Group Sustainability Reporting

TFL International GmbH – Rheinfelden, Germany
31st December 2025

TFL – Great chemicals. Excellent advice.

SUSTAINABLE DEVELOPMENT GOALS

Building a better future for people and our planet

17 GOALS. ONE PLANET. A BETTER FUTURE.

Contents

TFL AT A GLANCE IN **2025**

EMPLOYEES

855

24% female
76% male

7

PRODUCTION SITES

COMPLETION RATE OF TFL COMPLIANCE PROGRAM

100%

CO_2 (SCOPE 1/2) EMISSIONS UP

+8%

LEVEL 3 ZDHC- CERTIFIED RELEVANT PRODUCTS

Ø ZDHC 100%

TOTAL WATER WITHDRAWAL

+3%

REVENUE WITH PRODUCTS WITH BIO-BASED CONTENT OVER 50%

3,7%

+5%

ENERGY CONSUMPTION UP

ACCIDENT FREQUENCY RATE

0.53

Introduction

The General Managers of TFL International GmbH are pleased to present the fourth Sustainability Reporting of TFL Group.

Sustainability is a key strategic theme for TFL and is widely seen as a driver for growth and value as well as an important element of risk management. Considering the Corporate Sustainability Reporting Directive introduced by the European Union, TFL has decided to adopt some of the disclosure requirements early. The information provided in this report has been extracted from TFL's consolidated financial statements and group management report as of 31st December 2025 and covers the years 2025 and 2024.

Sustainability reporting requirements are currently changing at national, international, and sector-specific levels. TFL is monitoring these developments closely.

We hope that you will find the information provided useful and that the following pages will give you an interesting insight into TFL's sustainability topics.

Rheinfelden, 27th July 2026

TFL International GmbH
General Managers (Geschäftsführer)

Samer Al Jabi David Blatch Sandra Schneider

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The TFL Group is
a leading provider of products
in the leather chemicals industry.

Company overview

Sustainability goals and strategy

According to section "5. Services" of Annex II of the Environmental Delegated Act (i.e. Climate Objective 4, "The Transition to a Circular Economy"), the manufacturing of leather is an economic activity that supports the transition to a circular economy in the context of the EU taxonomy for sustainable activities. TFL considers responsibly manufactured leather as a sustainable material. Farmers do not raise cattle for their hides to turn into leather as the value of a hide represents only a very small portion of the animal's total value but raise cattle for their meat or milk. Therefore, hides are a by-product of the meat and milk industry that – if not turned into leather – would result in millions of tons of waste every year, going into landfill or being burned. Instead, the hides are "upcycled" and turned into leather, a high-performing, time-less, elegant, versatile and long-lasting material. Sustainably manufactured process chemicals that enable a resource efficient tanning and finishing process as well as competent advice on how to employ those chemicals are a crucial factor, and this is where the TFL Group has its role.

The ELT ("Executive Leadership Team") considers sustainability as a key strategic theme for the TFL Group and a driver for growth and value as well as an important element of risk management. Sustainability is firmly anchored into the organization. It is not the responsibility of any single function or department, but it is the responsibility of all functions to address, manage and drive sustainability-related matters.

In the year 2022 TFL has defined the following sustainability goals:

- Completion rate of the TFL compliance program by relevant employees of 100% each year
- Reduction of lost time accidents (accident frequency rate = AFR) to < 0.40 per year in 2023 to 2025 and < 0.30 per year in 2026 to 2030 and a long-term AFR of zero
- Reduction of direct and indirect greenhouse gas emissions (scope 1/2) per kg produced by 20% until 2028 and by 50% until 2033 (compared to 2021) and carbon neutrality until 2040
- ZDHC gateway level 3 certified products as a percentage of the relevant global portfolio of 100% each year
- Increase of gross sales of products with a bio-based content of 50% or higher in the global portfolio as a percentage of the Group`s gross sales of 2 percentage points each year

To pursue these goals, TFL has identified a number of key initiatives:

