



Sustainability Report

2023



2023

## A year with successes and challenges

With our third Sustainability Report, we want to continue to formally record and measure our constant efforts to conduct our business in a responsible manner.

Each year presents its own unique mix of successes and challenges, and 2023 was no different. The economic downturn in both the EU and US significantly impacted the market, prompting companies to intensify their R&D efforts towards cost reduction amidst a global price increase. Although 2023 has been a tough year, we trust that the sucrose ester business will further grow in the coming years.

As further evidence of Sisterna's commitment to sustainability, we are proud to announce that for the second year in a row, we have been certified and awarded a Gold medal by EcoVadis after rating our company's sustainability management system and corporate social responsibility. With this result, Sisterna is placed among the top 5% of worldwide evaluated companies assessed by EcoVadis.

Sisterna is focusing on further transparency in the supply chain, and we look forward to taking further steps in 2024 and working towards several corporate social responsibility and sustainability goals.

In conclusion, we strive to uphold our reputation as a trusted supplier, a supportive workplace, and a responsible corporate citizen. Together, we will continue to innovate, collaborate, and drive positive change, ensuring a sustainable and prosperous future for generations to come.

Managing Board Sisterna

Mrs. Christel Wouters & Mrs. Miranda Huppertz

## Meet our team



**Miranda Huppertz**  
Managing Director



**Christel Wouters**  
Managing Director



**Lia Bax**  
Product & Technical  
Sales Support



**Peter van der Zande**  
Sales Manager Food



**François van Etten**  
Sales & Product  
Manager Personal Care



**Ingrid Dijkhuis**  
Logistics & Customer  
Service Manager



**Sabrina Mehrezi**  
Marketing & Customer  
Sales Service



**Marieke Leijten**  
Logistics Assistant



**Tessa van Wesel**  
Researcher New  
Business



We aim to be a reliable supplier for our customers,  
a good partner to our parent company,  
an attractive, safe and caring workplace for our  
employees,  
and a supplier of products with an eye for the  
environment.



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# Our Company

Sisterna was founded in 1992 as a joint venture of DKS Co. Ltd. (Japan) and Royal Cosun (the Netherlands). DKS Co. Ltd. is manufacturer of sucrose esters that Sisterna distributes in the Western Hemisphere. Since 2009 the share ratio between DKS and Cosun is 95-5%. Sisterna is NEN-EN-ISO 9001:2015 certified, this includes HACCP. The factory is ISO 14001: 2015 and FSSC 22000: 2013 certified.

Our team of experts can assist with technical guidance both in Food and Personal Care applications. All applications are developed in close cooperation with the shareholders DKS Co. Ltd. and Cosun Innovation Center (part of Royal Cosun) with specialists and equipment for numerous applications.

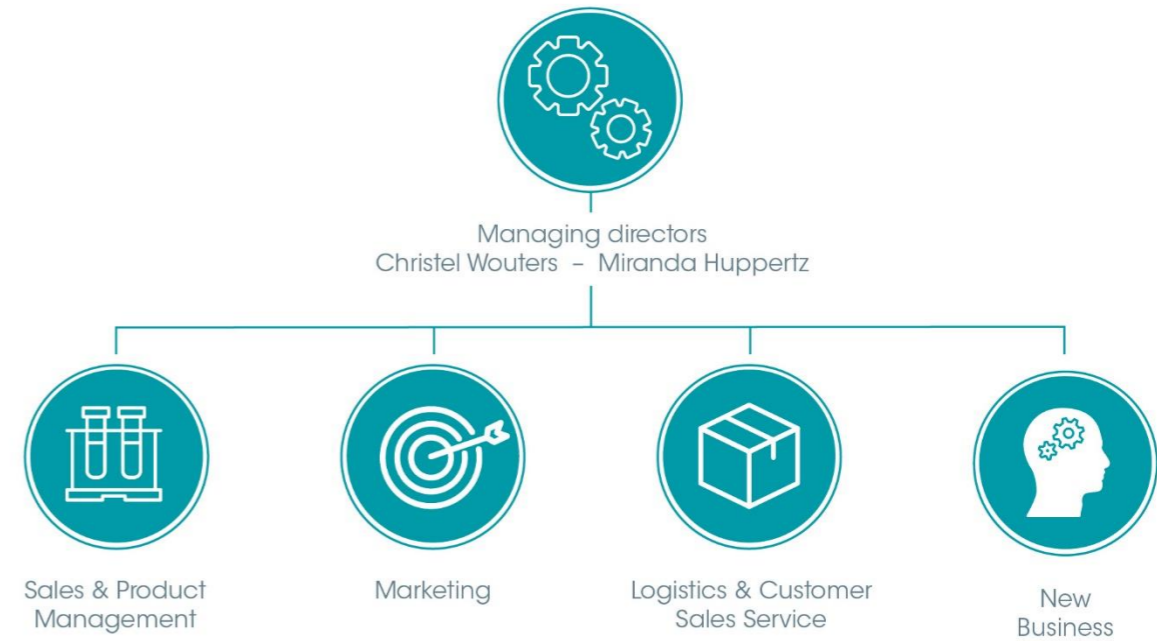
## Our global presence

Sisterna imports the sucrose esters of DKS (Japan) into the Netherlands where the office is located. Our sucrose esters are promoted under the brand name 'Sisterna'. Our main market is the Western Hemisphere with a focus on Europe and North America. Sisterna has an extensive network of exclusive distributors specializing in the marketing and distribution of a unique range of high quality non-ionic emulsifiers, covering more than 40 countries worldwide.



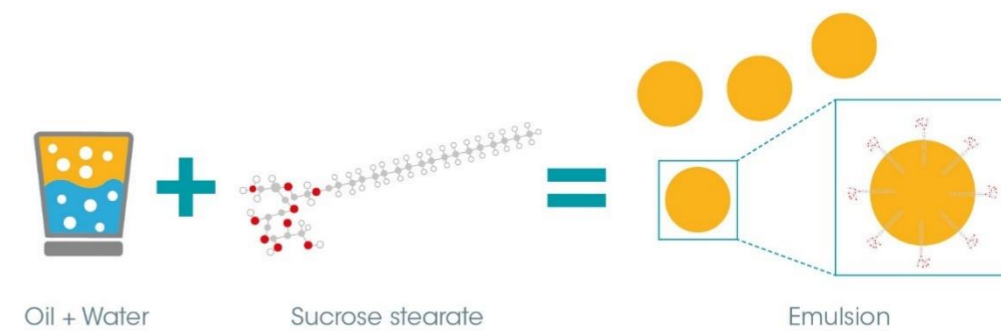
## Our team

Sisterna is a small-sized company that consists of a team of nine employees, with experts in sales, marketing, logistics and research & development.



## Our sucrose esters

Sucrose esters are produced with sucrose, from beet and cane, and fatty acids from palm and coconut oil. This enables them to be used as emulsifiers in virtually all food and personal care products. Emulsifiers are substances that are able to mix two immiscible substances that normally do not mix, for example, water and oil and water and air (foam). Although sucrose esters are categorised as emulsifiers, their functionality is not only emulsification.



Sucrose esters are permitted in Europe, USA, Japan and many other areas.

