this reason we have high volumes of withdrawn water). This water (cooling water) is kept completely separated from chemical products and discharged into the river Seveso at controlled temperature.

** Water intensity is the amount of water used per tons produced = Water consumption (m³) / Total production volume (excluding Other water use).

Effluent-reducing technologies

In addition to a continuous investment in the on-site treatment of wastewater generated at our sites, Stahl has introduced effluent-reducing technologies to its product portfolios, like Proviera® - Probiotics for Leather™, Catalix® cationic polymers, water-reducing technologies like Stahl EasyWhite Tan™ and product portfolios like Stahl EVO® and Stahl Neo®, which are compliant to manufacturing restricted substances lists from initiatives like the ZDHC foundation.

Reducing water pollution with our partners

Stahl actively participates in public-private partnerships in India and Ethiopia to reduce water pollution. In India, Stahl has joined forces with the NGO Solidaridad and other partners to reduce pollution in the Ganges linked to the Kanpur Leather Cluster. In Ethiopia, Stahl, Solidaridad and CSR Netherlands initiated the Green Tanning Initiative, which introduces low impact leather-making and aims to create sustainable employment in the Ethiopian leather industry.

Stahl regularly organizes sustainability roadshows for stakeholders. These seminars focus on safety, health, housekeeping, chemicals management and technology best practices that reduce water pollution during the manufacturing process.

In November 2019 the company hosted a sustainability seminar for its leather supply chain partners in China. This training included over 50 participants from 23 companies who came together with a common goal of reducing the environmental impact of the leather supply chain. Stahl has hosted similar events in India, Pakistan and Bangladesh which included presentations from UNIDO, the Leather Working Group, Solidaridad and CLRI, and attracted an average of over 300 visitors per event.

3. Waste



QUICK FACTS

- Non-hazardous waste reduced by 286 tons
- Waste water sent to external treatment reduced by 1223 tons
- Initiated projects to eliminate single-use plastics at our sites around the world

Stahl reduces, improves and monitors waste at its manufacturing sites and is continuously upgrading its

production sites and laboratory facilities to further reduce waste and improve its environmental footprint. Stahl's policy includes waste management strategies that promote waste minimization, re-use, recovery and recycling, as appropriate. Waste reduction and finding useful outlets, especially avoiding waste, are important economically and environmentally. Stahl's ambition for waste and water is to achieve a high level of circularity, based on the principle that a closed loop system requires (no or less) resources, since 'waste' is input (raw material) instead of waste.



"At Stahl Ibérica, we replaced plastic bottles with glass bottles and have given each worker an individual cup and bottle. We removed plastic cups from drinking fountains and vending machines and replaced them with cups made from bamboo waste."

Maria Sirvent
Stahl Ibérica

Chemical waste can contribute to a circular economy

Stahl considers the disposal of waste as a last resort, preferring to see it and treat it as a by-product that contributes to other processes. Its manufacturing sites already have water treatment plants that reduce the amount of wastewater (classified as hazardous waste) sent to third parties for further treatment.

Wherever Stahl operates around the world, it tracks and reports the different types of waste generated. This includes production waste, waste from laboratories, packaging, cleaning water, glass, paper and plastic. This gives the company an insight into the possibilities for reducing, reusing, recycling, restoring and prolonging, as part of its circular economy commitment.

At multiple locations around the world, the company has begun initiatives to eliminate single-use plastics, and will continue until all possibilities have been explored and enacted.

Table 5: Waste generation	2019	2018	2017	2016
Hazardous Waste (tonnes)	11,302	10,962	10,538	9,748
Non-Hazardous Waste (tonnes)	1,521	1,807	1,584	1,476
Total Waste (tonnes)	12,824	12,769	12,122	11,224
Total production volume	208,114	228,440	238,590	207,923
Waste intensity*	0.062	0.056	0.051	0.054
Waste water sent to external treatment (tonnes)**	14,397	15,620	18,124	15,038

Data verified and validated by Deloitte.

* Waste intensity = Total waste (tonnes) / Total production volume

** This indicator only represents the Stahl sites in Waalwijk and Toluca. Waalwijk = cleaning water of tanks. Toluca = waste water that is collected from the production plant (cleaning of tanks, reactors and equipment in general) and also services (bathrooms and showers). The other sites have an on-site waste water treatment installation.

4. ESG Performance



QUICK FACTS

- Responsible Chemistry initiative launched, in which technology and product development activities are categorized into three levels of environmental impact reduction
- Introduction of new ZDHC compliant waterproof technology with 100% polymeric Densodrin® solutions
- Expansion of the Stahl Neo® portfolio
- 1200 products approved to Level 3 ZDHC Gateway

Much of Stahl's research and application development is focused on reducing the environmental impact of its products. In 2019, 18% of global R&D projects were linked to the elimination of restricted substances (e.g.: ZDHC, bluesign®, ChemIQ and Reach) and the new raw materials to replace them.

There are currently 20+ basic research projects focused on finding renewable carbon alternatives to petroleum-based polymers for polyurethanes, a core technology for Stahl.

Chemical Compliance

Stahl works closely with consumer brands in the supply chain to anticipate restrictions on chemical substances and act ahead of time. This means that our suppliers are made aware of the restrictions on substances contained

in the materials they provide. To give us a clear indication of whether restricted substances are present or within the limits of the MRSL, the company developed its own Compliance Checker.



Member of ZDHC

Stahl became a ZDHC Value Chain Affiliate in October 2016 and officially joined the foundation in its commitment to help lead the clothing and footwear industry towards its 2020 goals. A positive list of Stahl's ZDHC compliant products (over 1,200) are publicly available on the ZDHC Gateway portal.



bluesign® system partner

As a bluesign® system partner, Stahl focuses on replacing restricted substances in its products with alternatives that are compliant to the bluesign® substance list. Stahl achieved the bluesign® system partner status in 2017. bluesign® approved products are also visible on the ZDHC Gateway portal.



Social



WANT TO LEARN MORE?

[Stahl SHE policy](#) [↗]

[Occupational Health & Safety at Stahl](#) [↗]

[Employer vision](#) [↗]

[Stahl company culture](#) [↗]

[Learning at Stahl](#) [↗]

[Our CSR Policies and Statements](#) [↗]

[Stahl Code of Conduct for Business Partners](#) [↗]

[Anti-corruption at Stahl](#) [↗]

[Our trusted partnerships for social responsibility](#) [↗]

[Project Pollution Prevention and Efficient Water Use in Kanpur-Unnao Leather Cluster](#) [↗]

[Green Tanning Initiative in Ethiopia](#) [↗]

[Stahl Campus](#) [↗]

[Video: How a leather product is made](#) [↗]

[Video: Discover how our powder coatings can make a difference](#) [↗]

As a supplier of chemical products and related services, Stahl considers the health and safety of its employees as its primary responsibility. Its Zero Tolerance policy for workplace injuries is based on behaviour, awareness and reducing risk.

Road to Zero (R20) program & Zero Tolerance

Stahl's Zero Tolerance Policy defines unsafe behavior to ensure that people do not get injured at work. Stahl has always placed a strong focus on providing safe products to its clients and a safe working environment for employees and on-site contractors.

1. Occupational health & safety



QUICK FACTS

- In 2019 Stahl implemented new criteria for governing and reporting on SHE and process safety in order to reflect the occurrence of safety incidents more accurately
- Implementation of a new safety awareness campaign, called R20 (Road To Zero)
- Total recorded injuries frequency rate was reduced by 2.178 in 2019

All Stahl's activities, policies, monitoring, reporting and training are aimed at creating a true safety culture with zero injuries and accidents.