- Reduce energy usage, also by re-assessing the concentrated liquid format vs. powder format product mix, and shift to green energy
- Focus R&D activities on innovating new bio-based solutions and on replacing or reducing fossil materials in the existing product portfolio
- Effectively communicate and explain the sustainability cycle of leather as a material to the industry and to the consumer

Material issues

TFL has started to perform a materiality analysis under the double materiality concept in 2022. The double materiality concept is based on the fact that an issue can be material from both a financial and a non-financial perspective. It means that on the one hand TFL has to manage the impacts of environmental and social issues on its financial performance and business value. On the other hand, TFL has to manage the impacts of its business activities on people, society and the environment. TFL has identified the following material issues:

- Compliant business conduct
- High-performing employees
- Health and safety
- Sustainable production sites
- Sustainable product portfolio
- Purpose-driven industry relations and advocacy activities

The below chapters describe how TFL is addressing these material issues.

TFL supports the United Nation's Sustainable Development Goals ("SDGs") and evaluates its contributions to achieving them. TFL has identified the key SDGs for the Group and has included references in the below chapters.

In the year 2025 TFL was awarded with the EcoVadis bronze medal for its sustainability management system, ranking within the top 35% of assessed companies.

Business conduct

TFL's mission is to be a good citizen for society – safe, clean and compliant.

TFL is committed to conducting its business in compliance with all applicable laws and company rules and requires all its managers, employees and third parties to act accordingly. To achieve this, the Group has established a comprehensive Compliance Program aiming at the prevention and detection of violations of law and company rules and, where required, the implementation of corrective measures for the avoidance of future violations.

The Global Compliance Officer is responsible for the overall implementation, monitoring and coordination of the Compliance Program. He plans, performs and supervises regular audits and leads investigations. He has in this respect the authority to give instructions to every member of the Compliance Organization, which is comprised by the local Directors of TFL's subsidiaries, the ELT and the external Ombudsman. The Global Compliance Officer reports to the ELT but is independent in performing investigations and audits. In the event of significant compliance violations, management is informed immediately and in detail by the Global Compliance Officer. Additionally, internal audits and external insurance appraisals contribute to the assurance of compliance of the Group.

TFL's Business Conduct Guidelines are the key element of the Compliance Program and an integral component of TFL's corporate culture. They are a set of basic rules of legal, business and ethical standards to which the TFL Group commits. The Business Conduct Guidelines define TFL's social responsibility and represent the standards which management, employees and all contractual partners of the TFL Group shall follow to protect the reputation of TFL as a well-respected company in the market that conducts its business ethically, fairly, honestly, and in full compliance with all laws and regulations. Amongst other topics, TFL's Business Conduct Guidelines cover anti-corruption, money-laundering, data privacy as well as environmental, competition and labor law. Furthermore, they contain procedural rules that provide concrete directions on business behavior for topics such as sponsoring, donations and gifts.

All existing employees globally are trained in the Compliance Program and its associated detailed Business Guidelines. New employees are trained as part of their on-boarding through online compliance sessions. In doing so, TFL contributes to the SDG 16 – Peace, Justice and Strong Institutions.

TFL monitors key quantitative indicators through its internal compliance program. The target of 100% completion of the TFL compliance program by all relevant employees was fully achieved in both 2025 and 2024. Relevant employees include all TFL employees except those assigned to direct labor cost centers.

TFL maintains established whistleblowing channels and an external Ombudsman system for reporting potential noncompliance, including allegations of corruption or bribery. All reported allegations are investigated in line with internal compliance procedures. During the reporting period, no substantiated cases were identified.

TFL's goal of a completion rate of the compliance program by relevant employees of 100% each year has been achieved in 2025. There were no allegations received through the whistleblower channels that were confirmed as a result of internal investigations.

TFL's mission is to be a safe and attractive place to work for its employees.

