



# SISTERNA<sup>®</sup>

## CSR REPORT

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### 2021



COVID-19 dominated the past year (again), not just in the Netherlands, but around the globe. Every country has faced pain, uncertainty and vulnerability. The pandemic has underlined the importance of health, the environment and cooperation.

The challenges that COVID-19 brings forced us to be creative and adapt. We successfully embraced hybrid working and even organized our yearly distributor meeting online. More than ever we used webinars to keep in contact and educate (potential) customers. We take pride in how we managed to keep providing the support and service to our distributors that they are used to.

Our focus on the impact of our business on the environment grows every year. Past year our efforts were rewarded with a silver EcoVadis medal. As we move on with our sustainability journey we focus on three main topics: Our People, Our Products & Their Safety, and Our Partnerships. We aim to be a reliable supplier for our customers, a good partner to our mother company, an attractive, safe and caring workplace for our employees, and a supplier of products that has the environment in mind.

### **Managing Board Sisterna**

Mrs. Christel Wouters & Mrs. Miranda Huppertz



Peter van der Zande – Ingrid Dijkhuis – Christel Wouters – Miranda Huppertz – François van Etten – Tessa van Wesel – Marieke Leijten – Lia Bax – Sabrina Mehrezi



We aim to be a reliable supplier for our customers, a good partner to our mother company,  
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# OUR COMPANY



Sisterna is established in 1992 as a joint venture of [DKS Co. Ltd.](#) (Japan) and [Royal Cosun](#) (the Netherlands). DKS Co. Ltd. is manufacturer of the sucrose esters that Sisterna distributes in the Western Hemisphere. Since 2009 the ratio of shares 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 specialized in marketing and distributing a unique range of high quality, non-ionic emulsifiers and covering more than 35 countries worldwide.



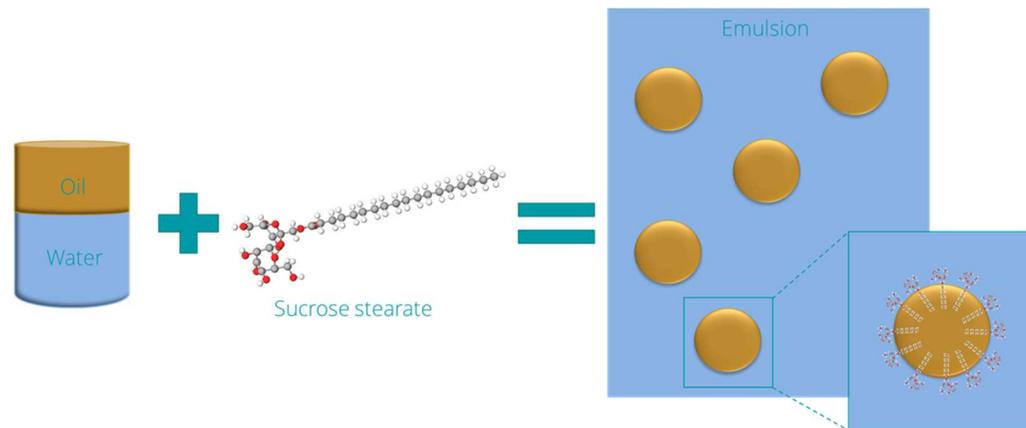
## Our team

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.

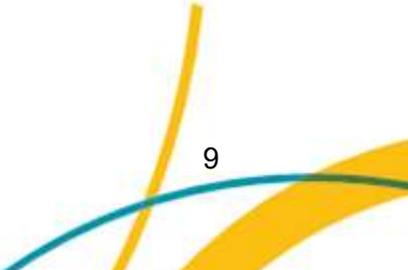
# OUR FOCUS



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

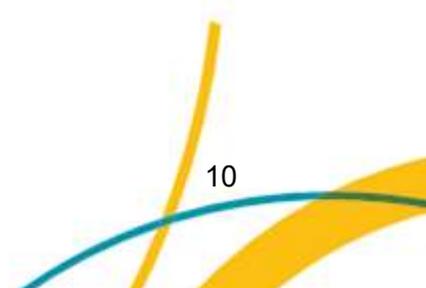


We aim to be a reliable supplier for our customers, a good partner to our mother company, an attractive, safe and caring workplace for our employees, and a supplier of products that have the environment in mind.



## Sustainable Development Goals

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



# OUR PEOPLE



We are fully aware that we would not be where we are today without our people. We will only fulfil our mission of being recognized as the ambassador and knowledge provider for sucrose esters in our market by investing in our people.

