

Environment, Social, Governance (ESG) Policy Statement

I. Introduction

At Royal Smit & Zoon, Environmental, Social, Governance (ESG) stewardship is central to our operations, reflecting the risks and responsibilities inherent to the development, production and sales of leather chemicals across our entities. For us, compliance with the laws of the countries where we operate is essential but not enough. Driven by our mission 'to create a sustainable leather value chain, *together*', we collectively embrace the concept of sustainability. At the heart of our strategy is ensuring the continuity of the company, a family owned business, building on its rich history (since 1821) acknowledging and stimulating that 'every drop makes a difference'. In this context, 'taking care of the next generation' is not only relevant in the family setting, but it is also something that will speak to all our customers, industry partners and stakeholders.

To us, being sustainable means simultaneously creating value along three dimensions: human, environmental and economic. In other words, it means a commitment to meeting the triple bottom line of People, Planet and Profit. It is this triple bottom line that forms the framework for this ESG Policy Statement.

To achieve our mission and set the highest standards of best practices in the leather chemicals sector, Royal Smit & Zoon's Sustainability Strategy for 2030 is based on four pillars (Society, Solutions, Operations, People). It includes ambitious goals on key ESG priorities, through which Royal Smit & Zoon is playing its part in contributing to the United Nations Sustainable Development goals (UN SDG's¹) and addressing key global concerns such as climate change. Key to meeting these goals over the next decade will be the implementation of ESG related principles across Royal Smit & Zoon's entities. Outlined in this document, these principles set the framework for commitment and action by Royal Smit & Zoon's entities and employees.

This Policy is publicly available on our Company website. We ensure transparent communication about fulfillment of the commitments within this Policy and ESG performance - including key ESG data and material ESG topics - to all stakeholders through our annual ESG Report, publicly available on our website.

II. Purpose and scope of this document

The Royal Smit & Zoon ESG Policy Statement lays out the principles that guide us in everything we do to help us achieve our mission. It has an umbrella function for, among other things:

- Royal Smit & Zoon Safety, Health and Environment (SHE) Policy Statement
- Royal Smit & Zoon Business Partner Code of Conduct
- Royal Smit & Zoon Employee Code of Conduct
- Royal Smit & Zoon Purchasing Policy

This Policy applies to all Royal Smit & Zoon entities and employees worldwide.

¹ While our commitment extends to all 17 UN Sustainable Development Goals (SDGs), our Sustainability Strategy focuses on five SDG's to which we make a tangible contribution, being: 6) Clean water & Sanitation; 8) Decent work & economic growth; 12) Responsible consumption & production; 13) Climate Action; 17) Partnerships for the Goals.

III. Our target principles are:

1. The Environment:

Ensuring responsible use of the environment and of natural resources are essential principles of Royal Smit & Zoon's responsible business practices. Based on compliance with applicable laws and regulations, Royal Smit & Zoon is committed to continuously improve our environmental performance, promote responsible and sustainable practices across our chemical manufacturing operations and implement management systems in this regard through regular assessments, identification of environmental improvements potentials and implement them sustainably. We have put internationally recognized, independently certified environmental management systems in place. All our sites are ISO14.001 certified as part of our efforts to continuously reduce the environmental impact over the entire life-cycle of our products, services, operations and production facilities.

1.1 Choice of production methods and products

We continuously reduce our environmental footprint and contribute to climate change mitigation by adopting and improving environmentally responsible, safe, sustainable and production methods. In deciding what products Royal Smit & Zoon wants to make, what production processes it wants to use, and what new technologies it wants to develop, the Company is guided by its commitment to sustainability and safety. The Company prioritizes minimizing environmental impacts across the product lifecycle, including end-of-life considerations, such as the type and volume of waste generated. Public opinion is taken seriously into account as input into these decisions.

1.2 Climate: Energy and Greenhouse gases

We aim to improve energy efficiency and use renewable energy where feasible across all Royal Smit & Zoon facilities, supporting our ambition to meet science-based climate targets for scope 1, 2 and – scope 3 – greenhouse gas (GHG) emissions, aligning with the 1.5 C pathway. Where feasible, we invest in cleaner technologies, optimize production processes to reduce energy consumption, and explore opportunities for further renewable energy integration.