Employees

TFL's mission is to be a safe and attractive place to work for its employees. Well-qualified and highly motivated employees are the prerequisites for the Group to achieve its financial and non-financial goals. Consequently, TFL is focusing on the following key points:

- Develop talent globally and at all hierarchical levels by providing interesting (cross-border) career opportunities as well as internal and external trainings
- Retain talent by providing competitive compensation (including retirement benefits), career opportunities as well as fostering a good corporate culture
- Boost (cross-functional) collaboration and communication
- Increase diversity in terms of gender and age (also considering upcoming retirements and succession planning), meanwhile the Group is already very diverse in terms of nationalities and cultural backgrounds

Employee structure

At the end of 2025, TFL Group employed a total of 855 employees that in the following table are broken down by region, gender and age:

	Europe	Asia	Americas	Total
Female	97	77	32	206
Male	231	343	75	649
Total TFL employees	**328**	**420**	**107**	**855**

	Europe	Asia	Americas	Total
Age group < 30 years	24	26	15	65
Age group 30–49 years	142	263	59	464
Age group ≥ 50 years	162	131	33	326
Total TFL employees	**328**	**420**	**107**	**855**

At the end of 2024, TFL Group employed a total of 914 employees that in the following table are broken down by region, gender and age:

	Europe	Asia	Americas	Total
Female	114	80	30	224
Male	280	328	82	690
Total TFL employees	**394**	**408**	**112**	**914**

	Europe	Asia	Americas	Total
Age group < 30 years	35	27	16	78
Age group 30–49 years	174	264	62	500
Age group ≥ 50 years	185	117	34	336
Total TFL employees	**394**	**408**	**112**	**914**

The Group uses the services of temporary workers, the majority of them supporting the production operations in India:

	2025	2024
Europe	15	9
Asia	108	85
Americas	-	1
Total temporary workers	**123**	**95**

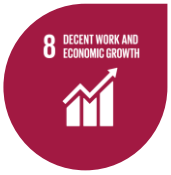
At the end of the reporting period 2025, TFL employed 12 employees with disabilities that in the following table are broken down by region and gender:

	Europe	Asia	Americas	Total
Female	8	-	-	8
Male	4	-	-	4
Total employees with disabilities	**12**	**-**	**-**	**12**

At the end of the reporting period 2024, TFL employed 19 employees with disabilities that in the following table are broken down by region and gender:

	Europe	Asia	Americas	Total
Female	7	-	-	7
Male	12	-	-	12
Total employees with disabilities	**19**	**-**	**-**	**19**

Employee compensation



TFL provides market- and performance-oriented remuneration to its employees, also contemplating factors such as responsibility, competences, experience and success. Minimum standards defined in local law and collective bargaining agreements are always considered. Age, gender or cultural background are irrelevant. In doing so, TFL contributes to the SDG 8 – Decent Work and Economic Growth and to the SDG 10 – Reduced Inequalities.

The ratio of the annual base salary of the highest paid individual to the median annual base salaries for all employees (excluding the highest-paid individual), as weighted average by subsidiary, was 5.75x in the year 2025 and 5.53x in the year 2024.

On average a remuneration that meets the definition of “fair wage” was paid to 100% of TFL’s employees in 2025 and 2024. In this context “fair wage” is defined as being a remuneration that is above 50% of the average wage in the respective country of the subsidiary.

The percentage of TFL employees that were eligible for social security either through the company or government programs amounted to 100% in the years 2025 and 2024.

The percentage of total employees covered by “collective bargaining agreements” amounted to 69% in the year 2025 and 72% in the year 2024. In this context “collective bargaining agreements” are defined broadly and include agreements with unions and agreements with official representatives of the employees, such as works councils.

Management body

TFL is operated through a global functional structure and considers as management body the senior functional leadership.

The following table discloses the diversity of the management body in terms of region, gender and age at the end of 2025:

	Europe	Asia	Americas	Total
Female	25%	0%	0%	25%
Male	67%	8%	0%	75%
Total management body	**92%**	**8%**	**0%**	**100%**

	Europe	Asia	Americas	Total
Age group < 30 years	0%	0%	0%	0%
Age group 30–49 years	25%	0%	0%	25%
Age group ≥ 50 years	67%	8%	0%	75%
Total management body	**92%**	**8%**	**0%**	**100%**

The following table discloses the diversity of the management body in terms of region, gender and age at the end of 2024:

	Europe	Asia	Americas	Total
Female	8%	0%	0%	8%
Male	84%	8%	0%	92%
Total management body	**92%**	**8%**	**0%**	**100%**

	Europe	Asia	Americas	Total
Age group < 30 years	0%	0%	0%	0%
Age group 30–49 years	8%	0%	0%	8%
Age group ≥ 50 years	84%	8%	0%	92%
Total management body	**92%**	**8%**	**0%**	**100%**

Health and safety

Health and safety are of the highest priority at TFL worldwide.

