



Sustainability report

2022

2022 was a year with many high and low lights

The global economy has been hit hard by the consequences of the ongoing war in Ukraine, the related energy crisis, high inflation and the after-effects of the COVID-19 crisis. In many countries, the prices of food and energy in particular have increased. This affected economic growth worldwide. In 2022 the average inflation in the European Union was over 8%.

Despite these events and uncertainties, Sisterna celebrated her 30th anniversary.

We are extremely proud of this significant milestone. In the field of sustainability and corporate social responsibility, we received a gold medal for our EcoVadis ranking. Sisterna is among the 5% of the best performing companies, rated by EcoVadis in its sector. This year Sisterna is focusing on further transparency in the supply chain, as this becomes increasingly important in doing business. We look forward to taking further steps in 2023 and working towards several corporate social responsibility and sustainability goals.

Despite last year's changes and many opportunities, the coming years will also bring many challenges.

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.



Table of content

Our company	6
Our focus	8
Sustainable Development Goals	8
Our people	9
SDG 3 Good health and well-being	9
SDG 8 Decent work and economic growth	10
RSPO	10
Code of Conduct	10
Carbon footprint	11
Waste Management	12
Our products & their safety	13
SDG 12 Responsible consumption and production	13
Our certifications and claims	14
New business	17
Our partnerships	18
SDG 17 Partnerships for the goals	18
Our risk management	19
Our sustainable procurement	20
Our goals	22



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.

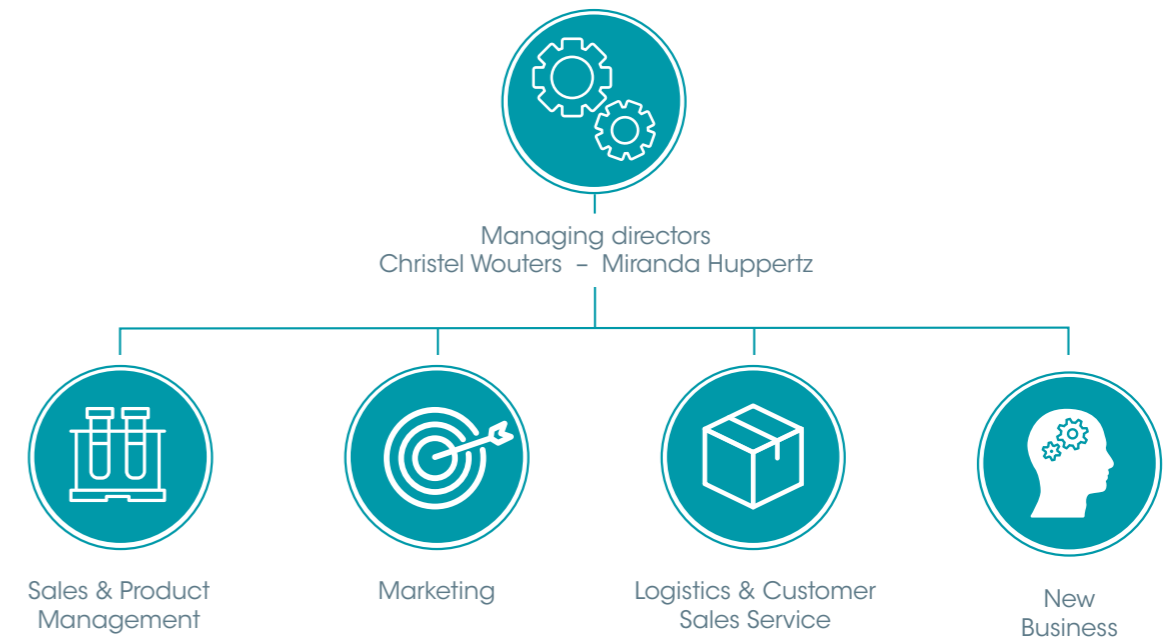
A team of experts can assist with technical guidance both in Food and Personal Care applications. All applications are developed in close cooperation with the shareholders DKS Co. Ltd. and Cosun Innovation Center (part of Royal Cosun) with specialists and equipment for numerous applications.

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 35 countries worldwide.