Stahl's Safety, Health and Environment (SHE) policy

The key principles of the SHE policy are:

- A strong safety culture across the organization
- Safety, health and environment as Stahl's priority
- Safety is more important than achieving a short-term result
- Implement best industrial practices, comply with all legal requirements
- Knowledge as the basis for all decisions
- Require employees to be trained in the safety skills required



The pillars of Stahl's R20 (Road To Zero) program are:

- A true safety culture is a mindset that prevails inside and outside the workplace
- A good safety record is achieved by the efforts of everyone
- The consequences of work-related injuries affect people's lives at home
- A zero-tolerance policy on unsafe behavior ensures people are not injured at work

Safety key performance indicators

To ensure continued improvement in the evaluation and prevention of risks, Stahl tracks safety indicators. Each month it reports injuries, incidents, audits, training, engineering projects and other prevention methods, both internally and to its shareholders.

Table 6: Safety KPIs	2019	2018	2017	2016
Total Recorded Injuries Frequency rate	5.444	7.662	6.641	7.261
Lost Time Injuries Frequency rate	1.134	1.035	1.771	1.613
Severity rate	0.031	0.018	0.059	0.016

Data verified and validated by Deloitte.

TRI = The total recorded injuries frequency rate is calculated as number of total recorded number of injuries in the last twelve months over total number of worked hours and referenced to a base of 1,000,000 h.

LTI = The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time in the last twelve months over total number of worked hours and referenced to a base of 1,000,000 h.

SR = The severity rate is the number of lost working days due to injuries in the last twelve months over total number of worked hours and referenced to a base of 1,000 h.

2. Attractiveness and talent retention



QUICK FACTS

- Implementation of the Employee Engagement Platform (EEP) in 2019
- 90 women in supervisory positions in 2019, 23.38 % of total supervisory positions
- 15.32 training hours per full-time equivalent (FTE) in 2019

Stahl believes that the future workplace will be defined by personalized solutions, wellbeing, safety and a focus on diversity. New generations already expect companies to “walk the talk” on environmental, social and governance topics. Rigid and complex hierarchies will be a thing of the past, and leadership will require emotional intelligence and cross-functional team skills. Organisations will become flatter, with more power devolved to teams. In order to prepare for this, Stahl is focusing on ensuring it remains attractive for all generations.

Attractiveness and talent retention

Activities in 2019 have been focused on talent retention and remaining attractive for potential and new employees.

- Focus on employee engagement, diversity management and equal opportunity
- Reinforce Stahl culture and DNA
- Transfer knowledge and information effectively within the company
- Hire and coach people in line with business goals
- Create an open, transparent and fair management style
- Emphasize the benefits of Stahl's truly international team

Employee engagement

Stahl's new Employee Engagement Platform (EEP) enhances the onboarding process for new employees, with efficient and effective learning tools and progress tracking for employee learning.



"We introduced a new Employee Engagement Platform, which enables each employee to participate in the most relevant training programs. It ensures that each employee gets the training needed to fulfill their responsibilities."

Sterrin Cremer
Stahl Holdings

Employment

The total number of employees (headcount) was 1,847 at 2019 year-end; 150 less than at the end of 2018. The reduction is linked to the completion of the complexity reduction project and reflects the consolidation of manufacturing sites in 2019, in Spain and India respectively.

The breakdown of FTE's (full-time equivalent) as of December 31, 2019 and the change compared to the prior year-end per region is as follows:

Table 7: Employment by region

	2019	2018	Change
EMEA	901.6	962.5	60.9
Asia-Pacific	384.0	387.0	3.0
India and Pakistan	274.0	317.0	43.0
North and South America	267.0	305.6	38.6
	1,826.6	1,972.1	145.5

Data verified and validated by Deloitte.

87.6% of employees are on permanent contracts. The Stahl workforce is 76% male and 24% female. These ratios are in line with the market for the activities and location in which they take place. Voluntary staff turnover rate in 2019 was 4.24% compared to 5.05% in 2018.

Equality, Diversity & Inclusion

Equal treatment is at the heart of the organization as it reflects a motivated, innovative and responsive workforce. Personality, education, age, nationality, gender, race and cultural diversity are critical for Stahl's leadership position. We believe that a diverse workplace allows employees who offer different ideas and perspectives to thrive.

Diversity and Inclusion principles are also embedded within Stahl's core leadership development programs to encourage managers to demonstrate them as part of their leadership behaviour. Cultural intelligence and equality is built into its performance reviews and the hiring and talent identification process.

Stahl tracks the ratio of male/female employees and the number of female employees in supervisory positions (employees with direct reports and/or holding a management position). In 2019 there were 90 women in supervisory positions, 23.38 % of total supervisory positions.

Training

Stahl encourages its employees to participate in training, be it workshops, e-learning, online courses or lectures. Every new employee receives updated training and instructions in line with their position. They are automatically included in the EEP e-learning and training modules for onboarding new employees. This is followed by more specific job-related training to ensure the best use of the information, resources, products and capabilities at their disposal. In the case of Stahl technicians, there is a strong emphasis on training designed to provide practical and innovative technical solutions for customers.

The number of hours received per employee in 2019 was 15.32 hours per full-time equivalent (FTE) compared to 22.30 hours per FTE in 2018*.

* Data verified and validated by Deloitte.

3. Ethical behaviour



QUICK FACTS

- Due diligence on the Stahl Code of Conduct for Business Partners - auditing selected suppliers on implementation
- Accounting procedures with best practices for prevention and detection of corruption for all Stahl locations around the world
- 90% of employees successfully completed new e-learning courses on bribery, corruption, modern slavery, diversity and equality

With its commitment to the guiding principles of the UN Global Compact, Stahl has aligned its strategy and policy with the universal principles of human rights, labour, environment and anti-corruption. Corruption is a major global issue that costs money and lives. It slows down economic growth and fuels poverty. Corruption hits poor people the hardest but while harm is often magnified in emerging nations, corruption does not recognize national boundaries: it can be unearthed anywhere.

Compliance with French and EU legislation

As a portfolio company of the Wendel Group, Stahl is subject to (and compliant with) French and EU laws on social compliance, like the Extra Financial Performance Declaration (EFPD), Duty of Care and Sapin II.

	Duty of care	Sapin II	EFPD
Social human rights	■		■
Health & safety	■		
Environmental protection	■		■
Corruption & Bribery		■	■

Anti-corruption and the Stahl Code of Conduct for Business Partners

Stahl expects its business partners to set the same anti-corruption standards as itself. Anti-corruption is part of Stahl's Code of Conduct for Business Partners, which states that the business partner must not use corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage.

The Stahl Code of Conduct also stipulates that the business partner abides by all applicable anti-corruption laws and regulations of the countries in which it operates, including all applicable international anti-corruption conventions. Stahl requires its business partners to either comply with or demonstrate equivalent ethical standards as those outlined in the Code of Conduct. Any deviations found can have an adverse effect on the relationship with Stahl, ultimately leading to an immediate discontinuation of the business relationship.

e-Learning anti-corruption and bribery for employees

Stahl introduced new e-learning on the risks of bribery, corruption, modern slavery, diversity and equality in 2019. Over 90% of new employees were trained and examined on this.