1.3 Air pollution

We aim to minimize air pollution by reducing air emissions, including particular matter, from our manufacturing processes.

1.4 Waste

We aim to reduce waste generation by properly handling and reducing the use of chemicals and raw materials, and recycling and reusing goods and materials where possible.

1.5 Natural resources

Royal Smit & Zoon aims to conserve and responsibly manage natural resources such as energy and water, including implementing measures to reduce water consumption.

1.6 Use of raw materials

Royal Smit & Zoon is committed to making an ongoing effort to maximize the efficiency of raw material use across its operations and product developments. In developing new products, we actively seek to increase the share of renewable raw materials, substitute input materials with less hazardous or toxic alternatives where feasible, and reduce our overall environmental footprint, particularly in terms of depletion of natural resources and carbon footprint.

2. Human Rights:

Royal Smit & Zoon acknowledges and embraces the responsibility to respect human rights across its own business operations, its relationships with other businesses and the communities in which it operates. Royal Smit & Zoon respects the human rights of all people affected by its operations, products or services or those of its business partners. Therefore, Royal Smit & Zoon has given its commitment to respect human rights as laid down in the:

- United Nations Universal Declaration of Human Rights;
- International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Moreover, Royal Smit & Zoon adheres to the expectations of companies expressed in:

- The Ethical Trading Initiative Base Code;
- The Responsible Care Global Charter.

In cases where the implementation of these international standards is restricted by national law, Royal Smit & Zoon will look for opportunities to adhere to the underlying principles as described in the listed standards.

Royal Smit & Zoon engages with its stakeholders to identify and address human rights concerns. The Company strives, within the framework of its business activities to prevent and, if necessary, to remedy Human Rights violations. Special attention is given to certain stakeholder groups such as Royal Smit & Zoon employees, Royal Smit & Zoon business partners (and their employees) and the local communities in which Royal Smit & Zoon operates.

3. Labor Practices:

The labor rights and working conditions of our employees, both Royal Smit & Zoon employees and contractors are, at minimum, in compliance with both internationally recognized labor standards as well as the applicable national laws of the countries in which Royal Smit & Zoon operates.

3.1 Health and safety

With respect to health and safety Royal Smit & Zoon implements strict policies with the aim to provide an incident- and injury-free work environment and to prevent the occurrence of occupational illness and health problems associated with our activities. In our Sustainability Strategy 2030, we have set the target of achieving zero accidents, zero lost working days, and minimized absenteeism each year through to 2030. All our sites are ISO 45001 certified as part of our efforts to continuously improve our health and safety performance.

3.2 Regular Employment

Royal Smit & Zoon will only have work performed based on recognized employment relationship established through national applicable law and practice. We respect all obligations to employees under labor or social security laws and regulations arising from the regular employment relationship.

3.3 Freedom of association

Royal Smit & Zoon recognizes the right of employees to become, and remain, members of Trades Unions and the right of their representatives to negotiate and bargain collectively on their behalf. In circumstances where Freedom of Association and Collective Bargaining are restricted (or prohibited) under legislation, Royal Smit & Zoon works with its employees, where they wish to do so, to establish alternative means of representation that are mutually acceptable.

3.4 Child labor

Royal Smit & Zoon does not permit the use of child labor. Child labor is defined by the stricter of either United Nations regulations or locally applicable laws and regulations.

3.5 Forced labor and abuse

Royal Smit & Zoon is committed to treating its employees in a humane manner and does not tolerate or condone forced labor or physical abuse. Royal Smit & Zoon does not tolerate any other form of abusive behavior - not only towards its employees, but also towards those whom we conduct business with, including but not limited to suppliers, sales partners (agents and distributors), customers, host community members, and local or national officials.

3.6 Protection of personal information

Royal Smit & Zoon respects the privacy of its employees and that of its business partners and third parties, and stores and uses personal data in compliance with applicable privacy laws and regulations, applying appropriate measures to safeguard personal information at all times.