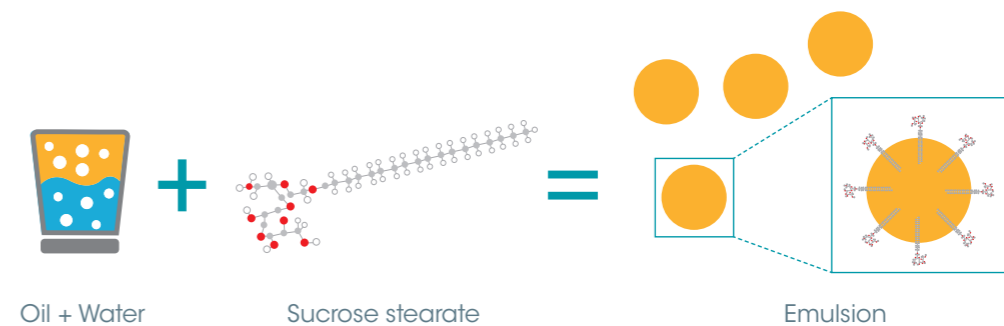
Our team

Sisterna is a small sized company that consists of a team of nine employees.



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 categorized as emulsifiers, their functionality is not only emulsification.



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

Our focus



As we continue our sustainability journey, we focus on three main topics: Our People, Our Products & Their Safety, and Our Partnerships.

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

To guide our sustainable development activities, we use the UN Global Compact Sustainable Development Goals (SDGs). We choose the SDGs that are most relevant to our business, strategy and purpose and where we can make the greatest impact. The SDGs provide guidance, improve our performance and bring innovation to the market.



Our people



We are fully aware that without our people we would not be where we are today. We can only fulfill 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 healthy guide recipes.

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 Sisterna 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 developments (gluten free, reduced fat/sugar, biodegradable, etc.).

We conduct an annual satisfaction survey to measure the efforts of our employees and to identify areas for improvement and actions must be taken to ensure their loyalty.

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 with 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.

Segregated

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 specification and certification to maintain product quality. This makes it even more difficult to find the alternative source of fat derivative.

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.

