

Stahl Statement on Modern Slavery

'No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms'
United Nations

It is essential for Stahl to conduct business with the highest level of integrity. In an ever-changing commercial, regulatory and compliance environment, we conduct business in an appropriate, ethical, and transparent way. This statement sets out the steps taken by Stahl to mitigate and eradicate the risk of Modern Slavery in its supply chain. This statement is prepared as per section 54 of the UK Modern Slavery Act 2015.

What is Modern Slavery?

Modern Slavery is any form of forced labor, prison labor, indentured labor, bonded labor, debt servitude, state imposed forced labor, child labor, and human trafficking, in which coercion, threats or deception are used to intimidate, penalize, or deceive workers, thereby creating situations of involuntary work and exploitation.

Stahl's Business and Supply Chain Overview

Stahl Parent BV and subsidiaries ("Stahl") is a customer-centric group that is a world leader in specialty coatings and treatments for flexible materials. Stahl's objective is to create customer value through superior customer service levels by providing outstanding service and on-time delivery of innovative and sustainable products while operating safely and in harmony with the environment.

Stahl operates 15 manufacturing sites in 11 countries, and it has 35 strategically located application laboratories, 9 Centers of Excellence and various sales support offices in 22 countries and employs approximately 2,200 people, many of whom are engaged in application engineering and research and development of new products and processes. Around fifty percent of its employees are in operations and just over one quarter of its employees are technical experts based at applications laboratories offering best-in-class, highly customized service to its global customer base. Commercial activities are managed via global business units and regional sales organizations, through direct sales and agency and/or distribution agreements. Stahl's registered headquarters is in the Netherlands. Stahl purchases from suppliers across the globe to meet the product and service needs of Stahl's operations (e.g. raw materials, bought in goods, packaging, logistics and other service providers).

Stahl's Position and Policies on Modern Slavery

Stahl's Position

Modern Slavery is a violation of human rights. Stahl condemns Modern Slavery and shall not participate in any form of Modern Slavery, such as 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 strives to ensure that Modern Slavery does not occur elsewhere in the supply chain, and only does business with organizations that uphold similar principles.

Stahl's Policies

General

Stahl is committed to the guiding principles of the UN Global Compact, the world's largest corporate sustainability initiative, and reports on these principles annually. With this commitment, Stahl confirms the alignment of its strategy and operations to the universal principles of human rights, labor, environment, and anti-corruption. Stahl's activities are also aligned with the 17 Sustainable Development Goals (SDG's) announced at the UN General Assembly in 2015, and reports on progress in its annual ESG Report.

UN Global Compact's Ten Principles

Stahl is committed to the UN Global Compact's Ten Principles and strives to conduct its business with the highest standards of integrity and ethical behavior. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption.

The Ten Principles are:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: Make sure that they are not complicit in human rights abuses
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: The elimination of all forms of forced and compulsory labor
- Principle 5: The effective abolition of child labor
- Principle 6: The elimination of discrimination in respect of employment and occupation
- Principle 7: Businesses should support a precautionary approach to environmental challenges
- Principle 8: Undertake initiatives to promote greater environmental responsibility
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Based on these Ten Principles, we implemented our Corporate Responsibility & Sustainability policies, among which the Stahl Human Rights Policy and the Stahl Codes of Conduct for employees and business partners.

Stahl Human Rights Policy

Stahl has a specific human rights policy, which clearly states (among others) that Stahl rejects any form of forced or compulsory labor. This statement focuses on Modern Slavery specifically.

Stahl Employee Code of Conduct

Stahl's Employee Code of Conduct reflects these high standards of integrity and ethical behavior. The Code of Conduct applies to all its employees. Every new employee is required to sign this Code of Conduct. Stahl clearly states that it condemns any form of Modern Slavery in its Employee Code of Conduct.

Stahl Business Partner Code of Conduct

Stahl expects that its business partners are committed to the same high standards of social and environmental responsibility and ethical conduct as Stahl requires from its employees. To this end Stahl implemented the Stahl Business Partner Code of Conduct reflecting these values in which a specific reference is made to Stahl's Modern Slavery position.

Stahl Hiring & Onboarding Policy

A specific reference to compliance with Stahl's Modern Slavery position is included in Stahl's Hiring & Onboarding policy.

Stahl Whistleblower policy

Stahl has a whistleblower policy under which all employees and all third parties can report any (suspicion of) non-compliance. Every new employee is required to sign the Whistleblower policy. Stahl

implemented an easy-to-use form on the Stahl website which can be used to report any concern by employees and/or third parties. This can also be done anonymously.