All of TFL's areas, offices, application centers, laboratories and production sites are subject to comprehensive general risk assessments covering all the risks, such as fire risk, chemical risk, operational risk (e.g. use of forklifts) and environmental risk. The implementation of the preventive measures is regularly checked by internal and external audits. In addition, and particularly at its European and Chinese sites, TFL is subject to significant governmental inspection and approval regimes. TFL operates to these same, high, standards worldwide, which may exceed local norms. In the years 2025 and 2024 no significant incidents or enforcement actions have occurred at any of TFL's sites.

Safety management is critical in a high-risk industry such as chemicals. The COO is responsible for the leadership of safety improvement in the organization and sets policies and targets, drives improvements through the local teams and measures and tracks performance. The safety performance is reported to Management and the Supervisory Board on a monthly basis. The documentation of regular safety trainings, incident reporting and local safety procedures, like secondary containment systems, are part of externally conducted audits systems (ZDHC, ISO).

The method for chemical processing risk analysis chosen by TFL is called HAZOP (hazard and operability) and is internationally accepted as the IEC 61882 standard. The results of the risk identification and assessments are documented and used for the development of EHS objectives, plans and risk control measures. TFL also uses these results to create and update standard operating procedures for routine tasks. For non-routine tasks, the TFL management system requires work permits to be issued, confirming recognition and control of risks for all work performed.

TFL operates within the chemical manufacturing industry. The environmental risks for this industry are significant. The most material risk facing TFL is the significant environmental release of hazardous materials from one of the facilities. This would result in negative publicity and enforcement action from the authorities. This action could result in the forced closure of the site concerned, potentially causing business disruption. TFL is experienced in managing those risks and has put in place technical and operational measures such as technical safety reviews, vessel integrity inspections, provision of secondary containment for hazardous material storages and the requirement for trained and qualified operating teams.
With regard to the supply chain, TFL's aim is to minimize risk at all stages in the shipping process— from loading right through transportation to unloading. TFL takes special care when shipping dangerous goods. Moreover, safety standards for especially dangerous products and raw materials go beyond the regulations for such substances.

Over the long term, TFL aims to prevent all workplace accidents and work-related occupational diseases. For this reason, TFL regularly analyses the accident rate by site as well as by region and type of accident.

With regards to health and safety TFL monitors the following quantitative information:

	2025	2024
Lost time accidents (accident frequency rate = AFR) [1]	0.42	0.34
Fatal accidents	-	-
Employees covered by safety management system [2]	100%	100%

[1] Accidents with lost days / Actual hours worked X 200,000. An accident is an unplanned event resulting in personal injury or illness, combined or not with property damages. Accidents during transport from residence to working place are not taken into account (i.e. only accidents that happen "on the clock"). Accidents that result in at least one day's absence are considered.
[2] The percentage of own employees who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines.

TFL's goal of an accident frequency rate below 0.40 per year from 2023 to 2025 was not achieved in 2025. The ELT takes this result seriously and has initiated short-term corrective actions, including the formation of a safety task force.

Production sites

The TFL chemical production sites are located in France, Italy, China, India and Brazil. All production sites are ISO 9001 certified, most production sites are ISO 14001 certified, and several production sites are ISO 45001 certified.

Energy and CO_2 emissions

The production of leather chemicals can be considered as energy intensive. Since the consumption of energy results in the emission of greenhouse gases, particularly CO_2, TFL has responsibilities regarding climate change and the environment. Both from a responsibility but also from a profitability point of view, the ongoing improvement of its energy efficiency is a key topic for TFL. Global production support together with the local production sites are responsible for conducting energy reduction projects which often focus on process optimization and energy efficient equipment. It is also their responsibility to ensure that the wider team at the production sites is aware of the importance of energy efficiency, so they are able to actively contribute to reducing the energy consumption.