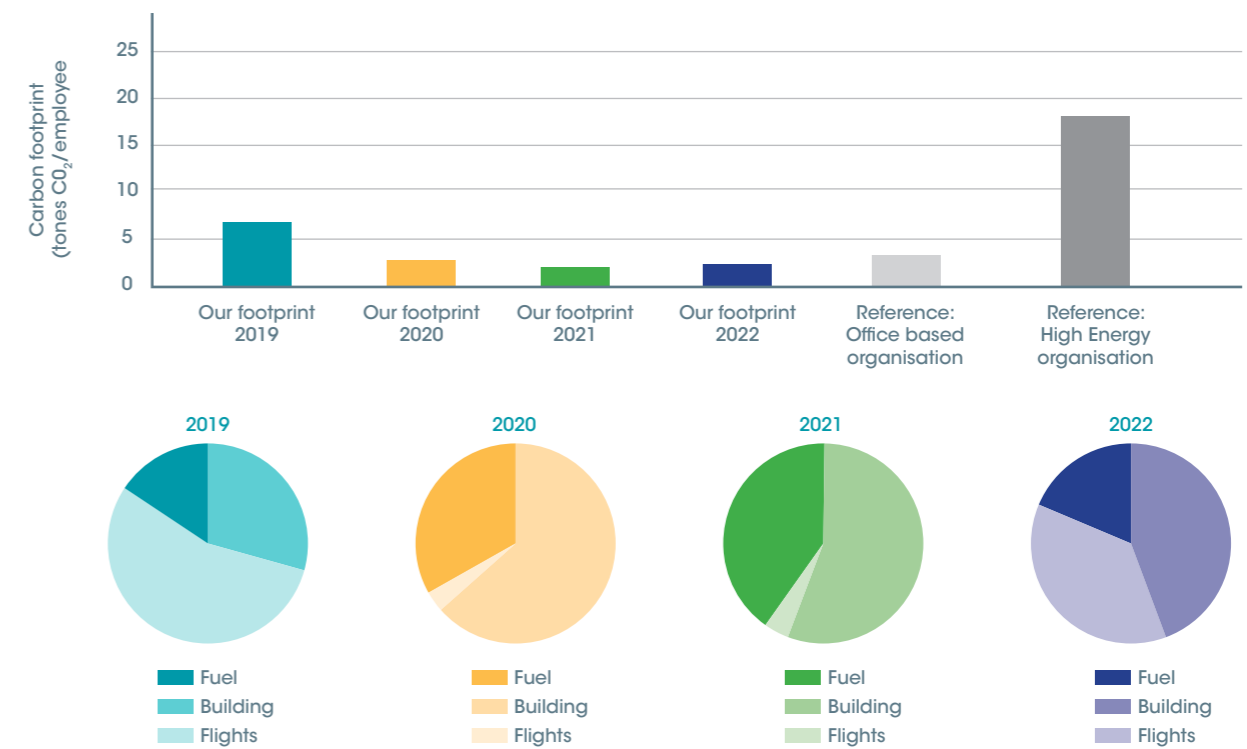
Code of Conduct

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.

Carbon footprint

In 2019 we started calculating our carbon footprint (figure 1). This calculation gave us insight and made us set improvement goals. From 2019 to 2022 our carbon footprint reduced from 7.21 to 2.72 tonnes CO₂ per employee. The main reason for the reduction from 2019 to 2020 and 2021 is the travel restrictions due to COVID-19, making it difficult to compare 2021 and 2020 to 2019. As shown in figure 1, the largest part of our carbon footprint in 2019 consisted of flights, which were not possible due to COVID-19 restrictions.

Figure 1, Our carbon footprints 2019 until 2022 related to an office based organisation

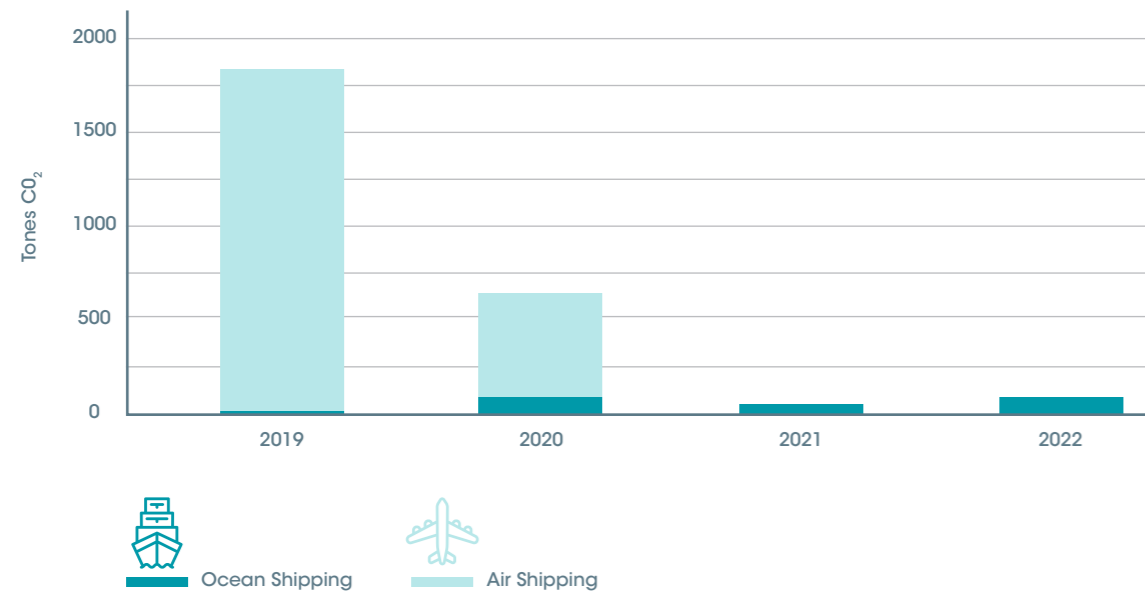


However, most travel restrictions were lifted in 2022 and we still reduced our carbon footprint compared to 2019. This reduction was due to the fact that we are gradually replacing our company cars with electric vehicles. The building is further greened in 2022 by replacing the fluorescent lighting with LED lighting and applying other energy-saving strategies, such as hybrid working.

One of the ways we try to reduce our carbon footprint is by promoting public transport as transport option in our team. When the travel time by public transport is just as fast or faster than by car or plane, public transport is preferred.

Sisterna provides samples to its distributors so customers can test the product before purchasing. To reduce emissions caused by transporting multiple small packs, we encourage our distributors to maintain their own sample stock and plan to ship one (larger) sample pack per month per distributor.