# Our Focus

We want to be a reliable supplier for our customers, a good partner to our parent company, an attractive, safe and caring workplace for our employees, and a supplier of products that take the environment into account.

## Sustainable Development Goals

We use the UN Global Compact Sustainable Development Goals (SDGs) to guide our sustainable development activities. The SDGs provide guidance to improve our performance and bring innovation to the market. All the SDGs have to be taken into account to make a real change. The 17 SDGs can be categorised into the five Ps to assess the goals better:

- People
- Planet
- Prosperity
- Peace
- Partnership





# People

We are fully aware that without our people we would not be where we are today. We can only fulfil our mission to be recognized as an ambassador and knowledge supplier of sucrose esters in our market by investing in our people.

The focus is not only on our people within the company, but also outside, our stakeholders, distributors, customers and consumers. That is why we also focus on research and development of responsible guide recipes.

## SDG 1 No poverty

Ending poverty is crucial for sustainability because it helps build strong, resilient communities. When people have enough resources and opportunities, they can contribute to protecting the environment and creating a better future for everyone. By tackling poverty, we pave the way for a more sustainable and fair world.

At Sistrina we ensure that all our employees are treated equally, including equal pay. You can read more about this in our Ethics report.

In addition, our [supplier code of conduct](#), states “Our suppliers must, at a minimum, comply with local legal standards regarding wages and benefits,” ensuring that our suppliers also uphold high standards. Our supplier questionnaire checks this again by asking whether the legal minimum wage is maintained and overtime is compensated.

One of the main ingredients for our sucrose esters is palm oil. To ensure this is harvested sustainably, Sistrina makes sure the oil we use is certified by the Roundtable on Sustainable Palm Oil (RSPO). One aspect of certified palm oil is ensuring that the farmers and their families working on oil palm plantations and smallholdings receive an income for essentials such as food, clean water, and housing.

## SDG 2 Zero hunger

Achieving zero hunger is not only a moral imperative but a fundamental pillar of sustainable development. Addressing hunger goes beyond fulfilling basic human rights; it is intricately linked to broader sustainability goals such as poverty reduction, health promotion, and environmental conservation. By focusing on sustainable agriculture, food security, and equitable access to nutritious food, we can break the cycle of poverty and create resilient communities.

By working with RSPO we try to do our part in regards with zero hunger. The RSPO organisation calls attention to the fact that palm oil has a very negative image. However, the yield of palm oil is much higher when compared to other vegetable oils. So when boycotting palm oil this would negatively impact the food supply and the farmers working on the palm plantations. This business provides them with the income for basic essentials such as food, clean water, and housing.

At the office we try and reduce our food waste by bringing our own lunch, this way each employee brings exactly enough food and none is wasted.

“ **To feed a global population that is set to reach 9.8 billion by 2050 we will need to use less land to produce 60% more food.** ”

**-RSPO**

## SDG 3 Good health and well-being

We offer a safe and healthy working environment in which our employees have the opportunity to grow and develop themselves, for which an annual budget is available. All employees also have access to an online training platform. This platform offers 25+ learning methods.

Every learning style is integrated in training courses. All employees are motivated to follow at least 1 to 2 courses per month. You can read more information about employee development in our [Education Policy](#).

All Sistrina employees work part-time, which helps to maintain a good work-life balance. We believe in a fair working environment for everyone, which is one of the reasons why we are RSPO certified. In addition, we promote a healthy lifestyle for sucrose ester consumers by keeping our recipe guides up to date with recent health developments (gluten-free, reduced fat/sugar, biodegradable, etc.).

To safeguard the well-being of our employees, we have appointed an external confidential advisor. Employees can approach this advisor with challenges they prefer not to share within the team. Additionally, an external HR manager is available to support team members with a range of issues.

Moreover, every year we donate money to a charity, in 2018 this was The Dutch ALS Foundation and in 2019 the Princess Maxima Foundation. Both of these charities focus on the good wealth and well-being of people.

For us, it is also important that our suppliers focus on good health and well-being of their employees. This is why in our Supplier Code of Conduct we have the topic; “workplace health and safety”. This topic is also included in our supplier questionnaire.

The RSPO organisation focuses on SDG 3, with regards to essential health services and unintentional mortality poisoning.

## SDG 4 Quality education

Quality education is vital for sustainable development as it equips individuals with the knowledge and skills necessary to address complex challenges such as climate change, poverty, and inequality. By fostering critical thinking, innovation, and problem-solving abilities, quality education empowers people to make informed decisions and contribute meaningfully to their communities and the global society. Ultimately, investing in quality education ensures a more resilient and prosperous future for generations to come, fostering economic growth, social cohesion, and environmental stewardship.

Sisterna B.V. provides opportunities for development, training and education (see [Code of Conduct](#)). By promoting education and training opportunities with our employees, everyone will continue to exercise their profession with the right skills and grow in their personal development. A budget is available each year for this purpose. This budget can be found in the KPIs.

Furthermore, we offer every new hire a training program consisting of:

- Compulsory training: anti-harassment and discrimination, awareness of cybersecurity and data protection, ethics, anti-corruption etc.
- General training about the company: introduction, its services, solutions, values, procedures and policies etc.
- Professional training

In the Human Resource Management policy of our supplier, it is communicated they offer, in-house on-the-job training, external education to learn skills and abilities, and support for self-development.

RSPO advocates for equal access to education and training, promoting gender parity in education and training opportunities.

## SDG 5 Gender equality

Gender equality is not only a moral imperative but also a key driver of sustainable development. In our pursuit of a more sustainable future, it is essential to recognize and address the unique challenges faced by different gender groups. By ensuring equal rights, opportunities, and representation for all genders, we can foster more inclusive and resilient societies.

Gender equality is very important to us at Sisterna, as our company exists for 78% of women. In our selection procedure, Sisterna B.V. assesses the performance of employees and selects candidates in an internal or external selection procedure in a transparent and fair manner. We look at a clear set of criteria consisting exclusively of attitude, behaviour and professional competence. Factors such as religion, political opinion, race or sexual orientation are not taken into consideration. This way everyone gets equal and fair treatment.

In our [Code of Conduct](#), it is stated that our employees shall receive Fair & Equal treatment.

In our Supplier questionnaire, we ask about an equal opportunities policy and forbid discrimination based on gender. Our Supplier Code of Conduct states the following: "Our suppliers shall not engage in or support discrimination based on race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, disability or other distinguishing characteristics, in accordance with the ILO conventions 100 and 111. Hiring, remuneration, benefits, training, advancement, discipline, termination, retirement or any other employment-related decisions shall be based on relevant and objective criteria."

RSPO states No discrimination, No violence and Equal opportunities. They also want to provide women with access to resources and empowerment through technology by access to a mobile telephone.



***Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance.***

***-Kofi Annan***







# Planet

The condition of the planet affects businesses worldwide. Businesses face challenges such as supply chain disruptions caused by environmental issues like climate change. Sustainable development requires businesses to adopt practices that help the planet while supporting economic and social growth. By becoming more sustainable, businesses can both protect the planet and thrive economically.

