

# ESG roadmap to 2030

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Doing well by  
doing good

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- Climate change & climate resilience
- Water
- Stahl products
- Raw materials

## Environment (E)

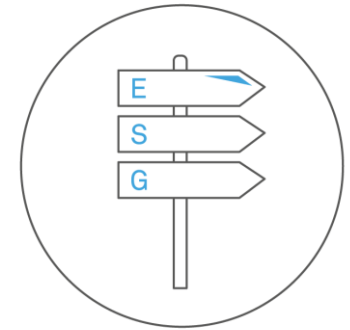
- Health and safety
- Human capital
- Human rights
- Societal commitment

## Social (S)

- Ethical behavior
- Diversity in leadership
- ESG incentives
- Supply chain

## Governance (G)

# ESG roadmap to 2030



At Stahl, we see our responsibility to participate in sustainable development not only as a duty to society but as an opportunity to do well by doing good. By embracing sustainable development – and going beyond minimum information disclosure requirements and regulatory compliance – we aim to deliver value to our employees, customers, suppliers, partners, shareholders and to society as a whole.

The ESG roadmap to 2030 sets out clear targets to achieve our sustainable development ambitions. These targets are aligned with the UN Sustainable Development Goals (SDGs). The roadmap uses metrics to track our progress toward achieving our goals.

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# ESG roadmap

ESG	ESG commitment	ESG area	2023 Target	2030 Target	KPI	UN SDG
Environment	1 - Continuously minimize direct environmental impact and carbon footprint	Environmental footprint - Climate change - CO <sub>2</sub>	Reduce CO <sub>2</sub> emissions scope 1 and 2	Reduce absolute scope 1 & 2 GHG emissions 42.0% by CY2030 from a CY2021 base year. The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.	Absolute CO <sub>2</sub> e emissions scope 1 & 2	GOAL 13: Climate Action
			Reduce CO <sub>2</sub> emissions scope 3	Reduce absolute scope 3 GHG emissions 25.0% by CY2030 from a CY2021 base year	Absolute CO <sub>2</sub> e emissions scope 3, category 1 purchased goods and services (which account for over 90% of scope 3 emissions)	GOAL 13: Climate Action
	Environmental footprint - Climate change - Energy	Renewable energy located at or near Stahl factories	Three sites using on-site renewable sources (minimum 20% of total energy)	Six sites using on-site renewable sources (minimum 20% of total energy)	Percentage of self-generated energy / total, energy intensity (per tons produced) and absolute	GOAL 07: Affordable and Clean Energy
	Environmental footprint - Waste	Less waste	Improve waste footprint (pending waste policy)	Improve waste footprint (pending waste policy)	Waste generated per site	GOAL 12: Responsible Consumption and Production
	Climate resilience and adaption	Climate change related risks and opportunities	Implement a Climate resilience and adaption plan	Pending the Climate resilience and adaption plan	Pending the Climate resilience and adaption plan	GOAL 13: Climate Action
	ESG Performance for products that integrate ESG based innovation	Safe chemistry (ZDHC) and improved water footprint	80% of Stahl portfolio for the footwear, garment & accessories segment to be ZDHC certified by 2023	100% of Stahl portfolio for the footwear, garment & accessories segment to be ZDHC certified by 2030	Number of Stahl products (% of total portfolio) at Level 3 ZDHC Gateway Conformance	GOAL 13: Climate Action
	Environmental footprint - Measuring	Environmental Impact data via Life Cycle Assessment (LCA) methodology	ISO 14044 LCA data for minimum 50 strategic products	ISO 14044 LCA data for minimum 300 strategic products	Number of strategic products with available LCA/LCI data	GOAL 13: Climate Action
	Environmental certification	ISO 14001 certification (environment)	ISO 14001 for all Stahl sites	ISO 14001 for all Stahl sites	Number of sites with ISO 14001 certification	GOAL 13: Climate Action



# ESG roadmap

ESG	ESG commitment	ESG area		2023 Target	2030 Target	KPI	UN SDG
Social	2 - Ensure a safe working environment and a diverse culture for our employees	Health and safety	Safe working environment (OHS) for Stahl employees and contractors at Stahl sites	Zero accidents, all Stahl locations & staff (including contractors)	Zero accidents, all Stahl locations & staff (including contractors)	TRIFR (total recordable injury frequency rate, LTIFR (lost time injury frequency rate), severity rate	GOAL 03: Good Health and Well-being
			Safe working environment (OHS) for Stahl employees and contractors at Stahl sites	Each year: 100% of Stahl employees trained in safety & health behavior and policies	Each year: 100% of Stahl employees trained in safety & health behavior and policies	Percentage of employees trained	GOAL 03: Good Health and Well-being
			Safety Compliance certifications - ISO 45001	ISO 45001 certification 2023-2030 all Stahl sites	ISO 45001 certification 2023-2030 all Stahl sites	Number of sites with ISO 45001 certification	GOAL 03: Good Health and Well-being
			Customer & Consumer Health and Safety	80% of Stahl portfolio for the footwear, garment & accessories segment to be ZDHC certified by 2023	100% of Stahl portfolio for the footwear, garment & accessories segment to be ZDHC certified by 2030	Number of Stahl products (% of total portfolio) ZDHC certified (Level 3 ZDHC Conformance)	GOAL 13: Climate Action
		Human Rights	Diversity, Equity and Inclusion (DEI) at Stahl	Each year: 100% of Stahl employees trained in diversity, equity & inclusion	Each year: 100% of Stahl employees trained in diversity, equity & inclusion	Percentage of employees trained in DEI annually	GOAL 10: Reduced Inequality
		Human capital	Talent attraction and retention, alignment between employee competencies and company needs	Introduction of the Employee engagement index	Employee engagement index	Turnover rate - resignations only. Employee engagement index	GOAL 08: Decent Work and Economic Growth
		3 - Consolidate Stahl's ESG leadership position by engaging with influential NGOs and IGOs	Societal Commitment	Commitments with external stakeholders to improve wellbeing in local communities via partnerships with associations, NGOs & sponsoring activities	Conclusion of Solidaridad-Stahl projects in Kanpur and Kolkata. One new relevant project with globally recognized IGO/NGO	At least two relevant projects with globally recognized IGO/NGO	Projects with a globally recognized NGO/IGO