We also calculated our shipping carbon footprint for 2019 to 2022.



There was a reduction from 1820 tonnes CO₂ in 2019 to 628 tonnes of CO₂ in 2020 due to the transition from air freight to sea freight. In 2021 there was no more air freight, further reducing the carbon footprint of shipping to 66 tonnes of CO₂. In 2022, our shipping will have emitted 91 tons of CO₂. This was a small increase compared to 2021, this is because our sales have increased and with it our shipments. However, by using boat transport instead of air transport, carbon emissions were kept to a minimum.

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 is disposed separately. If they are still in good condition, packaging is re-used. Ink cartridges are recycled and the old computers are donated or given a second life.



Our products & their safety

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 an exceptional performance. We comply with worldwide regulations and hold several certifications regarding the responsible manufacturing of our sucrose esters.

Packaging and packaging waste

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

The following information is given;



This is in accordance with 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.

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 kind 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.

REACH

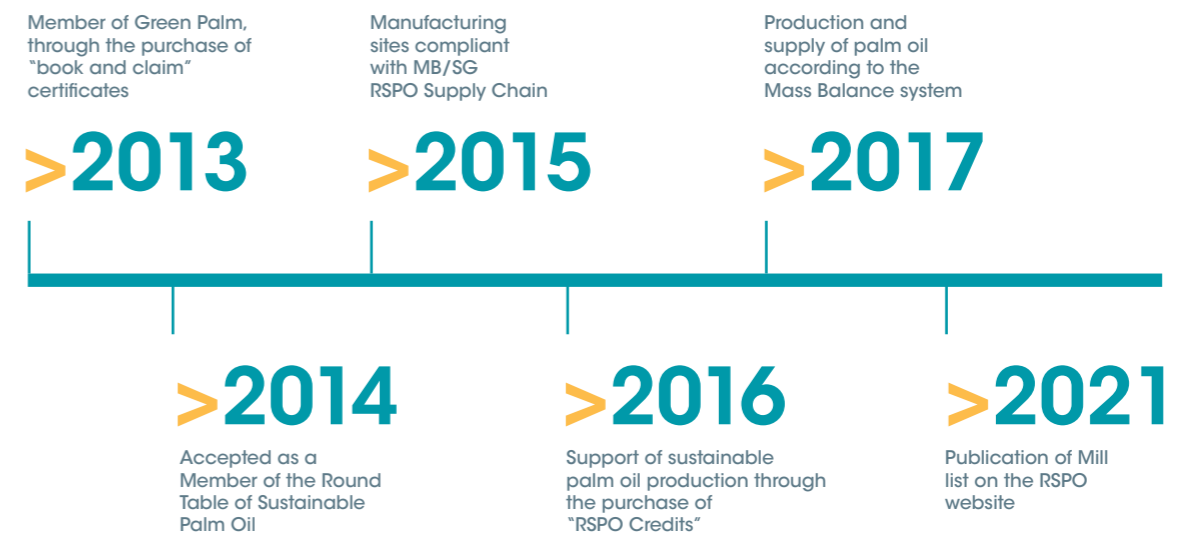
REACH entered into force on 1 June 2007 and implementation took place in phases in the years up to 2018. The registration deadline for all our pre-registered Sisterna products was 31 May 2018. Sisterna's parent company DKS Co. Ltd. took over the registration process from Sisterna in the course of 2016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

EcoVadis

Since 2018 Sisterna has 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 2022 Sisterna was awarded a gold EcoVadis rating for her efforts and had a score of 67/100.

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



Natural product Association

Our products have also 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.

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.

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.

Kosher

Kosher means fit, genuine or correct. When it comes to Kosher 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.

FDA approved

Sisterna's sucrose esters and process are FDA approved.

Non-GMO, Vegetarian, Vegan

Sisterna's products are all non-GMO and suitable for vegetarians and vegans.