### SDG 6 Clean water and sanitation

Clean water and sanitation are crucial for sustainable development because they ensure access to safe drinking water and hygienic facilities, improving health and preventing diseases. By prioritising clean water and sanitation, communities can thrive economically and socially while preserving natural resources for future generations.

This is why our [Supplier Code of Conduct](#) mentions that our suppliers must provide a suitable, clean and sanitary environment, including access to toilets and drinkable water, which conforms to the needs and number of its employees.

As water is crucial in palm oil production as input and as an affected resource, RSPO focuses on water stewardship. All RSPO Members are required by the P&C 2018 to have comprehensive water management plans for their catchment and treat Palm Oil Mill Effluent (POME), as wastewater impacts issues such as availability of clean water, freshwater ecosystem health and greenhouse gas emissions.

It is important to note that comparatively, abundant rainfall makes oil palm a less “thirsty” crop than soy or rapeseed. Thus, palm oil production is more sustainable when considering the water footprint.

Our supplier is working to provide environmentally-friendly products and develop technologies in order to contribute and provide value to a sustainable society. They value the protection of water environment and reducing water pollution. The investments and costs for environmental protection activities focused on water pollution prevention in 2023 amounted to 17.4 million yen.

“**Certified palm oil mills have an average water footprint of 0.005 m3/kg, lower than other vegetable oils such as soybean and rapeseed.**”  
-RSPO

### SDG 12 Responsible consumption and production

We believe in our products and believe that these products should be safe. Sucrose esters are a unique range of high-quality, PEG-free, non-ionic emulsifiers, with exceptional performance. We comply with worldwide regulations and hold several certifications regarding the responsible manufacturing of our sucrose esters.

#### The footprint of our products production

The picture below visualises the environmental impact that the production of 1 kg of sucrose esters has. Sisterna wants to be as transparent as possible and in the coming year, we want to keep updating this information, to decrease our environmental impact over the years.



The manufacturer of our sucrose esters recycles water. However, it is not known how much precisely.

#### Waste Management

At the office, we reduce our waste as much as possible. To reduce waste, it is our policy to print only when needed. We recycle as much as possible. Plastic, paper, and other waste are disposed of separately. If they are still in good condition, the packaging is re-used. Ink cartridges are recycled and old computers are donated or given a second life.

#### Packaging and packaging waste

To promote recycling, we include recycling information on our labels.

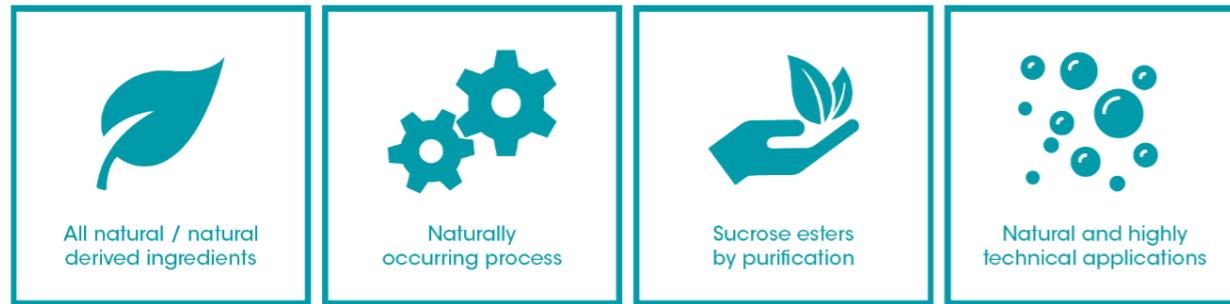
The following information is given;

Box	Bag	Pallet	Wrapping film
20 PAP	4 LDPE	50 FOR	4 LDPE

This is per the European Parliament and Council Directive 97/129/EC on packaging and packaging waste.

## Our certifications and claims

Our products have several advantages that make them a good sustainable option.



In addition, they have several certifications and claims that make them excellent for any natural formulation.

### RSPO

One of the most important certifications Sisterna has is that of the Roundtable on Sustainable Palm Oil (RSPO). Sisterna is a small user of palm oil, but we recognize the need for sustainable palm oil sourcing. It is an essential issue for the global environment, biodiversity and the working conditions of local plantation workers. We want to take our responsibility and therefore offer a sustainable emulsifier based on palm oil.

Member of Green Palm, through the purchase of "book and claim" certificates

Manufacturing sites compliant with MB/SG RSPO Supply Chain

Production and supply of palm oil according to the Mass Balance system

>2013

>2015

>2017

>2014

Accepted as a Member of the Round Table of Sustainable Palm Oil

>2016

Support of sustainable palm oil production through the purchase of "RSPO Credits"

>2021

Publication of Mill list on the RSPO website

### REACH

REACH entered into force on 1 June 2007 and implementation took place in phases in the years up to 2018. The registration deadline for all our pre-registered Sisterna products was 31 May 2018. Sisterna's parent company DKS Co. Ltd. took over the registration process from Sisterna in the course of 2016 via an OR (Only Representative). All our products are REACH registered.

### ISO 16128, 14001:2015, 9001:2015

Our products comply with ISO 16128 guidelines on natural and organic cosmetics and are certified with ISO 14001:2015 on environmental management and ISO 9001:2015 on quality management.

### FSSC 22000

Our parent company DKS, producer of the raw materials, is certified with FSSC 22000, a Food Safety Management System. It differs from other food safety certifications in its focus on certifying an organisation's Food Safety Management System.

### Natural product Association

Our products have been certified since 2012 by the Natural Products Association, which is the largest and oldest non-profit organisation in the US dedicated to the natural products industry.

### COSMOS/Ecocert

Increasing consumer demand for natural cosmetics has become one of the main drivers of the industry. As a raw material supplier, we want to support our customers in offering these kinds of products.

Each country has its own standard and definition of natural and organic ingredients. We choose to apply for a COSMOS approved certificate for our raw materials. COSMOS harmonised all these standards and created an international standard for organic and natural cosmetics.

### NATRUE

NATRUE is an international quality mark that was created to protect and promote natural and organic cosmetics all over the world. Sisterna's raw materials meet NATRUE standards since 2021.

### FDA approved

The FDA, or Food and Drug Administration, is a U.S. federal agency responsible for safeguarding public health by regulating food. Its mission is to ensure the safety, efficacy, and security of these products, thereby protecting and promoting public well-being. Sisterna’s sucrose esters and process are FDA approved.