The focus does not only lie on our people within the company, but also outside the company, our stakeholders, distributors, customers and the consumer. This 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 work environment in which our employees have the opportunity to grow and develop themselves, a budget is available each year for this purpose. Furthermore all employees have access to the online platform [Good HabitZ](#). Because everyone learns in their own way this platform provides 25+ learning methods. Each learning style is integrated in training courses. All employees are motivated to do at least 1 to 2 courses per month. More information about employee development can be read in our education policy.

All employees at Sisterna work part-time to maintain a good life/work balance. We believe in a fair work environment for everyone, this is one of the reasons we are RSPO certified. Moreover, we promote a healthy life style for the sucrose esters consumers by keeping our guide recipes up to date with recent developments (gluten free, reduces fat/sugar, biodegradable, etc.)

We conduct an annual satisfaction survey to measure the commitment of our employees and identify areas for improvement and actions that need to be taken to secure their loyalty.

### **SDG 8 Decent work and economic growth**

We are committed to ensuring all those who work for Sisterna are treated with dignity and respect whilst working for Sisterna, and acts of unfair treatment will not be tolerated. A safe working environment is also a working environment without intimidation. Nuisance, (sexual) intimidation, bullying and discrimination - in whatever way - will not be tolerated

### **RSPO**

RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When they are properly applied, these criteria can help to 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.

#### **Segregated**

DKS, the producer of Sisterna sucrose esters is not (yet) able to deliver SG RSPO certified sucrose esters, because SG RSPO certified fat derivatives are not available in Japan at present. Fat derivatives need to satisfy the specification and the certification to keep the product quality. This makes it even more difficult to find the alternative source of fat derivative.

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. Certification of Mass Balance will not be possible.

### **Code of Conduct**

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

## Carbon footprint

In 2019 we started calculating our carbon footprint (Figure 2). This calculation gave us insight and made us set goals for improvement. From 2019 to 2021 our carbon footprint reduced from 7.21 to 2.97 tonnes CO<sub>2</sub> per employee, the main reason for the reduction 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.

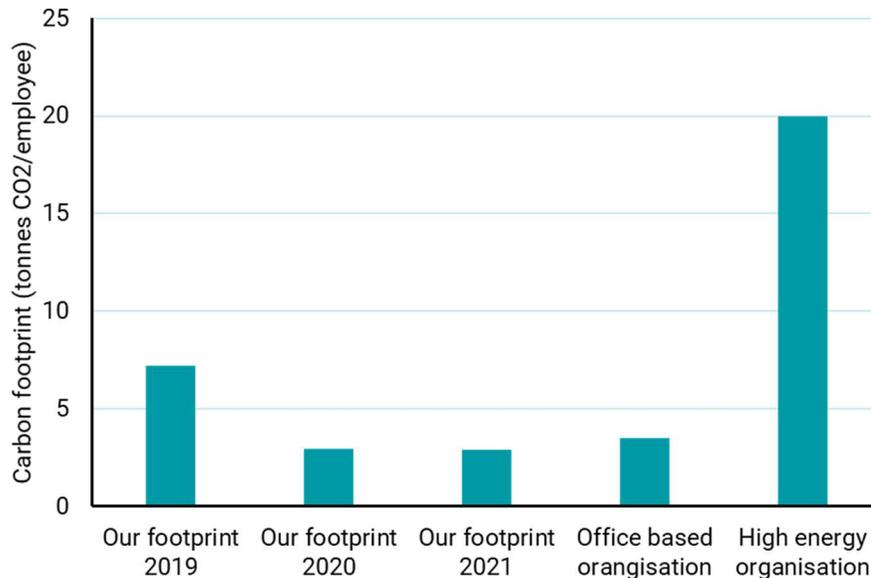


Figure 2, Carbon footprint Systerna 2019 until 2021 compared to other organisations

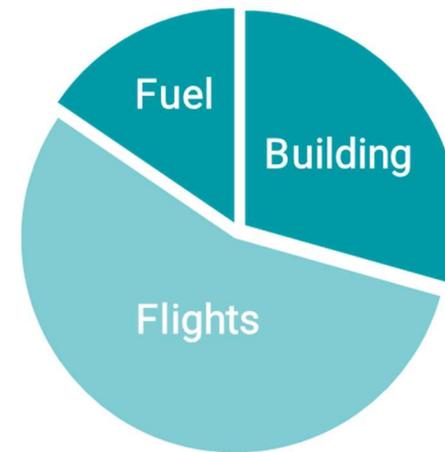


Figure 1, Carbon footprint distribution 2019

One way we try to reduce our carbon footprint is by promoting public transport as transport option among our team. When the travel time is just as fast or faster with public transport then by car or plain, public transport is preferred.