4. Public-private partnerships



QUICK FACTS

Stahl Campus® India (Kanpur) opened to support the Public Private Partnership focused on water pollution reduction in the Ganges river

Pollution prevention and efficient water use in India

The five-year project Pollution Prevention and Efficient Water Use in Kanpur-Unnao Leather Cluster is focused on reducing water pollution in the Kanpur leather manufacturing cluster and will contribute to the well-being of thousands of families in the local community in the tanning region as well as downstream along the Ganges river. Stahl established a Public Private Partnership (PPP) with Solidaridad, PUM and local stakeholders in the implementation of this project, which is also supported by the Dutch government under its Sustainable Water Fund (FDW).

Stahl's contribution to this project focuses on training and demonstrations at the tanneries and the Stahl Center of Excellence in Kanpur, the company has reached out to

more than 100 tanneries in the region. Training includes sessions on occupational health and safety, the storage, handling and use of chemicals, showcasing eco-friendly technologies and safe use of hydrogen sulphide (H2S) gas.

The project was presented to King Willem Alexander and Queen Maxima of the Netherlands on a 2019 visit to India, as part of a flagship initiative aligned to the Clean Ganga Mission of the Government of India.



"In India, we introduced our pickle-free technology which will enable tanners to reduce water consumption by up to 40% and work towards a more efficient tanning process."

Prasanna Maduri

Stahl India

Green Tanning Initiative in Ethiopia

The Green Tanning Initiative (GTI) project focuses on promoting responsible production practices in the leather supply chain in Ethiopia and facilitating market access for Ethiopia to the EU. The GTI project is a public-private partnership between Stahl, Solidaridad, CSR Netherlands (MVO) and local leather associations, and is supported by the European Commission.

The partners organized technical support to Ethiopian tanneries on cleaner production and safe working conditions. Representatives of 25 tanneries participated in an awareness raising workshop at the Stahl Campus® training facilities in The Netherlands, which included using the Leather Working Group's "Are Your Ready for an Audit" self-assessment tool and Stahl Campus® modules.

5. Stahl Campus®



QUICK FACTS

- In 2019, 396 university students attended our Stahl Campus® modules in China
- 842 people attended Stahl Campus® training courses around the world in 2019
- Automotive Leather Finishing Post Graduate Certificate course was held for the second time in Stahl Campus® Mexico

Stahl is committed to filling the talent gap observed in the markets that it serves by actively seeking ways to educate and train university students, NGOs, brands, suppliers, distributors, customers and other stakeholders in the supply chain. Stahl initiated Stahl Campus® - global knowledge centers - to achieve this, with the first center opened in 2014 in Waalwijk (Netherlands) & subsequently in León (Mexico) in 2015 and Guangzhou (China) in 2016. In 2019 the new Stahl Campus® Center of Excellence was opened in Kanpur, India.

The goal of Stahl Campus® is to promote good practices and transparency throughout the supply chain by hosting trainees in Stahl's state-of-the-art laboratories and strengthening knowledge via theoretical and practical training modules. Stahl Campus® is a key element of the company's strategy of promoting transparency throughout the supply chain.

In 2019, 842 people attended Stahl Campus® training courses around the world. Notably in 2019, the Automotive Leather Finishing Post Graduate Certificate course was held for the second time in Stahl Campus® Mexico - a six-week course (3 x 2-week modules held over the academic year) developed in collaboration with the University of Northampton (UK), in which students receive an official Post Graduate Certificate from the university upon completion. This 2nd course will be completed in June 2020.




"Stahl Campus® plays a vital role in the company and throughout the industry. Through Stahl Campus®, we share knowledge with our stakeholders and encourage younger generations to work in the industry."


Annelies Janssen-van Drunen
Global Stahl Campus® Manager

Governance

WANT TO LEARN MORE?

[Stahl Code of Conduct for Employees](#) 

[Stahl Diversity & Inclusion policy](#) 

[Stahl Policies and Statements](#) 

[Stahl Compliance Report 2018](#) 


[Stahl Code of Conduct for Business Partners](#) 


[Stahl Procurement Practices](#) 


[Stahl Code of Conduct for Employees](#) 

[Safety, Health and Environment at Stahl](#) 

[Stahl Statement on Modern Slavery](#) 

[Stahl Privacy Statement](#) 

[Our trusted partnerships for social responsibility](#) 


[Our memberships for shared commitments](#) 

[Our educational partnerships with universities](#) 

[United Nations Sustainable Development Goals](#) 

[Leather Working Group](#) 

[TEGEWA](#) 

[Stakeholder engagement](#) 

[Topics that matter – GRI materiality matrix](#) 

1. Stahl governance



QUICK FACTS

- The Stahl Board meets at least five times per year to discuss financial results and ESG-related topics
- Corporate Affairs and ESG is represented in Stahl's Senior management and Executive Management teams

The Stahl Board of Directors, its highest governance body, consists of members from its shareholders Wendel and BASF, the Stahl CEO and CFO plus two independent members. The Stahl Board meets at least five times per year to discuss financial results and ESG-related topics.

Stahl Board of Directors 2019

- Huub van Beijeren (Stahl CEO)
- Frank Sonnemans (Stahl CFO)
- Félicie Thion de la Chaume (Wendel)
- Jérôme Michiels (Wendel)
- Claude Ehlinger (Wendel)
- Bruno Fritsch (Wendel)
- Anup Kothari (BASF)
- Etienne Boris (Independent)
- Piet van der Slikke (Independent)

“Governance is the systems and processes that ensure the overall effectiveness of an entity – whether a business, government or multilateral institution.”

United Nations

Stahl Management team

The Stahl Management team, as of January 2020, consists of the Stahl CEO, CFO, COO, the director of R&D, director of Corporate Affairs and the Leather Chemicals and Performance Coatings strategic business unit directors respectively. This team meets monthly and determines the implementation of company strategy including the ESG roadmap.

Stahl Executive Control Group

A wider governance body, called the Executive Control Group, includes Stahl Management team members as well as Site Managers, Regional General Managers, Executives from the Strategic Business Units, and Marketing, Communications, ESG, IT, Legal & Compliance, Finance and SHE representatives. The Executive Control Group meets on a quarterly basis and reviews YTD (year to date) performance KPIs and decides on tactics for the upcoming business cycles.

Corporate Affairs and ESG

At the corporate level, ESG is represented in Stahl's Senior Management and Executive Management teams, which meet monthly and set the Company strategy. The Corporate Affairs and ESG team meets regularly with Finance, Legal Counsel, Product Managers, Researchers, Product Stewardship and Operations staff to monitor the implementation of its strategy and to discuss progress on new initiatives related to ESG performance. The ESG team also supports commercial activities initiated by customers that are related to sustainability. A summary report is sent to the Stahl Board each month. KPIs (key performance indicators) related to safety, health and environment are also measured and reported monthly by regional operational staff at the Stahl manufacturing sites around the world. These KPIs are consolidated into a global report, which is sent to the Stahl Board each month and are audited annually by a third party (Deloitte in 2019).

SHE (Safety, Health & Environment) governance

Each Stahl site has a dedicated SHE Manager responsible for ensuring that the organization is pursuing best practices. Being a SHE manager does not mean full responsibility for SHE: the responsibility is distributed throughout the organization and there is no job position without a degree of responsibility for SHE. The SHE Manager reports to the Local Manager and has the direct support of the Global SHE&PS Manager.

In 2019 Stahl reviewed and implemented new criteria for reporting and governing SHE and Process Safety. New KPIs according to industry best practices and criteria were defined. A systematic reporting system was put in place in order to analyze key factors on reported events and allow management to identify trends and take decisions based upon objective criteria.