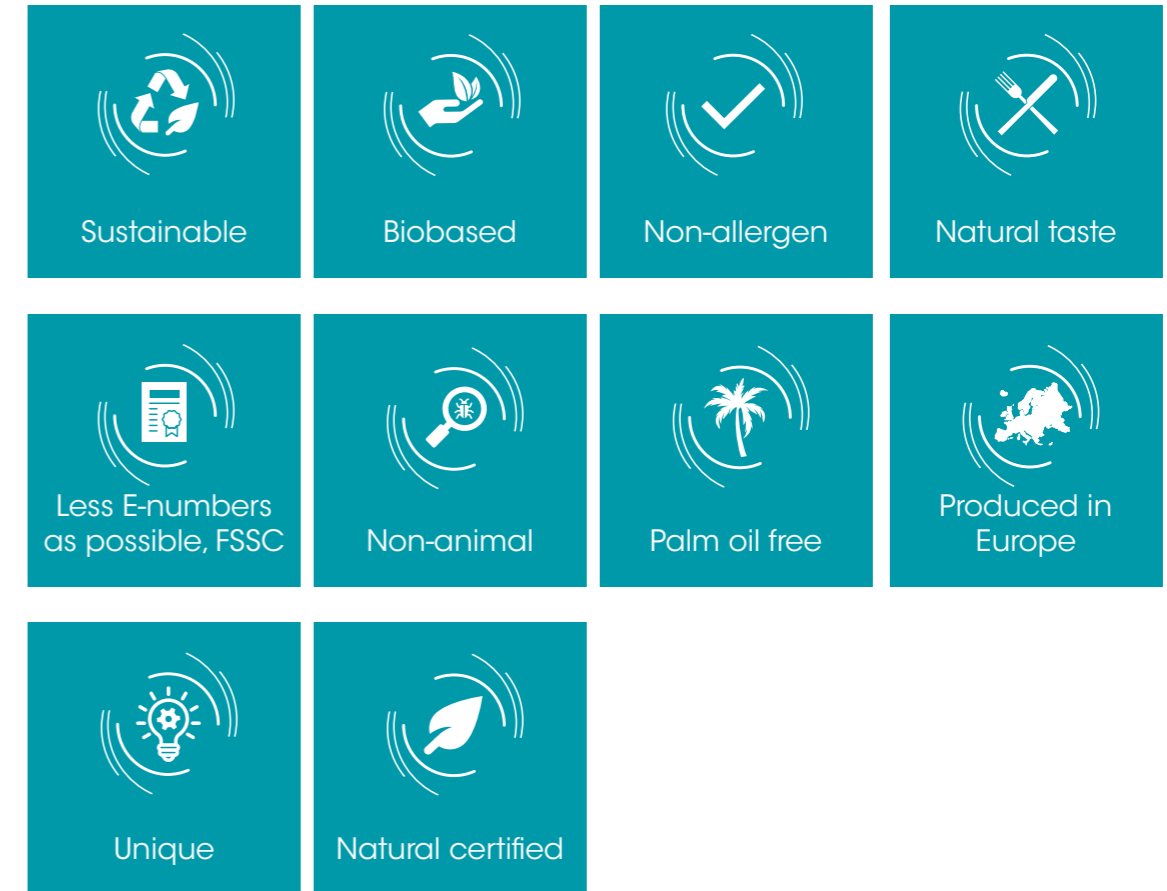
NATRUE

NATRUE is an international quality mark that was created with the aim of protecting and promoting natural and organic cosmetics all over the world. Sisterna's raw materials meet NATRUE standards.



New business

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





Our partnerships

SDG 17 Partnerships for the goals

Our value of having good partnerships with other companies is closely related to 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 Sisterna 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 which whom we work.



Our risk management

Managing our risks

The company 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.

Risk management is the responsibility of the Management and Logistics manager.