### Kosher

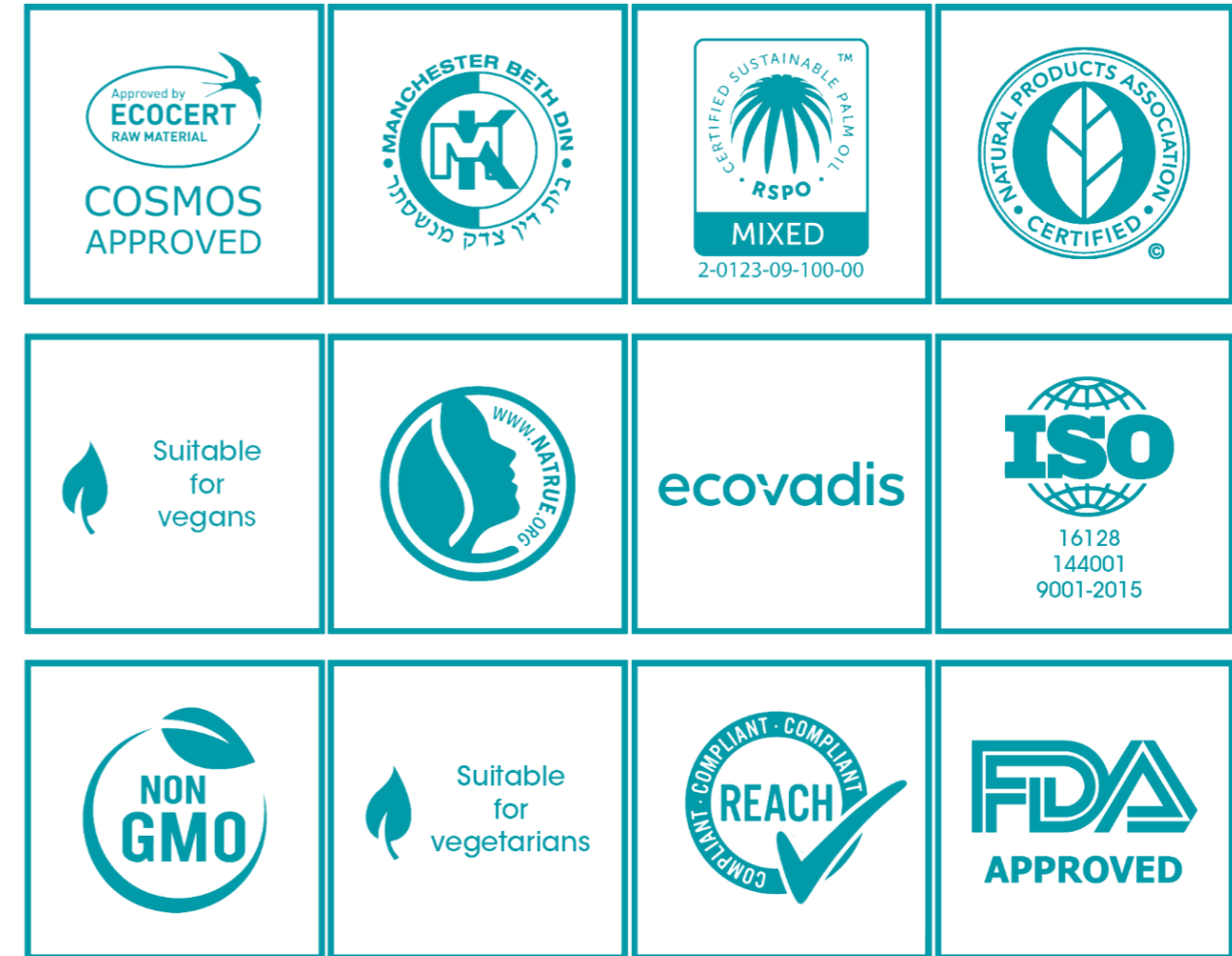
Kosher means fit, genuine or correct. When it comes to Kosher in food the word Kosher means ‘fit for consumption’ to those who adhere to Jewish dietary laws. Sisterna products are Kosher and Parev certified annually by Manchester Beth Din. This means that our ingredients and production process meet the Kosher standard.

### Non-GMO, Vegetarian, Vegan

Non-GMO, vegetarian, and vegan labels cater to consumers seeking products free from genetically modified organisms, animal-derived ingredients, and animal exploitation. These labels reflect a commitment to health, environmental sustainability, and ethical considerations, offering a range of options for conscientious consumers. Sisterna’s products are all non-GMO and suitable for vegetarians and vegans.

### EcoVadis

In 2018 Sisterna joined EcoVadis, the world’s most trusted sustainability rating, which enables all businesses to reduce risk, improve performance, and improve environmental and social outcomes. In 2024 Sisterna was awarded a Gold EcoVadis rating for her efforts in 2023 and had a score of 76/100. Raking in the top 5% of all companies Ecovadis rates.