The Stahl Hazard Identification and Risk Assessment Methodology (SHIRAM) was rolled out worldwide and became Stahl's standard methodology for risk assessment. This methodology has been designed to fit Stahl's operations and processes, and to integrate best practices for Risk Assessment and Management.

Stahl's Global Safety Performance and related KPIs are reported and monitored monthly and annually. The company tracks progress on safety indicators and reports different categories of injuries and incidents including lost time injury (LTI), first aid, medical treatment and irreversible injuries. Each month it reports injuries, incidents, audits, training, engineering projects and other prevention methods both internally and externally. The Safety reporting procedure is defined by Stahl's policy on SHE&PS, in which KPIs, criteria and reporting tools are defined.

2. Industry governance



QUICK FACTS

- ZDHC Gateway Level 3 conformance achieved for 1200 Stahl products
- bluesign® approval for 11 new products
- Introduction of Housekeeping and Chemical Management Modules to the Leather Working Group (LWG) protocol

The chemical industry is governed by public policies like Registration, Evaluation, Authorisation and Restriction of Chemical substance (REACH) in Europe, or Toxic Substances Control Act (TSCA) in the United States, but is also linked to broader regimes that govern climate change, biodiversity, environmental protection and prevention of corruption and modern slavery. Stahl is compliant to public policy on chemical substances and reports on its ESG activities according to UN Global Compact, GRI and OECD guidelines, among others. The recently implemented Stahl Modern Slavery policy, for example, is based on section 54 of the 2015 UK Modern Slavery Act.

Aside from public policy directives, Stahl's end markets are also governed by voluntary initiatives (often driven by brands and NGOs) that influence industry behavior, like the Leather Working Group (a protocol for auditing leather manufacturers on environmental stewardship) and the Zero Discharge of Hazardous Chemicals foundation - known as ZDHC - committed to eliminating identified substances from the clothing and footwear supply chain.

Stahl is an active member of these organizations and is involved with them at different levels throughout the textile and leather supply chains.



"Stahl decided to join the ZDHC program in 2016 because it shared a common goal of achieving a transparent supply chain in which stakeholders can take better decisions on their environmental and social impact."

Ingrid Weijer
ESG Manager

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. UNIDO's e-learning courses, designed to promote good practices and responsible chemical management in leather tanneries, are fully supported by Stahl and are promoted in the areas where it is needed. Stahl's sustainability seminars in India are conducted in conjunction with UNIDO and its e-learning courses on safety practices.

TEGEWA

Stahl is a member of TEGEWA ([German association of specialty chemicals for textile and leather treatment](#)), a group of chemical manufacturers supplying the leather, textile and paper industries. TEGEWA's purpose is to identify, review and make recommendations on topics relevant for the industry. Stahl is an active participant in the group, especially on topics related to chemicals management and the safety and health of workers who may be handling chemicals in the garment and footwear supply chain. The public private partnership launched in 2019 to promote safe handling of chemicals in the Bangladesh tanning district was initiated by TEGEWA members, including Stahl, as well as NGOs and local worker associations.

Memberships towards phasing out restricted substances

As confirmation of its commitment to eliminating the substances on acknowledged MRSLs, Stahl has been an active member of the ZDHC foundation since 2016 and has been a bluesign® system partner since 2017.

3. Diversity



QUICK FACTS

- In 2019, the Stahl board comprised of eight directors from five nationalities
- Diversity and inclusion principles are embedded in our leadership development programs

Stahl is committed to embedding equality, diversity and inclusion across the organization rather than viewing it as an abstract principle. Equal treatment is at the heart of the organization and we believe this will produce a more innovative and responsive organization. We also believe that there is much more to diversity than age, gender, race and cultural background. A diverse workplace allows employees who offer different ideas and perspectives to thrive.

“Good corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies.”

OECD

The Stahl board and management teams comprise of men and women from diverse backgrounds and many different nationalities (Dutch, German, French, Spanish, North American, Mexican, Indian, Chinese, Italian, Irish, Turkish).

Diverse Leadership development

Consistent with our growing leadership talent strategy, diversity and inclusion principles are also embedded within our leadership development programs to encourage managers to demonstrate them as part of their leadership behaviour.

4. Ethics & Compliance



QUICK FACTS

- Stahl has adopted governance policies covering health and safety, environment, human rights in order to mitigate risks linked to its employees, suppliers and customers
- Codes of Conduct are discussed monthly by the Management Team meetings and at quarterly Executive Control Group meetings
- Over 1,200 employees received governance compliance training in 2019

Stahl is committed to the guiding principles of UN Global Compact, the world’s largest Corporate Sustainability initiative. The UN guidelines are the foundation of its Code of Conduct for business partners. With this commitment the company confirms its alignment to the universal principles of human rights, labour, environment and anticorruption. This also means that activities are also being aligned with the principles of the UN Global Compact and the 17 Sustainable Development Goals (SDGs).

As part of the French investment company Wendel, Stahl is subject to French social compliance legislation, like Sapin II (transparency, anti-corruption and to modernization of the economy), Duty of Care and the European DIRECTIVE 2014/95/EU disclosure of non-financial and diversity information.

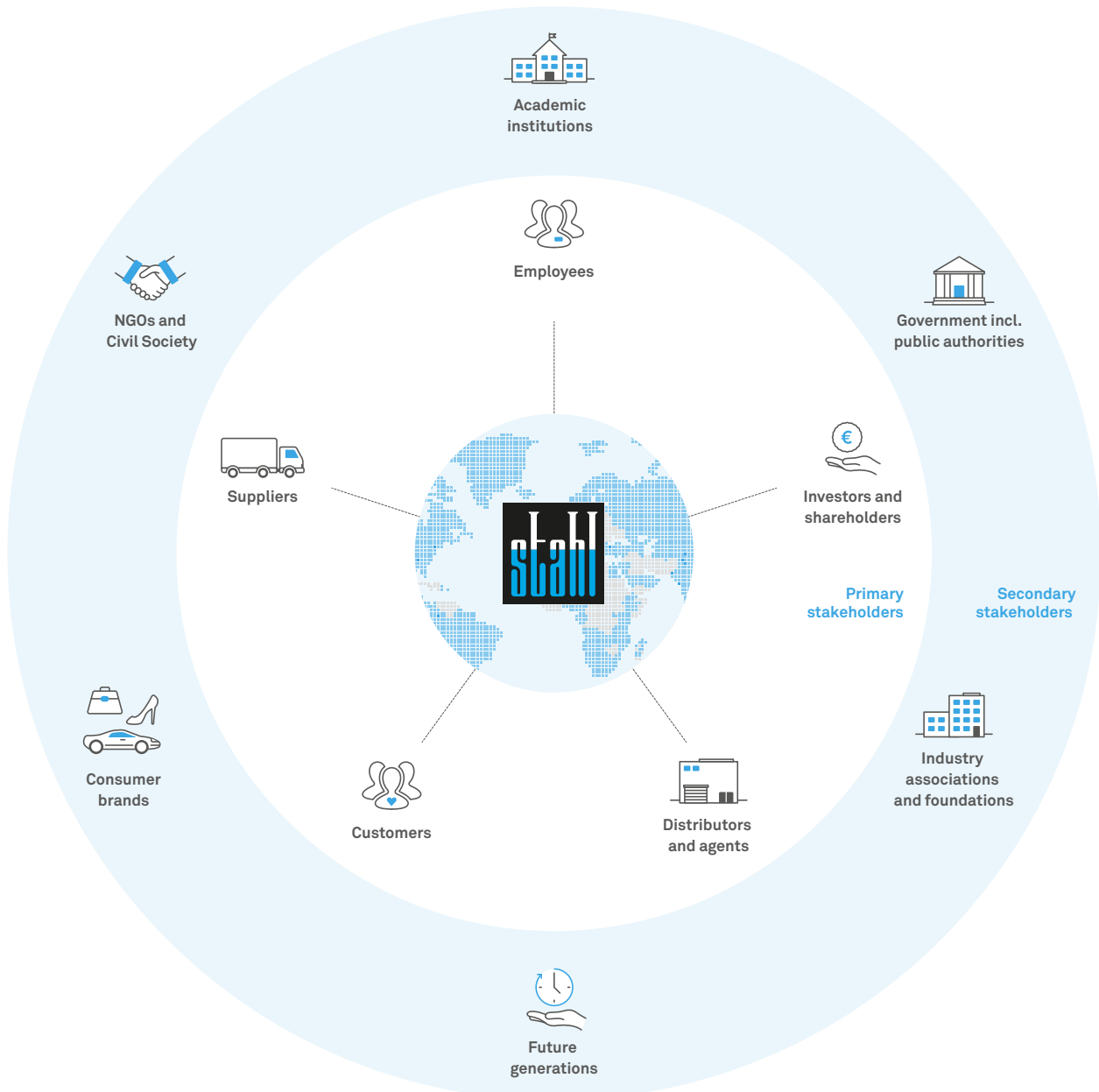
Stahl’s vigilance plan corresponds to the French law 2017-399 (March 2017) on Duty of Care. The vigilance plan identifies and aims to prevent the risk of serious violations of human rights and fundamental freedoms as well as harm to human health, safety and the environment. Stahl performed a review of the risk assessment and control policies within the scope of Duty of Care. This review covered the risks linked to its employees, suppliers and customers/external markets and the company has adopted governance policies covering health and safety, environment, human rights in order to mitigate the identified risks.