# ESG roadmap

ESG	ESG commitment	ESG area		2023 Target	2030 Target	KPI	UN SDG
Governance	4 - Nurture diversity and inclusion to continuously improve employee skills and company attractiveness	Diversity in Leadership	Gender balance in leadership positions in Stahl	One female (minimum) member in the Stahl's Leadership Team	Gender balance (30-60% ratio)	Percentage men - women (30-60%) in Stahl management team	GOAL 05: Gender Equality
				25% (minimum) female representation in Stahl's Extended Leadership Team & Heads of function	Gender balance (30-60% ratio)	Percentage men - women (30-60%) in Stahl supervisory and managerial positions	GOAL 05: Gender Equality
			Independent membership on the Stahl Board of Directors	Continuous reporting of Stahl board members (gender and independence)	Continuous reporting of Stahl board members (gender and independence)	Number of independent members at the board of directors, excluding observers	All SDGs
	5 - Foster ethical behaviour by providing training and robust compliance programmes	Corruption and bribery	Adherence to the Stahl Code of Conduct, laws and policies in place, identification and reporting of incidences	Each year: 100% of Stahl employees trained in anti-corruption and bribery & 100% of the whistleblower cases treated	Each year: 100% of Stahl employees trained in anti-corruption and bribery & 100% of the whistleblower cases treated	Percentage of employees trained number of whistleblower cases treated	GOAL 03: Good Health and Well-being
	6 - Select and engage with suppliers based on recognized ESG standards	ESG performance - supply chain	Supplier performance on ESG topics and risks	External Rating for top 10 suppliers in EcoVadis: minimum rating of 60/100 (based on spend/€)	External Rating for all rated suppliers in EcoVadis: minimum bronze rating (based on spend/€)	EcoVadis rating of suppliers	GOAL 12: Responsible Consumption and Production
	7 - Promote a sustainable development mindset, to motivate employees throughout our organization	ESG Strategic priority	Link ESG objectives to Executive & Management incentive bonus plans	Incentive bonus plans to include ESG targets	Incentive bonus plans to include ESG targets	Bonus plan of Executive Control Group includes ESG objectives	All SDGs
ESG performance - supply chain		EcoVadis rating for Stahl	Maintain Platinum EcoVadis rating	Maintain Platinum EcoVadis rating	EcoVadis rating Stahl	All SDGs	

# About the ESG Roadmap

## Roadmap structure

The ESG roadmap is organized according to Stahl's seven ESG commitments, which fall under the three ESG areas: Environment, Social, and Governance. For each commitment, targets and supporting KPIs, for 2023 and 2030s, are defined.

## ESG commitments

1. Continuously minimize direct environmental impact and carbon footprint.
2. Ensure a safe working environment and a diverse culture for our employees.
3. Consolidate Stahl's ESG leadership position by engaging with influential. NGOs and IGOs on responsible chemistry, positioning ourselves as a trusted and knowledgeable partner.
4. Nurture diversity and inclusion to continuously improve employee skills and company attractiveness.
5. Foster ethical behavior by providing training and robust compliance programs.
6. Select and engage with suppliers based on recognized ESG standards.
7. Promote a sustainable development mindset, to motivate employee throughout our organization.

## Targets

The ESG targets listed in Table 1 have been agreed following consultation with multiple functions and departments including Operations, Sales, HR, SH&E, R&D, Procurement, Finance, and Legal & Compliance. The targets have been agreed by Stahl's senior management.

## Key Performance Indicators (KPIs)

To track our progress, KPIs have been established for each of the agreed targets and are listed in Table 1. Many of these KPIs have been in place for several years while some were established recently, to track our progress with regard to more aspirational goals like gender balance, renewable feedstocks and ZDHC compliance.

## UN Sustainable Development Goals (17 SDGs)

Each target in Table 1 is directly aligned with one of the 17 UN Sustainable Development Goals (SDGs). This reaffirms our commitment to the UN Global Compact and its objectives.



## ESG roadmap reporting

We will report on progress on the ESG roadmap in the [annual ESG report](#).

# About Stahl

Stahl is the world leader in leather chemicals and high-performance coatings and polymers. With our registered headquarters in Europe (The Netherlands), we specialize in providing products and services to manufacturers of leather, synthetics, textiles and other materials used in the automotive, garment, footwear, luxury bags and home furnishing consumer segments.

By fostering transparency and working to improve our environmental impact, we have helped to protect the communities in which we operate. Building on our track record of collaboration and co-creation, we aim to embrace new technologies and enter new sectors to create solutions that meet the demands of our changing world. In doing so, we will continue to champion human rights, inclusion and diversity, and the safety of our people.

## Our strategic journey

With our world facing a series of pressing environmental challenges, the chemical industry can play a key role in enabling high living standards within planetary boundaries. By working together, organizations across the industry can improve the quality of its products and services, helping to shape a better world for more people.

As we look to the journey ahead, we have identified four areas of strategic importance:

- Digital transformation
- Open innovation
- Renewable feedstocks
- Sustainable development

By applying our focus and efforts to these areas and working with partners throughout the value chain, we will raise the bar and deliver more value for our employees, customers, partners, investors, and society at large.