Sustainability is present in the daily life of the production sites. Sustainability begins with the conception of new products where the sequence of production steps and their process variables are planned, considering the greatest possible optimization and the best technical use of the equipment. Planning the correct sequence of heating, cooling and chemical reactions directly impacts the reduction of necessary natural resources. Positive impacts are achieved by critically thinking about the daily planning of production batches, by reducing activities that do not add value and by optimizing the resources used according to the principles of lean manufacturing. Further positive impacts are achieved by smart design of new equipment or technical improvements to current equipment. The equipment is planned or resized taking into account state-of-the-art monitoring and control technologies, aiming to optimize the energy consumption in KWh per kg of goods produced.

Where practicable and economically reasonable, TFL is improving its energy mix towards a higher percentage of renewables. The use of sustainable energy sources such as solar energy contributes positively to the reduction of CO_2 emissions. The replacement of all site lamps with LED technology, the continuous maintenance of thermal insulation lines and the replacement of obsolete equipment such as large compressors with optimized equipment demonstrate the strong sustainability focus of TFL's investments. Other examples of actions related to reducing CO_2 emissions are the application of virtual modelling techniques to optimize temperatures and process speeds in spray-dryer equipment across several production sites and the use of modern fuels to generate steam with less environmental impact at the Brazilian plant. Thinking outside the box and critically reviewing all energy sources necessary for production processes has led the TFL production sites to constantly reduce their energy consumption per kg of goods produced.

Therefore, TFL contributes to the SDG 7 – Affordable and Clean Energy and to the SDG 13 – Climate Action.

With regards to energy and CO_2 emissions TFL monitors the following quantitative information:

	2025 - kWh	2024 - kWh
Electricity – renewable [1]	52,899	74,272
Electricity – unrenewable [2]	11,488,421	10,885,130
Natural gas [3]	18,466,539	11,071,528
Fuel – petrol [4]	1,791,599	2,916,015
Steam [5]	18,454,727	17,809,659
Compressed air [6]	567,149	428,465
Wood [7]	321,780	5,478,090
Total energy consumption	**51,143,114**	**48,663,159**
Energy consumption in kWh per kg of goods produced	*0.42*	*0.42*

[1] Electricity produced on-site and obtained from a renewable energy source which is an energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes, such as wind, solar, hydro, biomass or geothermal.
[2] Electricity purchased externally and obtained from a non-renewable energy source which is an energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes, such as coal, fuel, gas, oil or nuclear power. This category also includes electricity contracts that do not specify the energy source, in which case the electricity mix is reflected in the conversion factor applied in the CO_2 calculation.
[3] Natural gas purchased externally, including compressed natural gas or liquefied natural gas.
[4] Petrol (gasoline) fuel purchase externally. It includes fuel purchased for the production sites but not for cars.
[5] Steam purchased externally.
[6] Compressed air purchased externally.
[7] Energy consumption from wood, such as pallets burned.

	2025 - kg	2024 - kg
Direct greenhouse gas emissions (scope 1) CO_2e [1]	3,775,702	2,728,897
Indirect greenhouse gas emissions (scope 2) CO_2e [2]	9,296,648	8,917,678
Total direct and indirect greenhouse gas emissions (scope 1/2) CO_2e	**13,072,350**	**11,646,575**
Scope 1/2 CO_2e emissions in kg per kg of goods produced	*0.11*	*0.10*

[1] Conversion factors obtained from the UK Department for Energy "Government GHG Conversion Factors for Company Reporting".
[2] Conversion factors obtained from Carbon Footprint "Country specific electricity grid greenhouse gas emission factors".

In 2025 the Group's scope 1/2 CO_2e emissions were 0.11 kg per kg of goods produced, reflecting an 8% increase compared to the previous year, mainly attributable to a higher proportion of powder products as compared to the total production volume.