5. Stakeholder engagement

Stakeholder engagement means talking and interacting with people and organizations that are directly and indirectly impacted by Stahl. Understanding their needs enables the company to create a transparent and more resilient supply chain that further reduces its collective environmental and social footprint.

Transparent communication is used by Stahl to provide insight into the company for stakeholders. Soliciting stakeholder feedback also provides Stahl with an understanding of different perspectives on Stahl's business and the markets it serves. The figure below is a snapshot of the steps the company proactively takes to engage with its stakeholders.

Figure 4: Stakeholder engagement landscape

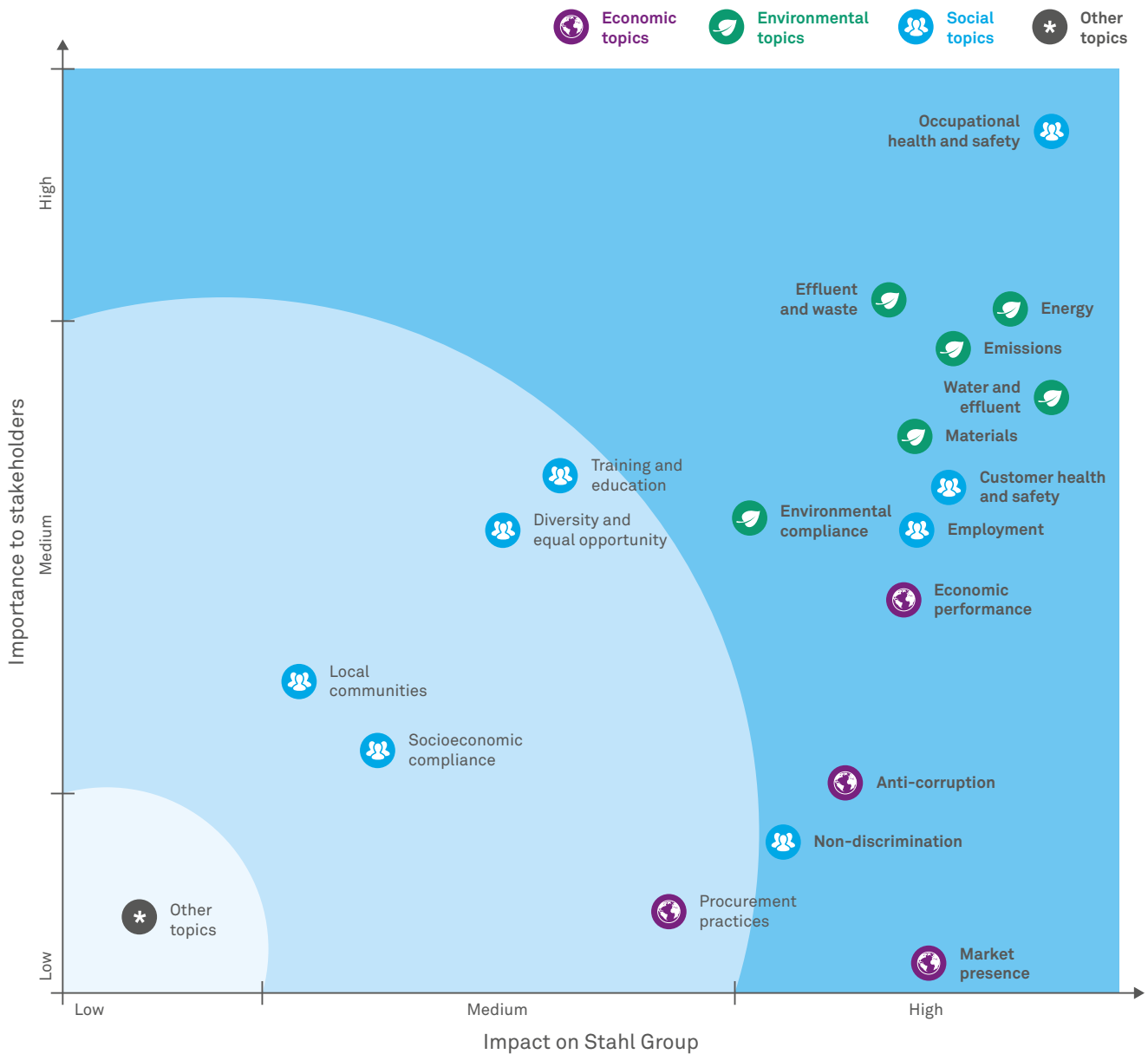


6. Topics that matter

Stahl employs a materiality matrix to ensure it is reporting on relevant ESG topics. It is based on recognized, internationally agreed, guidelines like the Global Reporting Initiative (GRI). The materiality matrix methodology ensures that the company addresses material topics for Stahl and its stakeholders.

This approach also ensures that the full scope of its activities are taken into account, from operations and supply chain to interactions with suppliers, customers, consumers, shareholders, government and NGOs. In short, the materiality matrix allows the company to identify the ESG topics that matter most.

Figure 5: Materiality matrix



GRI table / ESG data

The below table indexes the Stahl ESG Report 2019 against the GRI (Global Reporting Initiative) reporting guidelines and the UN Global Compact (UNGC). The ESG data in this report has been prepared in accordance with GRI G4 (core), based on self-declaration.