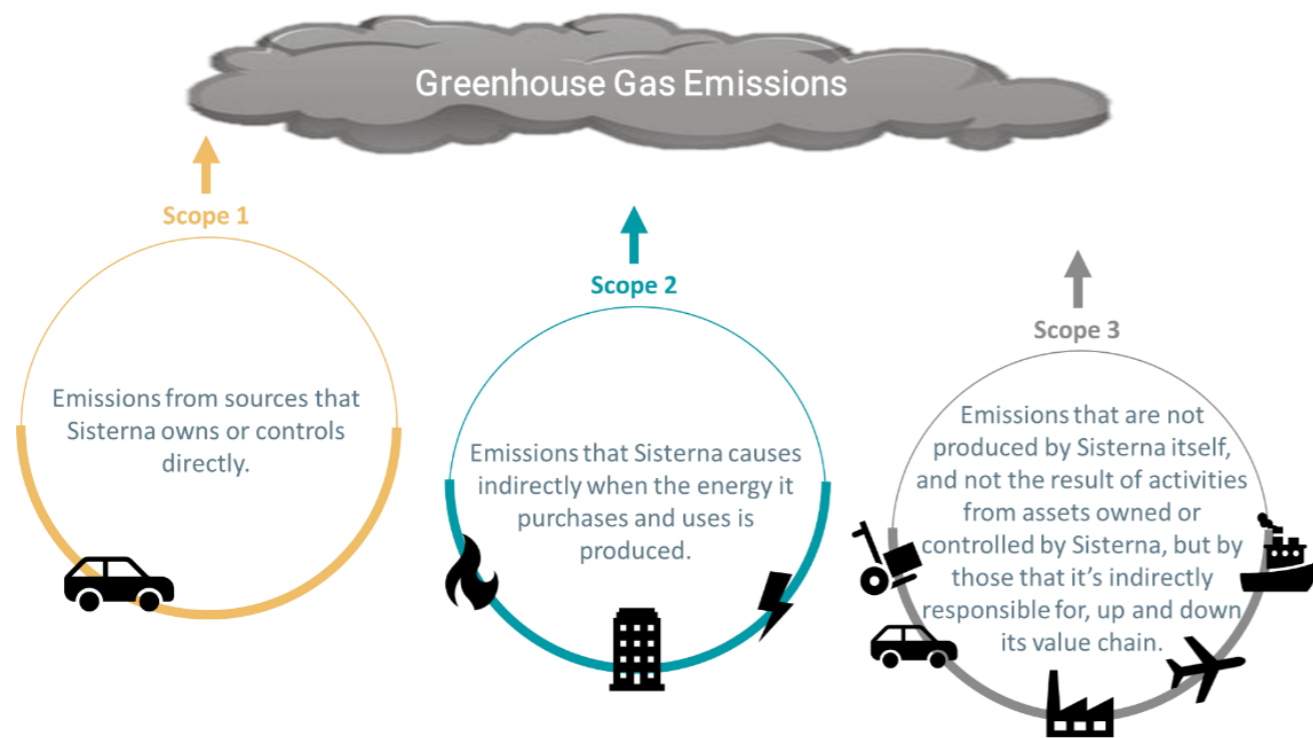


### SDG 13 Climate action

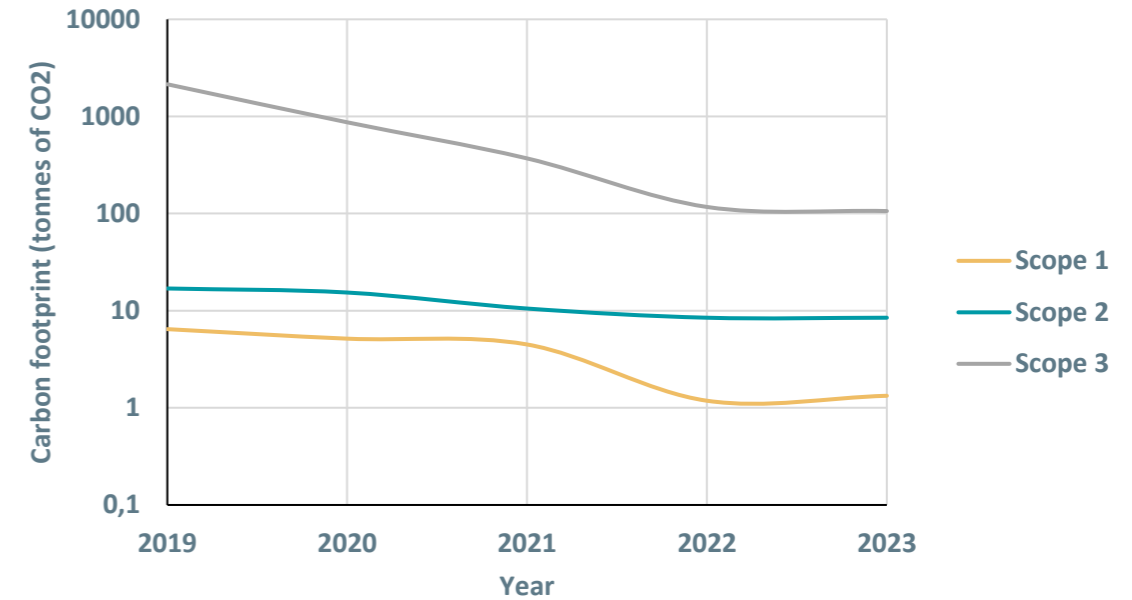
Addressing climate change and fostering sustainable development require actions such as reducing carbon footprints and adopting sustainable procurement practices. By minimizing emissions and promoting responsible consumption, we can mitigate environmental degradation and build a more resilient future for all. Integrating these efforts into policies and practices is essential for achieving global sustainability goals and safeguarding our planet's future.

#### Carbon footprint

Calculating our carbon footprint is an important part of our sustainability. This is a good way to measure our impact on the environment. We started with calculating our carbon footprint in 2019. This year we started dividing our carbon footprint into three different scopes to get a better overview of the type of emissions that we are directly responsible for.



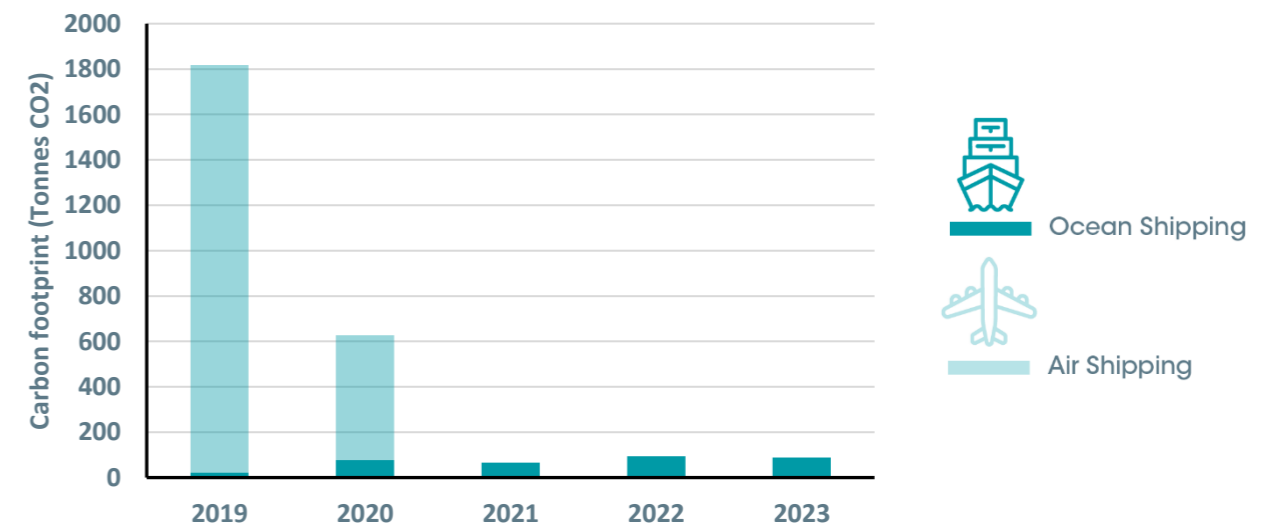
Scope 1 includes the emissions from our company vehicles.  
 Scope 2 includes the electricity and heat used for our rented business premises.  
 Scope 3 includes the transportation and distribution from production location to the final customers, business travel by our employees, commuting to the office by our employees and the packages from our office to other companies.