TFL's goal to reduce emissions by 20% until 2028 compared to 2021 has resulted in a 2025 target of 0.11 scope 1/2 CO_2e emissions in kg per kg of goods produced. As a result, TFL has met its 2025 emissions target.

The energy and CO_2 emissions presented above relate to the TFL production sites. Offices and laboratories are not included under materiality considerations.

Water

Water is a key resource in the production of leather chemicals. Water is used as a solvent within the products, as cooling water and to clean. Since water is a scarce resource, TFL is committed to use it responsibly and reduce the water withdrawal whenever possible. All of TFL's wastewater is going through a water treatment process before it is returned to nature or to the water cycle. By strictly following this process, TFL contributes to the SDG 6 – Clean Water and Sanitation.

With regards to water TFL monitors the following quantitative information:

	2025 - m^3	2024 - m^3
Tap water - municipal or other utilities [1]	81,029	84,719
Surface water [2]	456,352	426,852
Ground water [3]	28,031	38,487
Total water withdrawal	**565,412**	**550,058**
Total once-through water [4]	**453,849**	**425,321**
Untreated wastewater [5]	-	-
Treated wastewater [6]	44,828	41,971
Total wastewater discharge	**44,828**	**41,971**

[1] Water supplied by municipal water suppliers or other public or private utilities.
[2] Water that occurs naturally on the earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers and streams.
[3] Water that is being held in, and that can be recovered from, an underground formation.
[4] Once-through cooling water and water that is withdrawn and returned as clean water (e.g. from deionized water preparation).
[5] All wastewater that is discharged and that does not meet the definition of "treated wastewater" or "untreated water".
[6] Wastewater that is discharged after having passed through a process of improving the quality of wastewater and converting it into an effluent that can be either returned to nature or incorporated into the water cycle with minimum environmental issues or that can be reused. This process can either be carried out by TFL on-site or by a third-party provider outside TFL's premises.

The difference between the total water withdrawal and the total once-through water and wastewater discharge is due to the introduction of water into sales products, evaporation during production of powder products and use of water for gardening on the sites. The respective volumes are monitored.

Waste

The production process of leather chemicals leads to non-hazardous and hazardous waste. The primary goal is always to avoid waste; however, if this is not possible recycling options are explored. Non-recyclable waste is disposed responsibly.

With regards to waste TFL monitors the following quantitative information:

	2025 - kg	2024 - kg
Non-hazardous waste [1]	1,204,823	2,121,086
Hazardous waste [2]	1,117,212	1,978,718
Total waste	**2,322,035**	**4,099,804**
Thereof recycled [3]	*39%*	*34%*
Thereof not recycled [4]	*61%*	*66%*

[1] All waste that does not meet the definition of "hazardous waste".
[2] Waste that possesses any of the characteristics contained in Annex III of the Basel Convention, such as being explosive, flammable, toxic or corrosive, or that is considered to be hazardous by national legislation.
[3] Share of total waste that is disposed into a process of converting waste into reusable material.
[4] Share of total waste that is not recycled (e.g. disposed through incineration, landfilling).

In 2024 hazardous waste is impacted by the one-time disposal of damaged inventories as a consequence of severe flooding that significantly impacted TFL's production site near Porto Alegre in southern Brazil in the first week of May 2024.

Non-hazardous waste decreased in 2025 compared to prior year mainly due to less briquette ash at TFL's production site in Hyderabad, India, which discontinued the use of wood-based energy in 2025.

Product safety is a key element of TFL's risk management.

Product portfolio

Product safety

Product safety is a key element of TFL's risk management. Chemical safety legislation and rules are continually tightening, examples applicable to TFL include the Restricted Substances List ("RSL") from customers and brands, Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") in Europe, new REACH-like legislation in many other countries (such as Turkey and South Korea) and the Toxic Substances Control Act ("TSCA") in the USA. The legislation and rules are fragmented, specific to certain customers and differ across the world. Additional complexity is coming from the multiple step nature of the value chain in which TFL's products are used and the requirement for TFL to assure chemical safety and the absence of contaminants through the value chain in multiple uses and multiple locations. TFL makes a significant effort to assure and prove the safety of all its products. Additionally, TFL monitors regulatory activities closely and constantly updates its products to remove substances of concern where necessary, even ahead of regulations.