Disclosure Number	What to report?	Disclosed information	Source of evidence
102-14	A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	"Message from the CEO" in the 2016, 2017, 2018 and 2019 Stahl ESG/Sustainability Reports, referring to our goal of transparency and our strategy to achieve it. This strategy is frequently communicated to the press and in publications.	https://www.stahl.com/corporate-responsibility/policies-statements-reports/reports
102-1	Name of the organization.	Stahl Holdings B.V.	https://www.stahl.com
102-2	a) A description of the organization's activities. b) Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	a) To manufacture, sell and trade in chemical products like processing chemicals and finishing products for the leather tanning industry, and performance specialty coatings and polymers for industrial coatings markets. The company also provides services to these markets parallel to its commercial activities. b) Stahl uses two primary brands (Stahl and PielColor) to promote its products and services, and there are many product trademarks used within the portfolio (eg: PolyMatte®, Stahl EasyWhite Tan™, Catalix®, DryFast, Stahl EVO®, Stahl Neo®, PielColor Magic Line). See the Stahl Compliance Report for our guidelines and restrictions on trading in certain countries (section: Sanctions and embargoes).	Compliance report
102-3	Location of the organization's headquarters.	Stahl Holdings B.V., Sluisweg 10, 5145 PE Waalwijk, Netherlands, +31 416 689 111	https://www.stahl.com/global-contacts
102-4	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	We have manufacturing sites, labs and offices in 24 countries and are active (through ie buying & selling) in over 70 countries. The most important* countries are Argentina, Bangladesh, Brazil, China, Colombia, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, Pakistan, Singapore, Spain, Turkey and the USA. *Most important means where we do most business, especially the contact with clients, as well as the manufacturing of our products.	https://www.stahl.com/global-contacts
102-5	Nature of ownership and legal form.	Stahl's majority shareholder is the private equity Wendel Group (67.5% of shares). Other minority shareholders include Clariant and BASF.	https://www.wendelgroup.com/en/company/stahl
102-6	Markets served, including: 1. Geographic locations where products and services are offered; 2. Sectors served; 3. Types of customers and beneficiaries.	Automotive, Footwear, Apparel & Accessories, Architectural & Interior Design, Home furnishing, Industrial Application and Leisure & Lifestyle.	https://www.stahl.com
102-7	Scale of the organization, including: 1. Total number of employees; 2. Total number of operations; 3. Net sales (for private sector organizations) or net revenues (for public sector organizations); 4. Total capitalization (for private sector organizations) broken down in terms of debt and equity; 5. Quantity of products or services provided.	As of 31/12/2019: 1826,6 FTEs, 11 manufacturing sites, approximately 5,000 products. Net sales 2019: EUR 809 Million. Stahl Lux 2 SA (holding company) total equity is reported at EUR 174,3 Million, total liabilities EUR 800,408 Million.	
102-8	Total number of employees by employment contract (permanent and temporary), by gender. Total number of employees by employment contract (permanent and temporary), by region. Total number of employees by employment type (full-time and part-time), by gender. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). An explanation of how the data have been compiled, including any assumptions made.	As of December 31, 2019, the total number of employees (headcount) at 2019 year-end was 1847 which is a decrease of 150 employees compared to the end of 2018. Stahl had 1973 FTE's in 2018 and 1827 in 2019, an decrease of 146 FTE's. 87.6% of Stahl's employees are on permanent contracts. Its workforce is 76% male and 24% female. Total Full Time Employees (FTE) leaving (dismissals and resignations) during 2019 were 259 and 114 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 in 2018 was 8.71% (in 2018 it was 10.58%).	https://www.wendelgroup.com/Registration Document
102-41	Percentage of total employees covered by collective bargaining agreements.	Given the international set up of Stahl and the relatively small dimension of the local units, there are only two local company collective bargaining agreements in place. These are negotiated at local level with the direction and supervision from headquarters but are also centrally coordinated, to ensure Stahl remains competitive in the respective markets.	https://www.wendelgroup.com/Registration Document
102-9	A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	Stahl manufactures its products at its own manufacturing sites around the world or at outsourced locations via service agreements. Its suppliers are also chemical companies, and include most of the the major global chemical corporations. Clients that use our products are typically leather tanneries and converters of textiles and other synthetic materials.	
102-10	Significant changes to the organization's size, structure, ownership, or supply chain, including: 1. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; 2. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); 3. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	None	

102-11	Whether and how the organization applies the Precautionary Principle or approach.	While Stahl has not expressly formalized an approach to the Precautionary Principle, the company is effectively applying the principle with its proactive approach to transparency and sustainability. As an example, Stahl is actively eliminating several chemical substances from its product lines which are not yet regulated by law, but that we believe could be potential risks in the future. Stahl is also active in promoting transparency throughout its customers' supply chains, via initiatives that bring different players from the supply chain together to discuss and decide on environmental issues.	
102-12	A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	In the Sustainability Report we refer to UN Global Compact and UN 17 SDGs per chapter, where applicable. Where applicable, we promote and use the OECD guidelines, for instance for our transfer pricing policy.	
102-13	A list of the main memberships of industry or other associations, and national or international advocacy organizations.	Solidaridad, The Zero Discharge of Hazardous Chemicals Foundation (ZDHC), bluesign® system partner, The Leather Working Group, TEGEWA, University of North Hampton and Wageningen University	<p>Partnerships: https://www.stahl.com/corporate-responsibility/partnership/partners</p> <p>Memberships: https://www.stahl.com/corporate-responsibility/partnership/memberships</p> <p>Universities: https://www.stahl.com/corporate-responsibility/partnership/universities</p>
102-45	A list of all entities included in the organization's consolidated financial statements or equivalent documents. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	<p>Europe and Africa: Stahl Chemical Industries BV GMBH (in liquidation), Stahl France SAS, Stahl Chemicals Germany GmbH, Stahl Italy SRL, Stahl Lux 2 SA, Stahl Group SA (98.01%), Stahl Netherlands B.V., Stahl International B.V., Stahl Europe B.V., Stahl Treasury B.V., Stahl Holdings B.V., Stahl International Specialties Development B.V., Stahl Europe Application PC B.V., Stahl International Polymer Development B.V., Stahl International Compounding B.V., Stahl Parent B.V., Stahl Iberica SL, Stahl Investment Spain SL, Pielcolor SL, Stahl Performance Powder Coatings SL (84.0%), Stahl Switzerland GmbH, Stahl Kimya Sanayi ve Ticaret Ltd Sirketi, Stahl UK Ltd, Stahl Africa Chemicals Plc (in liquidation)</p> <p>North America: Stahl de México, S.A. de C.V., Stahl (USA) Inc., Stahl LLC</p> <p>South America: Stahl Chemicals Srl, Stahl Brasil SA, Productos Stahl de Colombia SA, Pielcolor Uruguay SA (in liquidation), Lidertime SA (in liquidation), Stahl Uruguay SA, Stahl Argentina SRL</p> <p>Asia: Stahl Coatings and Fine Chemicals (Suzhou) Co. Ltd, Stahl Leather Chemicals HK Limited (in liquidation), Stahl India Pte Ltd, PT Stahl Chemicals Indonesia, Stahl Japan Ltd, Stahl Korea Ltd, Stahl Pakistan (private) Ltd, Pielcolor Trading (Suzhou) Co. Ltd, Stahl Asia Pacific Pte Ltd, Stahl Taiwan Ltd, Stahl (Thailand) Ltd</p>	
102-46	An explanation of the process for defining the report content and the topic Boundaries. An explanation of how the organization has implemented the Reporting Principles for defining report content.	<p>Clients: The content is mainly focused on our clients and we aim to give them a very good overview of our company, our values and our performance.</p> <p>Shareholder: Through Wendel audits (by Deloitte) we are challenged to enhance the reporting for our shareholder, including the stringent French law requirements, such as Duty of Care and Sapin II.</p> <p>NGOs and universities: Through our memberships, partnerships and co-operation with NGOs and universities we learn their wishes with regards to strategic topics, transparency and reporting requirements.</p> <p>Other stakeholders: Through stakeholder engagement we enhance our reporting by means of the materiality matrix. We have published a materiality matrix since 2018, which was based on internal feedback on what topics matter (x-axis). For our stakeholders (y-axis), we investigated the materiality matrix that was available. We plotted the 33 GRI topics in a matrix. We show the topics that matter (medium and high) in our matrix.</p>	<p>https://www.wendelgroup.com/Registration Document</p>
102-47	A list of the material topics identified in the process for defining report content.	<p>All 33 GRI topics:</p> <p>Economic: Economic Performance, Market Presence, Indirect Economic Impacts, Procurement Practices, Anti-corruption, Anti-competitive Behavior.</p> <p>Environmental: Materials, Energy, Water and effluents, Biodiversity, Emissions, Effluents and Waste, Environmental Compliance, Supplier Environmental Assessment.</p> <p>Social: Employment, Labour/Management Relations, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labour, Forced or Compulsory Labour, Security Practices, Rights of Indigenous Peoples, Human Rights Assessment, Local Communities, Supplier Social Assessment, Public Policy, Customer Health and Safety, Marketing and Labeling, Customer Privacy, Socioeconomic Compliance.</p>	<p>https://www.stahl.com/corporate-responsibility/policies-statements-reports/reports</p>
102-48	The effect of any restatements of information given in previous reports, and the reasons for such restatements.	In case of a restatements in the ESG report linked to environmental data reported, we clearly explain what and why.	
102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	No significant changes, since we published the matrix in 2018.	
102-40	A list of stakeholder groups engaged by the organization.	Customers, owners/shareholders, NGOs, brands, suppliers, employees.	<p>https://www.stahl.com/corporate-responsibility/stakeholders</p>
102-42	The basis for identifying and selecting stakeholders with whom to engage.	Size, influence, frequency of engagement.	

