



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 all our interactions. In an evolving and ever challenging commercial and regulatory and compliance environment, we want to be prepared to adapt the way we work to ensure that we always conduct business in the most appropriate, ethical and transparent way. This statement sets out the steps taken by Stahl to mitigate and eradicate the risk of Modern Slavery and human trafficking 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 means any form of forced labor, prison labor, indentured labor, bonded labor, debt servitude, state imposed forced labor and human trafficking, where coercion, threats or deception are used to intimidate, penalize or deceive workers, thereby creating situations of involuntary work and exploitation. Modern Slavery is also associated with (the worst) forms of child labor.

Stahl's Business and Supply Chain overview

Stahl is the world leader in high-performance coatings and leather chemicals. Stahl specializes in providing products and services to manufacturers of leather, synthetics, textiles and other materials used in the automotive, garment, footwear and home furnishing consumer industries. As a manufacturer of chemical products, Stahl considers the health and safety of its employees to be its primary responsibility. Stahl is a role model for workplace safety, with a low accident frequency rate. Through its continuous improvement culture, Stahl also ensures that the impact of its activities on the surrounding ecosystems is limited.

Stahl operates 11 manufacturing sites, 38 technical service laboratory centers and 6 sales support offices around the world, employing around 1,830 people, and around 32% of whom are engaged in technical application activities. The operations are located in 27 countries, with its registered Head office in The Netherlands. The top ten countries*(i.e.: with the highest net sales), in alphabetical order, are Brazil, China, Germany, India, Italy, Mexico, South Korea, Spain, Thailand and the USA.

Stahl's standpoint and policies on Modern Slavery

Standpoint

Modern slavery, or any form of forced or compulsory labour, is a violation of human rights. Stahl takes a strong stance against any form of modern slavery. Stahl condemns 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 if they are forced in such a situation. By behaving ethically and honestly with all its partners, Stahl is committed to ensuring that modern slavery does not occur elsewhere and it strives only to do business with organizations that uphold similar principles.

Stahl's policies

Stahl is committed to the guiding principles of UN Global Compact, the world's largest corporate sustainability initiative, and reports on these principles annually. With this commitment, Stahl has confirmed 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, where desirable and relevant.

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 Code of Conducts for employees and business partners.

a) Stahl Employee Code of Conduct

Stahl's Employee Code of Conduct and whistleblower rules reflect these high standards of integrity and ethical behavior. The Code of Conduct and the whistleblower rules apply to all its employees. Every new employee needs to sign this Code of Conduct and whistleblower rules. Stahl specifically mentions Modern Slavery in its Employee Code of Conduct.

To ensure a high level of understanding of the risks of modern slavery and human trafficking and to give guidance on behavior, Stahl trains all relevant employees via e-learning courses on modern slavery, anti-bribery and corruption. To date [100%] of targeted employees have been trained.

b) Stahl Business Partner Code of Conduct

It is mandatory for business partners to sign the Stahl Business Partner Code of Conduct or, if the business partner has its own Code of Conduct, to provide a copy which we check. In the unfortunate event that the business partner does not comply with the Code of Conduct, immediate action is taken, including, if necessary, immediate discontinuation of the business relationship with such business partner. Stahl included specific wording on Modern Slavery in its Business Partner Code of Conduct.

Due Diligence Processes

In order to ensure the Modern Slavery is not taking place in its business, Stahl implemented the following due diligence procedure.

Business Partner Due Diligence procedure

Stahl implemented a Business Partner Due Diligence procedure for business partners. With this Business Partner Due Diligence Procedure the compliance-relevant behavior and the integrity of the (potential) business partner of Stahl is monitored and this procedure will assist our employees in establishing and maintaining a commercial relationship with reliable and ethical business partners.



Stahl Compliance Report (Codes of Conduct)

The Stahl Code of Conduct is structurally discussed during meetings with the respective business partners. Such discussions are confirmed in reports and/or e-mails. The Code of Conduct is also discussed during the Quarterly Executive Control Group meetings. Every year, the group directors, managing directors for the regions and local managers need to complete a Code of Conduct compliance questionnaire about the Code of Conduct with respect to employees and business partners. We refer to the Stahl Compliance Report as published on the [Stahl website](#).

Supplier audit protocol

In 2019 Stahl began due diligence on the Code of Conduct by auditing selected suppliers on its implementation. The scope of this due diligence auditing of suppliers will be amplified significantly in 2020 with the help of the Ecovadis ratings system, which is already used throughout much of the chemical industry supply chain. The Ecovadis assessment is a thorough CSR assessment that covers the elements of Environment, Labour & Human Rights, Ethics and Sustainable Procurement, and will amplify the understanding of the wider sustainability performance of our supply base in addition to the Business Partner Code of Conduct and Business Partner Due Diligence procedures.

Stahl continuously improves, develop and strengthens its efforts to promote the UN Global Compact's Ten Principles, including the elimination of all forms of forced and compulsory labor.

This statement constitutes the Stahl Statement on Modern Slavery for the financial year ending 31 December 2019. This statement has been approved by the Board of Directors of Stahl Parent B.V.

Huub van Beijeren
Chief Executive Officer