3.7 Diversity, Equity & Inclusion (DEI)

Being a multinational company, Royal Smit & Zoon values the differences reflected in its diverse workforce. The Company is committed to providing an inclusive workplace with equal treatment, fairness and respect for all employees and contractors regardless employment type. Discrimination of any kind is not tolerated. Royal Smit & Zoon is committed to providing a working environment which rejects discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation, and to the elimination of any unfair practices which may arise in day-to-day conduct of the business in the process of recruitment, compensation, access to training, internal promotion, termination or retirement. In addition, Royal Smit & Zoon is committed to treating all external stakeholders fairly and without prejudice in every interaction.

3.8 Working Hours

Royal Smit & Zoon complies with all applicable national labor laws, regulations and collective agreements concerning working hours. In the absence of any local provision stipulating other working hours, the Company restricts its employees' routine scheduled working hours - in accordance to the International Labor Organization - to 48 hours per week and aims to provide at least 24 consecutive hours off.

3.9 Fair compensation

Royal Smit & Zoon compensates employees and provides benefits and services that meet or exceed the national legal or industry benchmark minimum standards to provide an appropriate living standard. Living wages are paid to 100% of its employees and contract workers.

3.10 Employee development

Continuous training and development of employees is a key objective of Royal Smit & Zoon, to encourage each employee to reach his / her maximum potential, to support employees' career development, and to be sustainable employable on short and long term. Royal Smit & Zoon supports learning and development programs reflecting the necessity to constantly review and, where the necessity arises, raise, the standards of business performance. Royal Smit & Zoon encourages the exchange of "best practices", knowledge and skill transfer.

4. Fair Operating Practices:

4.1 Laws and regulations

Royal Smit & Zoon markets and sells its products in compliance with all applicable laws and regulations, and in line with ethical standards.

4.2 Free and fair competition

Royal Smit & Zoon values free and fair competition in all countries of the world. Therefore the Company complies with applicable competition laws in all areas where it operates.

4.3 Embargoes and trade law

Royal Smit & Zoon respects applicable trade laws and restrictions as imposed by the United Nations or other national or supranational bodies or government.

4.4 Gifts

Royal Smit & Zoon does not accept any gifts or favors that could compromise or raise doubts about the neutrality of the decisions made by the Company or its partners. Therefore Royal Smit & Zoon sets (local) criteria for corporate gifts.

4.5 Bribery

Royal Smit & Zoon rejects any form of corruption including extortion and active or passive bribery.

4.6 Fraud

Royal Smit & Zoon is committed to conducting business fairly, in accordance with applicable laws and regulations. The Company condemns all forms of fraud and takes measures to prevent and address fraudulent behavior intended to secure an unfair or unlawful advantage in any aspect of its activities.

4.7 Commission payment

Royal Smit & Zoon ensures that any commission payment, including but not limited to an agent fee, is based on a real, legitimate, documented service.

4.8 Money-laundering and suspicious transactions

Royal Smit & Zoon refrains from any arrangement which appears to be used, or is suspected to be used, for money-laundering or other violations of the law.

4.9 Transparent accounting

Royal Smit & Zoon's accounting records and supporting documents truly, fairly and completely describe and reflect the nature of the underlying transactions.

4.10 Conflict of interest

Royal Smit & Zoon's employees avoid any conflict of interest between the Company's interests and their private interests and avoid any behavior that could raise doubts about their integrity or the integrity of the Company.

4.11 Donations to political parties

Royal Smit & Zoon does not make any payments or donations in kind to political parties or their institutions, agencies or representatives.

4.12 Inside information and Intellectual Property

Royal Smit & Zoon instructs its employees on the prohibition of abuse of inside and/or confidential information and intellectual property and on the need to handle such with due care. This includes the

secure collection, processing or storage of information for business purposes and applies to the Company's own information and property as well as to the property of and information about its business partners and/or third parties.