102-43	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Our corporate strategy includes interacting with our stakeholders so we can better understand their perspectives and priorities when it comes to our company and the industries and markets in which we operate. Stakeholder engagement is central to our aim of creating a transparent supply chain that reduces our collective environmental footprint and includes transparent communications and continuous assessments of our operations with and by our partners.	https://www.stahl.com/corporate-responsibility/stakeholders
		<p>How we define our stakeholders</p> <p>Our stakeholders include employees, customers, governments, NGOs, industry associations, universities, communities and media. We are in constant contact with all these stakeholders about industry developments, our activities and services and other important topics, such as our Materiality Matrix.</p>	
		<p>How we involve our stakeholders</p> <p>We expect every Stahl location and business to engage with its stakeholders. These stakeholders are defined as people and organizations that may be affected by our actions, goals and policies, and which may impact us in the same way. We engage with them on an ongoing basis, and the following table provides a snapshot of the steps we take to form and maintain productive relationships with our key stakeholder groups.</p>	
102-44	Key topics and concerns that have been raised through stakeholder engagement, including: 1. How the organization has responded to those key topics and concerns, including through its reporting; 2. The stakeholder groups that raised each of the key topics and concerns.	No significant new topics have been raised during 2019. Proactively we engaged with the Leiden University in the Netherlands, who investigate how well our policy and strategy fits the ESG and CRS agenda of the major influential brands and companies. Their recommendation may include key topics and concerns.	https://www.stahl.com/corporate-responsibility/stakeholders/engagement-feedback
102-50	Reporting period for the information provided.	January 1, 2019 up to and including 31 December, 2019.	
102-51	If applicable, the date of the most recent previous report.	March 2020 (Sustainability report 2019).	
102-52	Reporting cycle.	The Stahl Sustainability Report is published each year in March.	https://www.stahl.com/corporate-responsibility/policies-statements-reports/reports
102-53	The contact point for questions regarding the report or its contents.	See back of the Sustainability report & on the website per relevant article or item	https://www.stahl.com/corporate-responsibility/policies-statements-reports/reports
102-54	The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: 1. 'This report has been prepared in accordance with the GRI Standards: Core option'; 2. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	'This report has been prepared, whenever possible, in accordance with the GRI Standards: Core option';	
102-55	The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. For each disclosure, the content index shall include: 1. The number of the disclosure (for disclosures covered by the GRI Standards); 2. The page number(s) or URL(s) where the information can be found, either within the report or in other published materials; 3. If applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	See (a) first column GRI reference numbers and (b) last column the links to documents where available or the source of the information.	
102-56	A description of the organization's policy and current practice with regard to seeking external assurance for the report. If the report has been externally assured: 1. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; 2. The relationship between the organization and the assurance provider; 3. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	The KPIs reported in the Responsible Operations section of this report have been audited and approved by an independent third party (Deloitte). The Sustainability report as a whole has not been assured by a third party.	https://www.stahl.com/corporate-responsibility/policies-statements-reports/reports
102-18	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social topics.	The Stahl Board, its highest governance body, consists of members from its shareholders Wendel, BASF, Stahl plus two independent members. The Stahl board meets five times per year and schedules additional conference calls to discuss any pertinent company matters, like the latest financial results.	
		<p>Stahl Board 2019</p> <p>Huub van Beijeren (Stahl CEO) Frank Sonnemans (Stahl CFO) Félicie Thion de la Chaume (Wendel) Jérôme Michiels (Wendel) Claude Ehlinger (Wendel) Bruno Fritsch (Wendel) Anup Kothari (BASF) Etienne Boris (Independent) Pieter van der Slikke (Independent)</p>	
		<p>The Stahl Management team, as of January 2020, consists of the Stahl CEO, CFO, COO, the director of R&D, director of Corporate Affairs and the Leather Chemicals and Performance Coatings strategic business unit directors respectively. This team meets monthly and determines the implementation of company strategy.</p> <p>A wider governance body, called the Executive Control Group, includes Stahl Management team members as well as site managers, regional general managers, executives from the strategic business units, and marketing, communications, ESG, IT, legal & compliance, finance and SHE representatives. The Executive Control Group meets on a quarterly basis and reviews YTD (year to date) performance KPIs and decides on tactics for the upcoming business cycles.</p>	

<p>102-16</p>	<p>A description of the organization's values, principles, standards, and norms of behavior.</p>	<p>External values: Stahl is committed to the highest standards of social and environmental responsibility and ethical conduct as described in the Code of Conduct. Stahl requires its business partners to comply with the same or at least equal ethical standards and operate in accordance with the principles in this Code of Conduct ('Code') and in full compliance with all applicable laws and regulations. Stahl expects suppliers and/or business partners to use a proactive approach in establishing and maintaining the standards set forth in the Code and conduct themselves with responsibility and integrity. The business partner states to agree to the conditions in the Code and acknowledges that any deviations found can have an adverse effect on the relation with Stahl including an immediate discontinuation of the business relationship. The business partner commits, in signing the Code, to all applicable legislation and regulations. The Code therefore forms an integral part of the agreement between the business partner and Stahl. To verify compliance with the Code, Stahl shall consult with the business partner from time to time. Stahl has the right to speak and to train employees of the business partner directly in order to fully comply with the Code. If this is deemed appropriate, Stahl can request that an audit can be conducted by a third party to be appointed by Stahl. The business partner states to fully cooperate in this investigation. Stahl expects his business partner to comply with the UN Global Compact Guiding Principles in the areas of human rights, labour, the environment and anti-corruption and wishes to emphasize the following specific areas of interest.</p> <p>Internal values: The Code of Conduct sets out Stahl general business principles that apply to all employees and all its subsidiary companies. 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 (as laid down in our Whistle Blower policy), they should promptly raise that concern with the Compliance Officer. Any concern so raised is addressed with discretion and respect.</p>	<p>2 Codes of Conduct (for Business Partners and for Employees). See also Stahl Compliance report.</p>
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Business partner Code of conduct

March 2020

1. Introduction

Stahl is committed to the highest standards of social and environmental responsibility and ethical conduct as described in the Stahl Parent B.V. ("Stahl") Code of Conduct. Stahl requires its business partners to comply with or demonstrate equivalent policies and standards and to operate in accordance with the principles in this Code of Conduct ('Code') and in full compliance with all applicable laws and regulations.