The REACH regulation will continue to develop in the chemical industry. All of TFL's current products made or sold in Europe are registered as required to ensure TFL's long-term market potential, especially in the field of its core competences. In 2025 TFL continued its work for the SIEF ("Substance Information Exchange Forums") which it started in 2010. For each individual substance, the corresponding SIEF arranged and analyzed the tests required for registration. TFL submitted the required REACH registration dossiers for the substances which accounted for sales of 100 to 1,000 tons per year for registration by end of 2013. All other substances have been registered by the end of May 2018. Registrations for new materials for future sale and follow-up of current registrations remains a significant activity for TFL, not only in Europe, but as well in other countries that have already or are currently implementing REACH like registries, such as Korea, Taiwan, Turkey or the UK.

TFL is an active contributor to the Zero Discharge of Hazardous Chemicals ("ZDHC") initiative. The Roadmap to Zero program of the ZDHC is the globally leading initiative to guide value chains in the fashion industry towards the use of safer chemistry. With its Manufacturing Restricted Substances List ("MRSL") it sets a standard in the industry. The MRSL lists more than 150 chemicals to eliminate from intentional use in chemical products utilized for leather manufacture. TFL is certified by a ZDHC approved service provider for compliance to absence of MRSL substances in all gateway-listed products. Additionally, TFL is preparing to move into the "progressive" level of certification, providing advice on RSL impact of the products, technical support on use and planning a hazard-rating to simplify selection of safer products. The certification validates TFL's processes in all major aspects of sustainable chemicals manufacture, such as management control, product stewardship practices, raw materials selection and assessment, chemical manufacturing with regards to EHS, and communication of safety relevant information to customers and brands. The ZDHC certifications are a strong recognition of TFL's commitment to deliver the highest levels of product safety and sustainability in the industry.

Innovation is a core element for TFL to safeguard the leather business for a regenerative future.

During 2024 100% of the relevant portfolio in scope of the certificate was approved and published in the ZDHC gateway. In March 2025, re-certification was completed, and all gateway-listed products were updated to reflect compliance with ZDHC MRSL V3.1 level 3 standards. This certification, conducted in partnership with Eurofins, included comprehensive MRSL testing of raw materials and finished products, as well as multi-day audits of the Group's manufacturing sites. All audited sites received grade A ratings, earning TFL the Eurofins | Chem-MAP Leader status for excellence in sustainable chemical management.

By following this certification process, TFL contributes to the SDG 12 – Responsible Consumption and Production.

Product innovation

Innovation is integral to TFL's mission, ensuring a sustainable future for its customers. TFL has formed successful partnerships with suppliers of new and natural raw materials to strengthen this sustainable path. As leather is a natural by-product, it is logical for TFL to increase the utilization of other natural materials from various industries. TFL recognizes the importance of sustainability and has developed and launched valuable products that meet the needs and demands of customers.

TFL has proactively integrated sustainability initiatives into various events worldwide. The efforts to raise global awareness have included showcasing TFL's fashion collection, advertising, and producing podcasts. TFL has presented its concept and sustainable solutions at international and local events such as The All-China Leather Exhibition ("ACLE"), The India International Leather Fair ("IILF"), held workshops for the Asia Pacific region at TFL's facilities in Changzhou, China, and presented at The American Leather Chemists Association ("ALCA"). In addition, TFL offers individual presentations with focus on sustainability for major customers through webinars or on-site meetings. TFL, the leading supplier of chemicals for natural leather, has already launched a number of innovative products in both the Wetend and Finishing sectors. Here TFL clearly identifies any product, whether Wetend or Finishing, with a renewable content of minimum 50% with a "PURE" name. TFL has developed a unique IT tool that allows customers to easily calculate the bio content of leather, removing any guesswork. This tool has been highly appreciated by tanneries.