Our sustainable procurement

Our sustainable procurement

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

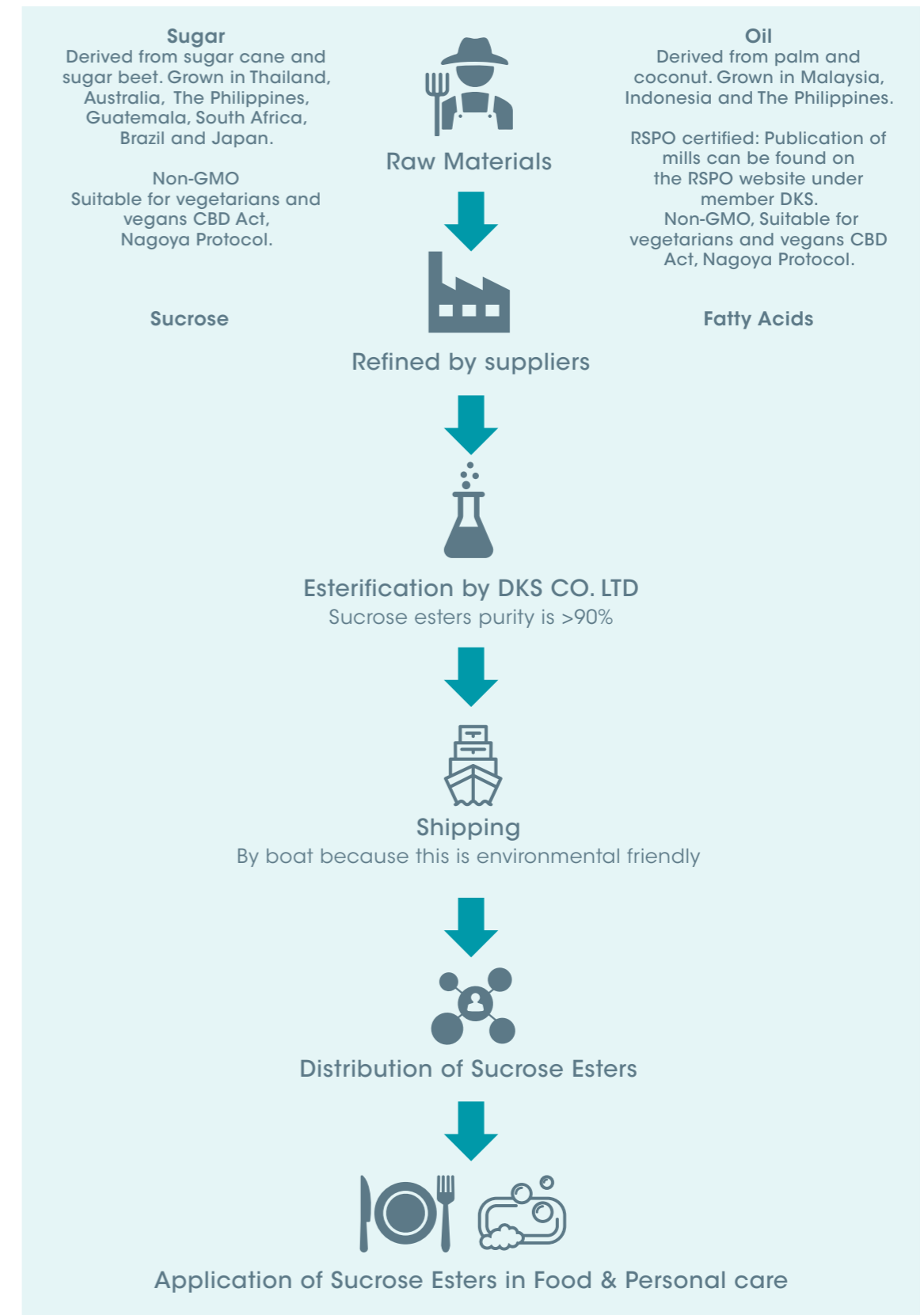
The EcoVadis assessment allows us to evaluate our principles and suppliers based on CSR principles including social issues, environmental issues and governance practices.

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.





Our goals

KPIs

The following table shows the progress we made in 2018 towards 2022. For more information on developments in each of the areas, please read our CSR report.

KPIs	2018	2019	2020	2021	2022	Goals
People						
Absenteeism	0,47%	0,58%	0,95%	0,03%	6,75%	Sistema wants to achieve an absenteeism rate in 2023 that is below the national average of 2,75%.
Number of occupational accidents	0	0	0	0	0	Sistema wants to keep the number of work accidents to zero.
Proportion of women	78%	75%	78%	78%	78%	Sistema strives for equality, but competences will be decisive in selections.
Equal pay	100%	100%	100%	100%	100%	The salary of women compared to that of men with a comparable position, education and experience should be equal.
The average of hours spent per employee on education/training*	26	45	6	22	34	Sistema strives to increase the number of hours spent on education and training.
Total education budget per employee on average	€2000	€2000	€2000	€2000	€2000	Maintain support level.
Average of years worked at Sistema per employee**	12	11	11	12	13	Sistema wants to continue to be an attractive, safe and caring workplace for our employees.
Percentage of part-time employment	100%	100%	100%	100%	100%	Sistema wants to support a healthy and flexible work-life balance.
Percentage of employees who are trained on discrimination	-	-	-	100%	100%	Every employee is trained on: - 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.
Our Carbon Footprint (Tonnes CO ₂ per employee)	-	7.21	2.97	2.36	2.72	Sistema strives to reduce its carbon footprint every year.
Our product and their safety						
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	Sistema wants to maintain the quality of the product by complying with ISO standards.
Shipping Carbon Footprint (Tonnes CO ₂)	-	1820	628	66	91	Shipment by boat is preferred to airfreight shipments for environmental reasons.
Our partnerships						
Contribution to charity	€500	€500	€500	€500	€500	We want to show our support by making a financial contribution to various charities that share our values.