4.13 IT security

Royal Smit & Zoon adopts a comprehensive and proactive approach to IT security as part of our commitment to IT security, strong governance and responsible business practices, and to effectively mitigate IT security risks. Our approach combines policies, regular risks assessments, technical and non-technical measures and procedures, and employee training. The Company prioritizes the protection of our digital infrastructure, proprietary data and sensitive stakeholder information through the implementation of up-to-standard cybersecurity systems aligned with internationally recognized frameworks. To strengthen these safeguards, we provide ongoing cybersecurity training for all employees, ensuring they are equipped to recognize risks and uphold best practices. Annually, we engage external parties to conduct cyber security risk assessments, and its findings are reported and accurately acted on to facilitate a continuous improvement cycle. Incident response and business continuity plans, supported by accompanying monitoring and control procedures are in place to act immediately when incidents may occur. Our aim is to conduct IT security risk assessments for 100% of Royal Smit & Zoon sites each year through to 2030.

4.14 Artificial Intelligence (AI) governance and literacy

Royal Smit & Zoon is committed to ensuring all employees are equipped with the necessary knowledge and skills to make informed, ethical, and compliant decisions regarding AI deployment. We implement robust governance policies and provide comprehensive AI literacy training to actively maintain transparency, accountability, and responsible use of AI, meet applicable laws and regulations and foster trust throughout our organization.

5. Product Stewardship:

Royal Smit & Zoon is committed to ensuring the safe use of chemicals throughout the entire lifecycle of our products, in compliance with applicable laws and chemical safety regulations such as REACH. In accordance with the principles of product stewardship, Royal Smit & Zoon identifies the health, safety and environmental risks attached to its products during development and production processes as well as during their use over the entire lifecycle and looks for opportunities to mitigate these.

5.1 Hazardous substances and chemicals in products

Royal Smit & Zoon develops its products and product portfolio in such a way that it meets and exceeds standards and requirements set for Restricted Substances. We only release products that are safe for our customers, substituting ingredients with less hazardous or toxic alternatives where possible. We systematically identify and manage substances of concern (SoC), including substances of very high concern (SVHC), in our operations, direct supply chain, and products. We monitor the volume and types of hazardous substances used, and the share of products containing these substances.

Royal Smit & Zoon is a proactive member of the Zero Discharge of Hazardous Chemicals (ZDHC) Initiative empowering the global textile, leather, apparel and footwear value chain to replace hazardous chemicals with safer alternatives in the production process. The Company is committed to being actively involved in further development of the initiative including realizing the highest level of ZDHC certification for our product portfolio. All our manufacturing sites are ZDHC level 3 certified. In

line with our Sustainability Strategy 2030, we aim for 90% of our products to be ZDHC- certified at the highest conformance level by 2030.

5.2 Safe use of chemicals

All products are marketed with full consideration of health, safety, and environmental risks identified, supported by clear safety data and usage instructions. In this context, Royal Smit & Zoon actively shares relevant knowledge, expertise and experiences with its suppliers, customers, sales partners and other relevant stakeholders across the leather value chain. It is our ambition to support our customers working safely with chemicals and lower the content of unwanted substances in the products and leather. Therefore, the Company is an active member of relevant industry networks and associations that promote the safe and responsible use of chemicals. Doing so, the Company catalyzes positive change across the leather value chain.

6. Sustainable Procurement:

Royal Smit & Zoon is committed to manage the impact of its activities across the value chain. We integrate Environmental, Social and Governance (ESG) criteria into our purchasing decisions, balancing conventional procurement factors with sustainability performance indicators in both supplier selection and annual supplier evaluations. We actively prefer to work with suppliers that demonstrate strong environmental and safety practices, especially those certified to the internationally recognized standards of ISO 9001 and ISO 14001. Participation in the annual Eco Vadis assessment is encouraged. A supplier's certification status and Eco Vadis rating are key indicators used in the annual supplier evaluation to assess overall sustainability performance and determine alignment with defined and recognized ESG standards. In line with our Sustainability Strategy 2030, we aim for 100% of our global key suppliers to meet defined and recognized ESG standards by 2030.