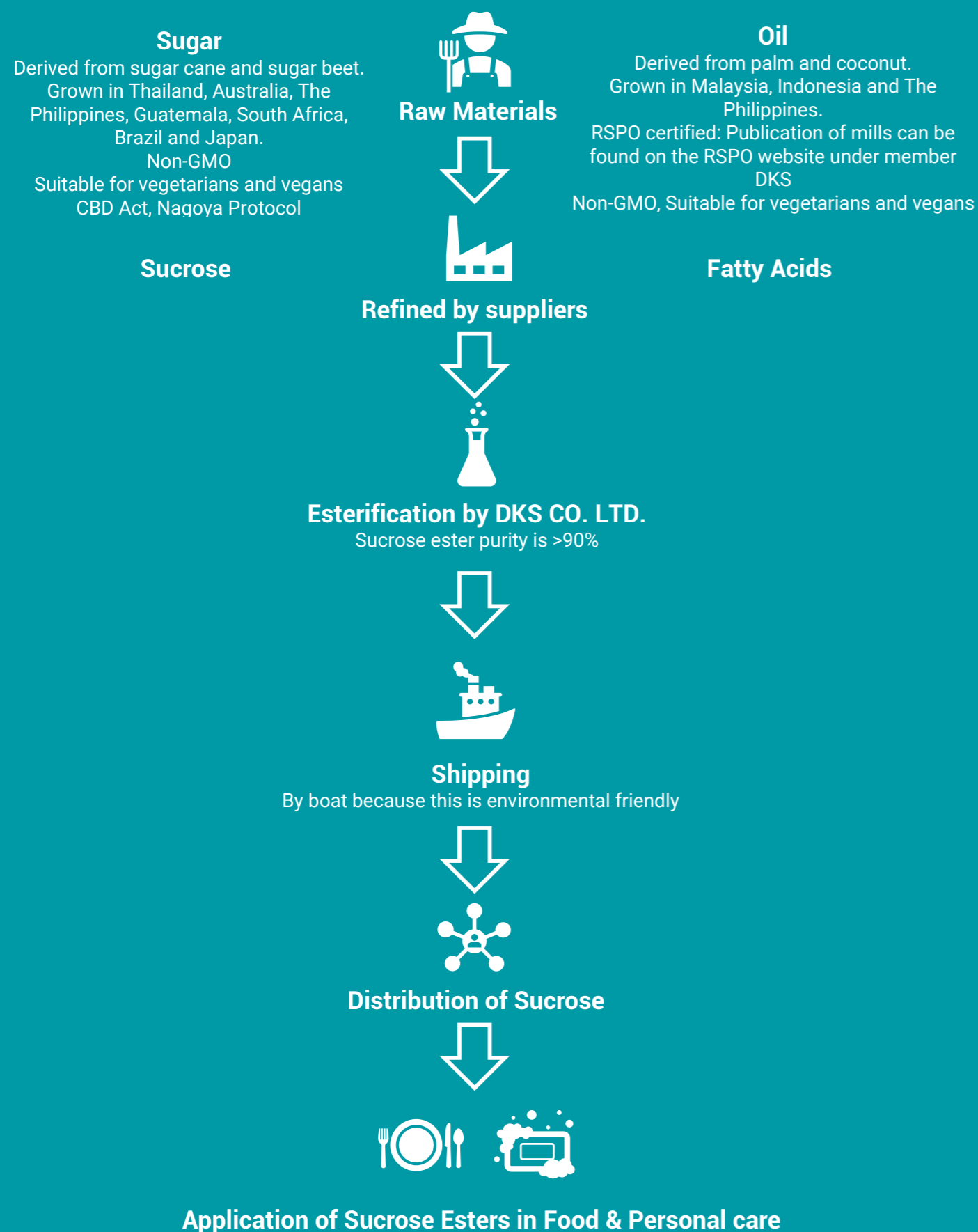
In the future, we wish to expand scope 3 to make it more complete by also adding the emissions made by our mother company DKS when producing our sucrose ester.

This year our carbon footprint was not much different from 2022. Our goal is to keep our carbon footprint at the same level or reduce it even further. Read more about how we want to do this in the chapter: Goals.

In the figure below our shipping carbon footprint can be found.



There was a significant reduction in carbon footprint in 2020 as well as 2021. This was due to the transition from air freight to sea freight. By using boat transport instead of air transport, carbon emissions were kept to a minimum. In the future, our goal is to keep this carbon footprint to a minimum by only using air shipment when there is no other way.



### Sustainable Procurement

In today's global market, the supply chain is key to how businesses operate. Sustainable procurement means making decisions that consider the environment and social responsibility. This goes beyond just looking at cost and quality; it includes choosing suppliers who follow ethical and eco-friendly practices. By doing this, we can reduce risks and promote positive changes throughout our supply chain, helping to create a more sustainable future.

Sisterna has conducted an internal risk assessment and we will continue to work with suppliers and customers to ensure CSR principles are respected throughout the entire supply chain.

The EcoVadis assessment allows us to evaluate our principles and suppliers based on CSR principles including social issues, environmental issues and governance practices.

Our due diligence process includes assessments and helps us identify and prevent human rights violations (employee health and safety, working hours, freedom of association, child and forced labour, etc.) in our suppliers' operations.

Sustainability is an important topic in our business as we promote and sell sucrose esters produced with sucrose, from sugar beet and sugar cane, and fatty acids from palm and coconut oil.

We have been promoting and supporting sustainable palm oil production since 2013. First through the purchase of Book & Claim certificates and since 2017 through the actual purchase of certified sustainable palm oil according to the Mass Balance system.

Both DKS, producer of Sisterna sucrose esters, and Sisterna as distributor are accepted and registered as members of the Round Table of Sustainable Palm Oil (RSPO). We encourage all links in the supply chain to do the same. We also expect a commitment from our distributors that is consistent with our policies. To participate in the sustainable palm oil sector, they must become a member of the RSPO and then apply for a license from the RSPO. Our distributors play a crucial role in maintaining the integrity of the certified chain.

More information about our sustainable procurement can be found in our [sustainable procurement policy](#) and our [sustainable procurement report](#).

## SDG 14 Life below water

Plastic pollution causes environmental, social and economic damage everywhere it is found. 900 species are impacted by plastic pollution, of which over 100 are endangered. Marine life often mistake plastic for food or get entangled in discarded fishing gear. Plastic transports invasive species and disrupts the natural balance of ecosystems. It also carries toxic pollutants, that end up in the food chain, including us humans. This is why Sisterna supported the charity The Ocean Cleanup, in 2021. The Ocean Cleanup aims to tackle plastic pollution in order to protect and restore marine and riverine environments and the wildlife they contain – as well as benefitting the human communities living alongside our Interceptors and often relying on their river for their livelihoods.

Moreover, our personal care colleagues attended a seminar highlighting the impact of the cosmetic industry on microplastics. This industry is responsible for 2% of all the microplastics. In our guide formulations, we take care to avoid the use of microplastics.



## SDG 15 Life on land

Life on land is vital for sustainability because it gives us food, clean air, and water. Plants and animals on land help keep our climate stable and support our way of life. Protecting land and the creatures that live on it is important for keeping our planet healthy for generations to come.

This is why Sisterna declares her commitment to No Deforestation, No Peat, No Exploitation (NDPE) practices. More about this can be read in our [NDPE Policy](#).

In 2017 Sisterna also donated money to the WWF charity in support of life on land.

The RSPO extends its efforts beyond just sustainability in palm oil production; it also prioritizes the conservation and protection of land-based ecosystems. Through various initiatives and partnerships, RSPO actively engages in safeguarding terrestrial habitats and promoting biodiversity conservation. Furthermore, RSPO is committed to promoting responsible agricultural practices, including the judicious and cautious use of pesticides, to mitigate environmental impacts and protect ecosystems.

Moreover, RSPO plays a crucial role in fire prevention and management, particularly in regions like Indonesia and Malaysia where palm oil cultivation is prevalent. The probability of a fire hotspot occurring within an RSPO certified concession is less than 1.5%, underscoring the organization's effectiveness in fire risk mitigation and land protection.

“  
**An area of 301,020 ha,  
 almost 30 times the  
 size of Paris, has been  
 conserved and  
 protected through  
 RSPO certification.**

-RSPO





# Prosperity

Prosperity and sustainable development are intertwined concepts crucial for fostering a balanced and thriving global society. Sustainable development aims to meet present needs without compromising the ability of future generations to meet their own, thus ensuring enduring prosperity. By prioritizing economic, social, and environmental considerations, sustainable development paves the way for equitable growth, resilient communities, and a healthy planet.



## SDG 7 Affordable and clean energy

SDG 7, Affordable and Clean Energy, focuses on ensuring access to reliable, sustainable, and modern energy for all. By promoting the use of renewable energy sources and improving energy efficiency, SDG 7 contributes to mitigating climate change and reducing pollution, fostering environmental sustainability. Access to affordable and clean energy not only enhances economic opportunities but also promotes social equity and supports sustainable development efforts worldwide.