* Number of hours spent on training and education in 2020 is low due to COVID-19.

** Number of years decreased in 2019 and 2020 due to hiring of new employees.

Obtained goals in 2022

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.
- A workplace happiness survey was conducted to create a better working environment for our employees.
- In the office, all standard desks have been replaced by sit-stand desks, creating a more ergonomic workplace.
- A training policy has been drawn up for employees.
- More plants have come into the office, according to research this has a positive effect on the following;
 - To reduce stress
 - To help increase productivity
 - To reduce sickness and absenteeism figures
 - To make the workspace more attractive
 - To purify the air
 - To increase creativity
- The money saved by sending the Christmas card digitally has been donated to the Hollandsche Molen, which commits to the survival, grinding and running of the wind and water mills of the Netherlands since 1923.

Obtained goals in 2022

Carbon footprint

- Most travel restrictions were lifted in 2022, yet we reduced our carbon footprint compared to 2019.
 - This reduction is due to the fact that we are gradually replacing our company cars with electric vehicles.
 - The building will also be greened in 2022 by replacing the fluorescent lighting with LED lighting and implementing other energy saving strategies.
- Our environmental footprint of our shipments has slightly increased this year compared to 2021, this is because our sales and therefore our shipments have increased. However, by using boat transport instead of air transport, carbon emissions were kept to a minimum.
- By sending our Christmas card digitally instead of by post, we did not have to use paper and transport, which reduced the carbon footprint.

Building

- We have discussed with the building owner the possibility of installing solar panels and a heat pump for the coming year. A heat pump is a device that can heat a building by transferring thermal energy from the outside using a refrigeration cycle. These devices do not burn fossil fuels, making them more environmentally friendly.
- Fluorescent lighting has been replaced by LED lighting in the office.
- The temperature in the office has been lowered by one degree.

Packaging

- Sample packaging is made of more recycled materials.
- Packaging air pouches are replaced by filling material made from recycled paper.
- Shipment of small packages is climate neutral.

Certifications

- Sisterna was awarded a gold EcoVadis rating for her efforts.

Cooperation

- Sustainability has become a regular item on the agenda of our distributor meetings.
- We maintain good contact with our parent company DKS and have regular meetings.
- There is regular contact, both online and offline, with our distributors. Last year we were able to organize our Distributor Meeting offline again.
- This year Sisterna reached out to several companies regarding its new business and obtained several samples.
- We collaborate with a design agency to renew our style

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.
 - Next year we also want to follow a group training with all Sisterna employees.
- To ensure our employees are happy in our workspace next year, we will continue to conduct a survey to see how satisfied our employees are and what we can do to improve it.
- A future goal is to invest in a lounge area (seats/sofas/games) in the office.
- We want to improve the home workplace of every employee.

Carbon footprint

- We plan to further reduce our carbon footprint in the coming years.
- Over the next eight 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.

Building

- Together with the building owner we continue to look for sustainable options to reduce our ecological footprint.

Packaging

- By 2028 all packaging used will be sustainable.
- We want to improve our personal care sample packaging and make them more sustainable.

Products

- In the coming five years Sisterna wants to add a new natural, sustainable emulsifier and/or surfactant to its range of products.

Certifications

- Sisterna plans to uphold her certifications in order to ensure customers of the quality of the products. Sisterna also wants to improve her EcoVadis score in the coming year.

Cooperation

- 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 increase the number of face-to-face meetings after COVID-19 in order to build and maintain good professional relationships.
- We hope exhibitions will continue again this year (after COVID-19), 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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