At the end of the year 2025 TFL's portfolio contains 114 products (2024: 114 products) with a bio-based content of 50% or higher. In the year 2025 the products with a bio-based content of 50% or higher accounted for 3.7% (2024: 4.2%) of the Group's revenue. TFL's goal to increase this percentage by 2 percentage points each year resulted in a 2025 target of 6.2%. The percentage has reduced by 0.5 percentage points compared to prior year and is 2.5 percentage points behind target. TFL was not able to achieve the ambitious target in 2025, since the challenging business environment for leather continued to limit the tanneries' willingness and financial ability to change to innovative products.

Industry relations and advocacy activities

As one of the leading manufacturers of leather chemicals in the world in a very fragmented leather market with many medium and small sized players, TFL believes that production of natural and sustainable leather will have a great future if everyone in the extended supply chain works together towards this common goal. TFL acknowledges the significant role it has within the leather community and strongly believes that an active involvement in several industry associations is the best way to form a strong "sustainability industry alliance". In doing so, TFL contributes to the SDG 17 – Partnerships for the Goals.

TFL is an active member of the Leather Working Group ("LWG"), a non-profit organization dedicated to improving the environmental performance of the leather supply chain through audit certification. The LWG has over 600 members along the entire leather supply chain, including brands, retailers, distributors, tanneries and suppliers of chemicals, machinery and testing equipment, thereby strengthening the trustworthy cross-industry dialogue. The LWG has defined industry standards and audit tools for assessing the environmental performance of leather production sites and has currently certified more than 2,300 suppliers, covering approximately one-third of global leather production. Through its audits of leather production sites and their weighted certification, the LWG creates transparency for both tanneries, highlighting potential areas for improvement, and for brands that source leather from these production sites. The LWG Board of Directors consists of nine elected members: four representatives of leather producers, four representatives of brands, and one representative of the suppliers. Since April 2021, a senior TfL employee has served as an elected supplier representative on the LWG board, underscoring TFL's strong commitment to the organization. Furthermore, TFL staff members support the work on the ongoing improvement of standards in Technical Task Teams to ensure continuous enhancement of environmental standards.

TFL is active member in TEGEWA (Association of Manufacturers of Textile and Leather Auxiliaries and Surfactants) and EUCTL (European Chemistry for Textile and Leather) and actively influence the technical and regulatory development of the chemical and leather processing industries. TFL is represented on the boards of both TEGEWA and EUCTL and are also in the Steering group Leather Auxiliaries and relevant working group. By providing scientifically background information, technical assessments, and practical experience, TFL support the dialogue between industry, authorities, and legislators. The goal of this commitment is to further develop risk-based, scientifically regulations for manufactured chemicals that strengthen environmental and health protection while simultaneously creating the foundation for sustainable innovation. In doing so, TFL make a measurable contribution to responsible corporate governance and long-term sustainability.

TFL is a member of Leather Naturally, a non-profit industry organization dedicated to raising awareness and promoting sustainably produced leather worldwide. Through information on best practices and the creation of informational materials, Leather Naturally educates manufacturers, designers, creatives, and consumers about the environmental impact, beauty, quality, and versatility of leather. The organization believes that responsibly sourced leather, processed using efficient and modern methods, is a valuable and future-oriented material. TFL is not only an active member of Leather Naturally but also contributes to the creation of FAQ sheets, background materials and best practices.

TFL in addition is one of the founding members and supporters of One4Leather, a special industry campaign focusing on the use of leather in automotive interior applications. Furthermore, TFL strongly supports the “Is it Leather?” campaign, an international consumer awareness initiative aimed at promoting real leather and its many benefits as a high-quality material worth protecting. In this way, TFL wants to reach consumers around the world with fact-based messages and highlight the advantages of real leather towards artificial, fossil-based alternatives.

In addition to these important industry initiatives, TFL is a member of and financially supports numerous national industry associations worldwide and sponsors industry networking events that work towards the common goal of educating people, ensuring responsible production and producing natural and sustainable leather.

An active involvement in several industry associations is the best way to form a strong “sustainability industry alliance”.

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