At the office of Sisterna, we are in contact with the building manager to increase the building's sustainability, for example, by implementing solar panels. However, since Sisterna does not own the building, there is nothing we can do directly to make the energy more affordable and clean.

One of the future goals is that we will continue to look at the use of electric or hybrid commercial vehicles over the next seven years. Moreover, we also support our employees to travel using public transport whenever possible.

RPSO's targets to this topic are universal access to energy, increased renewables and expanded sustainable energy.



## SDG 8 Decent work and economic growth

We are committed to ensuring that everyone who works for Sisterna is treated with dignity and respect while working for Sisterna, and acts of unfair treatment will not be tolerated. A safe work environment is also a work environment free from harassment. Nuisance, (sexual) harassment, bullying, and discrimination - in any way - will not be tolerated.

### RSPO

RSPO has developed a set of environmental and social criteria that companies must meet in order to produce certified sustainable palm oil (CSPO). When applied correctly, these criteria can help minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions. As of January 2017, Sisterna offers Sisterna sucrose esters with certified and traceable palm oil according to the Mass Balance system. Sisterna focuses on further transparency in the supply chain as this becomes increasingly important in doing business. We are very pleased with the online publication on the mill list since 2020 on the RSPO website.

DKS, the producer of Sisterna sucrose esters is not (yet) able to supply SG RSPO-certified sucrose esters, because SG RSPO-certified fat derivatives are currently not available in Japan. Fat derivatives must meet specifications and certification to maintain product quality. This makes it even more difficult to find an alternative source of fat derivatives.

For Sisterna L70-C, methyl fatty acids come from palm kernel oil and coconut oil grown in Malaysia, Indonesia and the Philippines. Sisterna supports sustainable palm oil production through the purchase of RSPO credits. More information about procurement can be found in the Sustainable Procurement chapter of this report.

### Code of Conduct

Our Code of Conduct contains fundamental requirements for doing business. Not only does the Code of Conduct apply to all Sisterna employees, we also expect third-party representatives, vendors and consultants to act in a manner consistent with it. Sisterna takes appropriate action when we believe that third parties have failed to meet our expectations or their contractual obligations.

### Risk Management

Sisterna has had a risk management policy since 2017 and undergoes annual risk assessment reviews. These assessments include the definition of risks in terms of impact and likelihood, as well as the preparation and follow-up of action plans and persons responsible for implementation.




Sisterna implemented the Fine & Kinney method to estimate the level of risk and determine what measures should be taken to reduce these risks. The purpose of working according to this method is to draw management's attention to the key threats and opportunities we face. Sisterna has identified approximately 15 areas of potential risk, for example, environmental risk, IT security, credit risk, product delivery etc. which we monitor and review annually. In 2020, Sisterna also included pandemics in its risk portfolio.

### SDG 9 Industry innovation and infrastructure

Industry innovation and infrastructure are crucial components of sustainable development, driving economic growth, social progress, and environmental sustainability. Sustainable projects do not only reduce environmental impact but also create jobs and stimulate economic development.

#### New business

We are focusing on making our product range more sustainable by exploring new natural emulsifiers and surfactants that can be added to our portfolio. Our goal is to find an emulsifier and/or surfactant that has the following properties:

 Sustainable	 Biobased	 Non-allergen	 Natural taste
 Less E-numbers as possible, FSSC	 Non-animal	 Palm oil free	 Produced in Europe
 Unique	 Natural certified		

#### Infrastructure

Furthermore, together with our suppliers, business partners and logistic partners, we have developed a high-quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure. This way we can be sure that we are a reliable partner.

### SDG 10 Reduced inequalities

Reducing inequalities is vital for sustainable development because it ensures fairness and equal opportunities for all. When we address inequalities in income, education, healthcare, and other areas, we create a more balanced society where everyone has the chance to thrive.

In our Sisterna code of conduct, it is described that all employees shall have fair and equal treatment. Factors such as religion, political opinion, race or sexual orientation are not taken into consideration. This is also reflected in our KPI, equal pay and discrimination training. Employees with a comparable position, education and experience will receive equal pay. Every employee is trained on: anti-harassment and discrimination, awareness of cybersecurity and data protection, ethics, anti-corruption etc.

In our supplier questionnaire, we also make sure that our suppliers have an equal opportunity policy and forbid discrimination of any kind.

### SDG 11 Sustainable cities and communities

Sustainable transformation of cities and communities is a crucial aspect of sustainable development. This transformation enhances the overall well-being, fosters social cohesion and stimulates economic growth.

Each year Sisterna proudly contributes to a chosen foundation. In the year 2023, we enthusiastically embarked on a project to enhance our immediate work surroundings, aiming to create a more beautiful, greener and eco-friendly environment. The idea was to transform a part of the industrial area housing the Sisterna office, making it more attractive to insects, animals and the employees working nearby. The team constructed a branch ridge, installed insect hotels and sowed a sea of flowers of native plants, all under guidance of professionals.

This SDG relates closely with SDG 7, Affordable and Clean Energy, when considering making cities more sustainable by using more green energy.





# Peace

Peace is a fundamental prerequisite for sustainable development, as it creates the necessary conditions for societies to thrive. In the absence of conflict and violence, resources can be allocated towards development initiatives, fostering economic growth and social progress. Sustainable development, in turn, contributes to the consolidation of peace by addressing root causes of conflict, promoting inclusivity, and building resilient communities.

## SDG 16 Peace, justice and strong institutions

SDG 16, Peace, Justice, and Strong Institutions, underscores the crucial role of peace and effective governance in sustainable development. It aims to foster inclusive societies, ensure access to justice, and build accountable institutions. By addressing issues like conflict and corruption, SDG 16 lays the groundwork for sustainable progress and prosperity worldwide.

As an office-based organisation in a non-conflict area, Sisterna acknowledges that it cannot have a big impact on sustainable development goal 16, Peace, justice and strong institutions. But, in our working conditions, we have rules related to this SDG. These conditions describe how we will act towards each other to prevent conflicts within our organisation. If a problem should arise there is an external confidant with whom the employees can talk and who will make sure this issue is resolved in the best possible way. Moreover, our working conditions also mention how to handle when gifts are presented and when facing bribery.

Transparency and public access to documents play a crucial role in maintaining peace within societies. When information is readily available, trust in institutions increases, reducing the potential for conflict. This is why Sisterna has public access to most of our documents.

Every year Sisterna donates money to a charity. In 2016 and 2020 these charities were related to SDG 16. In 2016 Sisterna donated money to Amnesty International, this is a global human rights organization dedicated to advocating for justice, freedom, and dignity for all individuals. In 2020 Sisterna donated money to the Red Cross and Red Crescent. These are humanitarian organizations committed to providing assistance to those in need, irrespective of nationality, race, religion, or political beliefs. They offer vital support in times of crisis, including disaster relief, healthcare services, and humanitarian aid, embodying the principles of impartiality, neutrality, and humanity.

In our supplier questionnaire, we also state that our suppliers are prohibited from engaging in child abuse and exploitation. This is also carried out by the RSPO organisation.