Certification and verification / audit

Stahl applies the following due diligence procedures and activities in order to prevent the occurrence of Modern Slavery.

Business Partner Due Diligence Procedure

The Business Partner Due Diligence procedure applies to selected business partners (a risk-based approach). The compliance behavior and integrity of the business partner is monitored via the Business Partner Due Diligence procedure, and it enables our employees to establish and maintain commercial relationships with reliable and ethical business partners. Part of this procedure is that the relevant business partners need to agree and sign the Stahl Business Partner Code of Conduct or, if the business partner has its own Code of Conduct, to provide a copy which Stahl validates. In the event that a business partner does not comply with the Stahl Business Partner Code of Conduct, immediate action is taken, including, if necessary, (immediate) discontinuation of the business relationship with that business partner.

Stahl Compliance Report

Each year, the extended leadership team of Stahl completes a Code of Conduct compliance questionnaire on the Code of Conduct for employees and business partners. The Stahl Annual Compliance Report, published on the Stahl website under Sustainable Development, summarizes this activity, and reports on non-compliance occurrences.

Supplier sustainability rating and on-site audits

Stahl monitors sustainability performance of relevant suppliers through the EcoVadis rating. The EcoVadis rating consists of thorough CSR assessment that covers Environment, Labor & Human Rights, Ethics and Sustainable Procurement topics, and is a recognized standard in the chemical industry. Following a risk-based approach, the selection of vendors that Stahl invites for an EcoVadis rating is based on the type of supplier (direct) and their yearly spend (above EUR 100k).

Stahl itself was awarded in August 2024 for the third consecutive year a Platinum rating by the sustainability rating agency EcoVadis. By the end of 2024 around 88% of Stahl's total direct purchasing spend (raw materials and packaging) and 61% of the total spend on logistics was covered by EcoVadis assessed suppliers (it is noted that with regard to the calculation of these percentages, the suppliers bases of the recently acquired Weilburger Graphics companies were not yet included).

Through the EcoVadis rating of its supply base, Stahl is able to identify suppliers that lack mature sustainability management systems and pose a higher sustainability risk. These higher risk suppliers become eligible for a 3rd-party-conducted, on-site audit focused on workplace conditions (including employee working hours, income and resting times). Based on findings of on-site audits, Stahl triggers a supplier engagement process to monitor key corrective actions at the suppliers' workplace. Stahl has the ambition to grow its supplier on-site audit program to ensure that no modern slavery happens in its supply chain.

Other actions

To detect possible Modern Slavery incidents, Stahl performed interviews with 28 staff members and 4 distributors around the world in 2024. The Chief Operating Officer also raised this topic during his visits of various Stahl sites. No Modern Slavery situations were observed during these visits, nor reported in the interviews. In incidental cases, where the salary deviated materially from market reference, this was addressed and corrected. In this respect, Stahl is proud to have received the Living wage certificate from the Fair Wage Network in July 2024.

Training on Modern Slavery relevant policies

Stahl provides a dedicated e-learning course based on its corporate compliance policies through its Employee Engagement Platform (EEP) when onboarding new employees. Some (refreshment) trainings are done by separate trainings for all employees (also done through EEP). The completion of these mandatory trainings by all employees is monitored by HR and the Chief Compliance Officer. As per the beginning of January 2025, the completion rate of the compliance e-learning trainings is as follows: Human Rights Policy (97% completed), Nepotism & Conflict of Interest policy (97% completed), Whistleblower policy (96% completed), Employee Code of Conduct (96% completed) and Disciplinary Action Policy (97% completed)

Furthermore, in 2024 the Stahl Group Chief Compliance Officer personally discussed Stahl's policy on Modern Slavery during compliance presentations given to various Stahl business groups and operating companies.

Internal Accountability

Stahl employees who violate the Stahl Employee Code of Conduct are subject to disciplinary action, up to and including termination of employment, in accordance with the Stahl Disciplinary Action policy. Stahl encourages the reporting of concerns and the protection of whistleblowers through the Stahl Whistleblower policy as mentioned above.

Final remarks

To the best of our knowledge, Stahl did not have any incidents relating to modern slavery in 2024. Stahl will continuously improve, develop, and strengthen its efforts to promote the UN Global Compact's Ten Principles, and this includes the elimination of all forms of forced and compulsory labor.

This statement constitutes the Stahl Statement on Modern Slavery for the financial year ending December 31st, 2024. This statement has been approved by the Board of Directors of Stahl Parent B.V.

Maarten Heijbroek
Chief Executive Officer