



Stahl Statement on Modern Slavery

The Stahl Group (“Stahl”) conducts its business with the highest standards of integrity and ethical behavior. This statement sets out the steps taken by us to mitigate the risk of slavery and human trafficking (“Modern Slavery”) in our supply chain. This statement is made in relation to section 54 of the UK Modern Slavery Act 2015.

1. Stahl’s Business and Supply Chain overview

Stahl Lux 2 SA is the parent company of the Stahl Group with its Headquarters in the Netherlands. As of 1 January 2018, we employ over 2,000 employees at 13 Manufacturing Sites and 41 technical service laboratory facilities and sales support offices in 24 countries. Global presence, knowledge and commercial excellence makes us a leading player in the field of process chemicals for leather and other substrates for the automotive (and other transportation), industrial application, interior design, leisure & lifestyle and apparel & accessories industry amongst others. Stahl’s Business is divided in the following areas: Wet-End Chemicals & Dyes, Leather Finish, Automotive Leather Chemicals and Performance Coatings & Polymers.

In 2017 the Stahl Group reported net sales of EUR 733 mln.

The Stahl Group has manufacturing sites in Brazil, China, France, Germany, India, Italy, Mexico, The Netherlands, Singapore, Spain and the USA. The procurement team is led by the group director of Procurement. Local purchasing managers report to the global team. The global procurement team sets and monitors the purchasing strategy, selects suppliers and negotiates the prices for the Stahl Group globally. Local sites may take responsibility for procurement in case of certain small volumes, which is monitored by the global team.

Stahl has sales support offices/representatives offices, application labs and warehouses around the world to support the sale of its products and services

2. Stahl’s Policy on Modern Slavery

Modern slavery, or any form of forced or compulsory labour, is a violation of human rights. We take a strong stance against modern slavery. We condemn 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. We allow employees to resign from their position at any time. By behaving ethically and honestly with all its partners, we are committed to ensuring that modern slavery does not occur elsewhere and strives only to do business with organizations who uphold similar principles.

We commit to the UN Global Compact's Ten Principles and strive 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.

We implemented a Code of Conduct and Whistleblower rules reflecting these high standards of integrity and ethical behavior, plus we appointed a Compliance Officer. The Code of Conduct and Whistleblower rules apply to all to its employees. These Code of Conduct and Whistleblower Rules are distributed through the local HR departments. Every new employee needs to sign this Code of Conduct and Whistleblower rules.

We pay close attention to the companies with whom we cooperate, such as agents, distributors and suppliers. We require these business partners to sign the Business Partner Code of Conduct or, if the business partner has its own similar Code of Conduct, to provide a copy of such Code of Conduct. In the unfortunate case that the business partner does not comply with the Code of Conduct, we can, if necessary, immediately discontinue the business relationship with such business partner.

In the fourth quarter of 2017, we amended the Stahl Code of Conduct for our employees and business partners adding more specific wording on Modern Slavery.

3. Due diligence Processes for Modern Slavery

The Stahl Code of Conduct is regularly 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 respective business directors and local regional 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 www.stahl.com.

To ensure a high level of understanding of the risks of modern slavery and human trafficking and to give guidance on behavior, we train all relevant Stahl employees via e-learning courses on modern slavery, anti-bribery and corruption. 1,100 employees have been trained to date, which is 97% of the targeted employees.

In 2018 we will start a pilot project to introduce a supplier audit protocol based on the risks associated with modern slavery, bribery and corruption.

We will continuously work to further develop and strengthen our efforts to promote the UN Global Compact's Ten Principles, including the elimination of all forms of forced and compulsory labor.

This statement has been approved by our Board of Directors.



Huub van Beijeren
Chief Executive Officer