As an active member of the ZDHC (Zero Discharge of Hazardous Chemicals) initiative, we adopt and implement the most updated version of the ZDHC Manufacturing Restricted Substances List (MRSL). To ensure compliance, we have established robust assurance measures across our operations and entire value chain – from sourcing and procurement, to manufacturing and distribution. These measures include – but are not limited to - supplier declarations, chemical screening, traceability systems and material testing. By aligning with the most updated version of the ZDHC MRSL, our procurement practices actively drive the replacement of hazardous chemicals with safer alternatives, promote responsible chemical management, and contribute to the sustainable development of the entire leather value chain.

6.1 Standards for Business Partners

We strongly encourage and support our business partners, including but not limited to suppliers, agents and distributors, to work according to the business principles as set forth in this Policy Statement. All our business partners are requested to commit themselves to and sign our Business Partner Code of Conduct which requires them to ensure that they meet defined and recognized ESG standards including respect for human and labor rights, making responsible use of the environment and natural resources and compliance with all applicable laws and regulations, and in line with ethical standards.

6.2 Responsible Sourcing

Royal Smit & Zoon is committed to responsible sourcing ensuring that products and services are obtained in a responsible and sustainable manner throughout the supply chain. Understanding the supply chain for raw materials is complex, Royal Smit & Zoon expects suppliers to support any request

related to transparency of its supply chains and provide information regarding the traceability of sourced materials to mitigate risks associated with social and environmental impacts. We place particular focus on raw materials known for elevated responsible sourcing risks.

6.2.1 Fish Oil

Royal Smit & Zoon is a large processor of fish oil and is committed to responsible sourcing of fish oil. We only source our fish oils from fish farming or from fishing areas where fish stocks have been monitored and assessed by both the FAO and local research institutes as not being at risk of depletion. Royal Smit & Zoon guarantees that the fish species used in the production of its fish oils and fish oils based products are not on the IUCN red list of threatened species or the appendices I to III of the CITES Convention. All of the fish oil we use is sourced in such a way that we guarantee that it does not originate directly or indirectly from Illegal, Unreported and Unregulated (IUU) fishing as defined by the FAO and in EU regulation EC 1005/2008.

6.1.2 Aluminium/Bauxite

Royal Smit & Zoon's subsidiary Nera uses zeolite as raw material. Nera is supporting member of the Aluminium Stewardship Initiative (ASI) and only uses zeolite that has been produced from ASI certified aluminum trihydrate (ATH). This way, the Company guarantees that the whole supply chain from the bauxite mining until and including the production of ATH complies with the ASI Performance Standard and the ASI Chain of Custody Standard. This way zeolite-based products meet the highest ESG standards that can be found in the bauxite/aluminium supply chain, putting us in a position to further support a sustainable leather value chain.

6.2.3 Conflict Minerals

Royal Smit & Zoon products do not contain "conflict minerals" as defined by US legislation under the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010). Tantalum, tin, tungsten and gold ("3TG"), are not used in our formulations.

7. Consumer Issues:

7.1 Information

Royal Smit & Zoon provides its customers and the general public with clear information about the environmental and safety aspects of its products and production processes.

8. Community Involvement:

Royal Smit & Zoon has its own Foundation, the Koornzaayer Foundation that supports local education and health initiatives in Africa. Financial donations are made to charity organizations and local initiatives in the communities Royal Smit & Zoon is active in or where Royal Smit & Zoon employees are connected to.

IV. Reporting Incidents

Royal Smit & Zoon's commitments are reflected in providing both internal and external stakeholders access to a whistleblowing system and a grievance mechanism, enabling reporting incidents.

V. Policy Ownership and Oversight

The Chief Executive Officer (CEO) of Royal Smit & Zoon is the most senior decision maker accountable for the implementation of this Policy. The ESG Director is responsible for drafting, periodically reviewing, implementing, monitoring, and ensuring compliance with this Policy. The ESG Director

ensures that all aspects of this policy are embedded through the relevant procedures and work instructions. The ESG Director reviews this policy bi-annually and determines any adjustments for the following years. This Policy is translated into the primary languages used across the Company to support broad accessibility and understanding. In the event of any discrepancies or interpretation issues, the English version shall prevail. This October 2025 version supersedes all previous versions of the Royal Smit & Zoon ESG Policy Statement.

Weesp, October 6, 2025



Marc Smit
CEO Royal Smit & Zoon