Stahl expects suppliers and/or business partners to use a proactive approach in establishing and maintaining the standards set forth in this Code and to conduct themselves with responsibility and integrity. The business partner is obliged to agree to the conditions in this Code and acknowledge that any deviations found can have an adverse effect on the relationship with Stahl, including an immediate discontinuation of the business relationship. The business partner commits, upon signing this Code, to all applicable legislation and regulations. This Code therefore forms an integral part of the agreement between the business partner and Stahl.

To verify compliance with the Code, Stahl shall consult periodically with the business partner either directly or through independent verification systems such as Ecovadis. Stahl has the right to speak with and train business partner employees directly in order to fully comply with the Code.

When appropriate, Stahl can request an audit be conducted by a third party to be appointed by Stahl. The Code obliges the business partner to fully cooperate in this investigation. Stahl expects its business partners to comply with the UN Global Compact Guiding Principles (see annex) on human rights, labour, the environment and anti-corruption and emphasizes the following specific areas of interest.

2. Ethical behaviour & integrity

Laws and regulation

The business partner operates in full compliance with international, national and domestic laws and regulations applicable to their business operations, and to obtain all necessary permits.

Business integrity

The business partner shall not engage in any form of corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. The business partner shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates including all applicable international anti-corruption conventions.

Free and fair competition

Stahl behaves openly and fairly in the marketplace. The business partner must value free and fair competition throughout the world and comply with anti-trust and competition laws.

Confidentiality

The business partner protects all confidential information provided by STAHL and its respective business partners.

Protection of Intellectual Property

The business partner shall respect intellectual property rights and safeguard customer information. The business partner shall manage technology and know-how in a manner that protects intellectual property rights.

3. Environment

Stahl is committed to protecting the environment, and environmental responsibility is at the core of how we operate. The business partner shall develop, implement, and maintain environmentally responsible business practices. The business partner shall respect the environment and comply with all (supra) national environmental, health and safety legislation and

regulations. The business partner shall conduct its business processes in such a manner that compliance is guaranteed. On top of legislative requirements, Stahl also encourages its business partners to support and promote good practices and high standards of environmental stewardship, in order to collectively reduce environmental footprints, fight climate change and achieve more transparency in our supply chains.

4. Social

Human rights

The business partner shall conduct their activities in a manner that respects human rights as per The United Nations Universal Declaration of Human Rights.

Discrimination

The business partner shall unconditionally respect all anti-discrimination conditions in (supra) national legislation and regulations.

Modern slavery

Modern slavery, or any form of forced or compulsory labour, is a violation of human rights. Stahl takes a strong stance against modern slavery and works to ensure high labour rights standards. Stahl condemns any form of modern slavery and child labour, and shall not participate in the trafficking, recruitment, or receipt of any persons, by means of threat or abuse of power. Stahl allows employees to resign from their position at any time. By behaving ethically and honestly with all its partners, Stahl is committed to ensuring that modern slavery does not occur elsewhere and strives only to do business with organizations who uphold similar principles.

Working hours

The business partner shall not force their employees to work excessive hours and shall comply with all (supra) national legislation and regulations concerning labour and labour conditions. In case employees are asked to work overtime, their extra work is compensated in line with local legislation.

Child and forced labour

The business partner shall respect all (supra) national legislation and regulations applying to child labour in line

with Convention 138 (Minimum Age) and Convention 182 (Worst forms of Child Labour) of the International Labour Organisation. The business partner shall not use work that is performed involuntarily under threat of penalty.

Health and safety

The business partner shall implement strict policies with the aim of creating an incident and injury free work environment. At all levels, the business partner will play an active role in identifying and rectifying unsafe (health) situations.

5. Governance

The business partner's highest governance body (e.g. the board of directors) is ultimately responsible for adherence to this Code and for compliance to relevant governance codes and guidelines. This body should also be transparent about the corporate governance structure of their organization and provide, when needed, sound reasons for any non-compliance to this Code (using the 'comply or explain' principle).

"Governance is the systems and processes that ensure the overall effectiveness of an entity – whether a business, government or multilateral institution." – United Nations

"Good corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies." – OECD

6. Grievances & whistleblower policy

Grievances and/or suspension of non-compliance to this code can be expressed through Stahl's whistleblower communications line: communications@stahl.com

Signature for compliance

Business partner CoC

Organization:

Name:

Title:


Place and date:

Signature:

Annex: Un global compact 10 principles

Stahl expects its business partner to comply with the UN Global Compact Guiding 10 Principles in the areas of human rights, labour, the environment and anti-corruption and wishes to emphasize the following specific areas of interest.

Ten principles of the UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption

- | | | |
|----------------------|--|---|
| Principle 1: | Support and respect the protection of internationally proclaimed human rights. |  |
| Principle 2: | Ensure that business practices are not complicit in human rights abuses. | |
| Principle 3: | Uphold the freedom of association and the effective recognition of the right to collective bargaining. | |
| Principle 4: | Eliminate all forms of forced and compulsory labour. | |
| Principle 5: | Abolish child labour. | |
| Principle 6: | Eliminate discrimination in employment and occupation. | |
| Principle 7: | Adopt a precautionary approach to environmental challenges. | |
| Principle 8: | Conduct environmentally responsible activities. | |
| Principle 9: | Encourage the development and diffusion of environmentally friendly technologies. | |
| Principle 10: | Fight corruption in all its forms including extortion and bribery. | |



Statement of continued support

Waalwijk, March 22, 2020

To our stakeholders,

I am pleased to confirm, for the 6th year in a row, our support of the below Ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. We adopted those core values in our Code of Conduct many years ago.

- Principle 1: Support and respect the protection of internationally proclaimed human rights.
- Principle 2: Ensure that business practices are not complicit in human rights abuses.
- Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: Eliminate all forms of forced and compulsory labor.
- Principle 5: Abolish child labor.
- Principle 6: Eliminate discrimination in employment and occupation.
- Principle 7: Adopt a precautionary approach to environmental challenges.
- Principle 8: Conduct environmentally responsible activities.
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Fight corruption in all its forms including extortion and bribery.

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

Your sincerely,

A handwritten signature in blue ink, appearing to read 'H.J.J. van Beijeren', written over a horizontal line.

H.J.J. van Beijeren
CEO
Stahl Holdings BV

A decorative pattern of overlapping diamond shapes (rhombuses) in a light gray color, covering the bottom half of the page.

stahl.com

Please do not hesitate to contact the ESG team if you have any questions or remarks about this report.

Stahl Holdings B.V.

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