# Partnership

Strong partnerships are vital for achieving sustainable development goals, as they enable the pooling of resources, expertise, and efforts across various sectors and stakeholders. With collaboration as the cornerstone, these partnerships amplify the impact of initiatives and drive meaningful progress towards a more sustainable future.

## SDG 17 Partnerships for the goals

We believe that partnerships are essential to achieve goals, which is why we work together with our supplier and various partners and certification providers. Creating 'beyond the product' partnerships has always been our approach. At Sisterna, it is quite common to have collaborations that span 20 years or even longer.

DKS Co. Ltd., our parent company, is our primary partner. Sisterna was founded in 1992 as a joint venture of DKS Co. Ltd. (Japan) and Royal Cosun (the Netherlands). Since 2009, the ratio of shares between DKS and Cosun is 95-5%. DKS is also the producer of sucrose esters.

There is also a partnership with Royal Cosun to use the facilities and knowledge for research and development. In addition to these two shareholders we have a large network of distributors, logistic partners, and other companies with whom we are proud to work with.





# Goals

Setting goals is arguably the most important part of our sustainable development journey. With clear goals, we can track our progress and, more importantly, make plans to improve our sustainability.

## KPIs

The following table shows the progress we made in 2019 towards 2023. For more information on developments in each of the areas.

KPIs	2019	2020	2021	2022	2023	Goals
<b>People</b>						
Absenteeism	0,58%	0,95%	0,03%	6,75%	2,85%	Sisterna wants to maintain its absenteeism rate below the national average of 5,25% in 2023.
Number of occupational accidents	0	0	0	0	0	Sisterna wants to keep the number of occupational accidents at zero.
Proportion of women	75%	78%	78%	78%	78%	Sisterna strives for equality, but competencies will be the deciding factor in selections.
The average of hours spent per employee on education/training*	45	6	21	34	47	Sisterna strives to increase the number of hours spent on education and training.
Total education budget per employee on average	€2000	€2000	€2000	€2000	€2000	Sisterna wants to maintain the current support level.
Average of years worked at Sisterna per employee**	11	11	12	13	14	Sisterna wants to stay an attractive, safe and caring workplace for our employees.
Percentage of part-time employment	100%	100%	100%	100%	100%	Sisterna wants to support a healthy and flexible work/life balance.
Percentage of employees who are trained on discrimination	-	-	100%	100%	100%	Every employee is trained on: - anti-harassment and discrimination, awareness of cybersecurity and data protection, ethics, anti-corruption etc. -General training: introduction, services, values, procedures and policies etc.
ISO's	16128 9001:2015 14001:2015	16128 9001:2015 14001:2015	16128 9001:2015 14001:2015	16128 9001:2015 14001:2015	16128 9001:2015 14001:2015	Sisterna wants to maintain the quality of the product by complying with ISO standards.
<b>Planet</b>						
Scope 1 Carbon Footprint (Tonnes CO2)	6,5	5,2	4,5	1,2	1,3	
Scope 2 Carbon Footprint (Tonnes CO2)	16,9	15,4	10,5	8,5	8,5	
Scope 3 Carbon Footprint (Tonnes CO2)	1851,7	631,3	69,4	105,5	105,1	
Products with palm oil are RSPO certified	100%	100%	100%	100%	100%	We want to keep this 100%.
Sustainability meeting held internally and externally	-	-	7	16	21	We want to increase the amount of time spend on sustainability by Sisterna employees as a team and with our partners.
<b>Prosperity</b>						
Equal pay	100%	100%	100%	100%	100%	Women's salary compared to men's with comparable position, education and experience needs to be equal.
<b>Peace</b>						
No conflicts in doing business	Yes	Yes	Yes	Yes	Yes	Sisterna strives to have no conflicts in doing business, internally and with other companies.
<b>Partnerships</b>						
Have KPI's in place for our suppliers	No	No	No	No	Yes	It is important for us to not only see our own impact but also that of our suppliers, this is why we want to keep monitoring supplier KPI's in our Sustainable procurement report.
Contribution to charity	€500	€500	€500	€500	€500	We want to express our support by making a financial contribution to various charities that share our values.



## Obtained Goals in 2023

### People

- All our employees have access to an online training platform with courses for employees to improve themselves. For example; working from home, mindfulness, innovation, digital skills, sales, management and more.
- We invested in a lounge area in the office.
- An ethics policy is made.

### Planet

- We divided our carbon footprint in three scopes.
- Our carbon footprint has remained virtually the same as last year.
- By sending our Christmas card digitally instead of by post, we did not have to use paper and transport, which reduced the carbon footprint.
- Shipment of small packages is climate neutral.
- When looking for new packaging an environmentally friendly version is always looked into.
- Sisterna was awarded a gold EcoVadis rating for her efforts.
- An NDPE policy is in place covering the EU deforestation law.

### Prosperity

- We have discussed with the building owner the possibility of installing solar panels and a heat pump for the coming year.
- Study of sustainable products, upcycling, portfolio and investments.
- We organised a sustainability day with our employees in which we transformed a part of the industrial area, where the Sisterna office is located, making it more appealing to insects, animals and employees working nearby.

### Peace

- We are addressing conflict and corruption in our supplier questionnaire.

### Partnership

- We maintain good contact with our parent company DKS and have regular meetings.
- There is regular contact, both online and offline, with our distributors. We also organised a Distributor Meeting on location.
- This year Sisterna reached out to several companies regarding its new business and obtained several samples.

## Future Goals

### People

- We plan on promoting the education and training opportunities of our employees, so that they continue to grow in their personal development.
- To ensure our employees are happy in our workspace next year, we will continue to survey to see how satisfied our employees are and what we can do to improve it.
- We want to improve the home workplace of every employee.
- Starting in 2024, Sisterna must periodically offer its employees occupational health examinations. The aim of these examinations is to minimize the health and safety risks associated with their work as much as possible.

### Planet

- We plan to further reduce our carbon footprint in the coming years.
- Over the next seven years we will continue to look at the use of electric or hybrid commercial vehicles.
- We will continue to use ocean shipments when schedules and available stock allow, as they have a lower carbon footprint.
- Over five years we want to increase the information included in scope 3.
- By 2028 all packaging used will be sustainable.
- We want to improve our personal care sample packaging and make them more sustainable.
- Sisterna plans to uphold her certifications to ensure customers of the quality of the products.
- Sisterna wants to improve her EcoVadis score in the coming year.

### Prosperity

- Together with the building owner we continue to look for sustainable options to reduce our ecological footprint.
- In the coming years Sisterna wants to add a new natural, sustainable emulsifier and/or surfactant to its range of products.

### Peace

- We want to keep addressing conflict and corruption in our supplier's questionnaire

### Partnership

- We plan to keep in good contact with all of our partners and we hope we can expand this network even more over the coming years. At Sisterna we believe that it is important to have both face-to-face meetings and video meetings to build and maintain good professional relationships.
- Sisterna will invest in exhibitions as the personal contacts during the shows are key for our business. We realise building a stand for a few days is not the most sustainable action, but we will try to do it the best way possible.



Experience our Expertise



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