Additionally, we are replacing our company cars gradually with electric cars, this year one of our diesel company cars was replaced by an electric car in November, this will reduce the carbon footprint emission this and coming year.

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

Shipping carbon footprint for 2019 until 2021 (Figure 3).

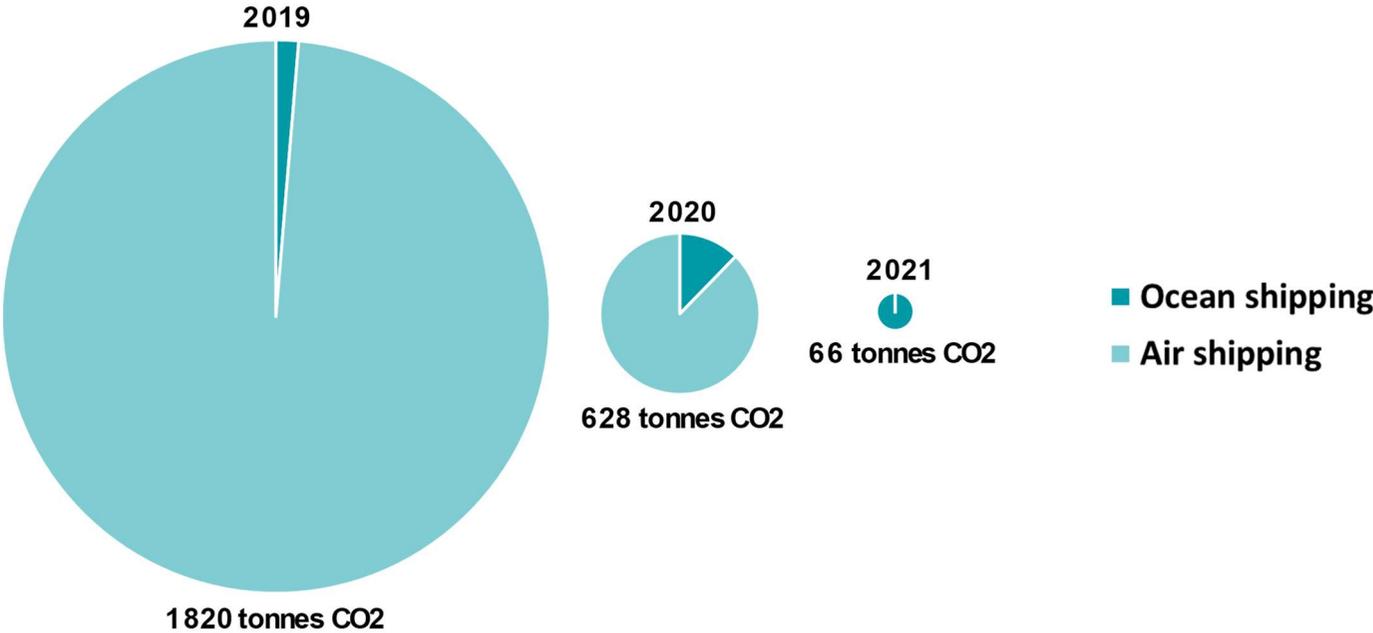
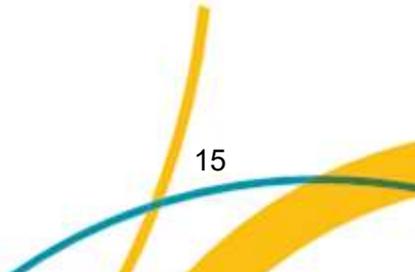


Figure 3, Carbon footprint of our shipments in 2019 until 2021

There was a reduction from 1820 tonnes CO2 in 2019 to 628 tonnes of CO2 in 2020 due to the fact that there was a transition from air shipment to ocean shipments. In 2021 there were no air shipments anymore, reducing the carbon footprint of shipping even further to 66 tonnes of CO2.

**Waste Management**

At the office we try to reduce our waste as much as possible. To generate less waste our policy is to only print when necessary. We try to recycle as much as possible. Plastic, paper and other waste are separated when throwing them away. When still in good shape, packages are re-used. Ink cartridges get recycled and the old computers are donated or get a second life.



# OUR PRODUCTS & THEIR SAFETY

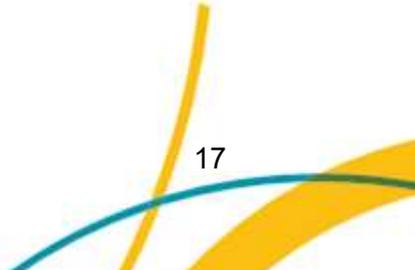


**SDG 12 Responsible consumption and production**

We believe in our products and we believe that these products need to be safe.

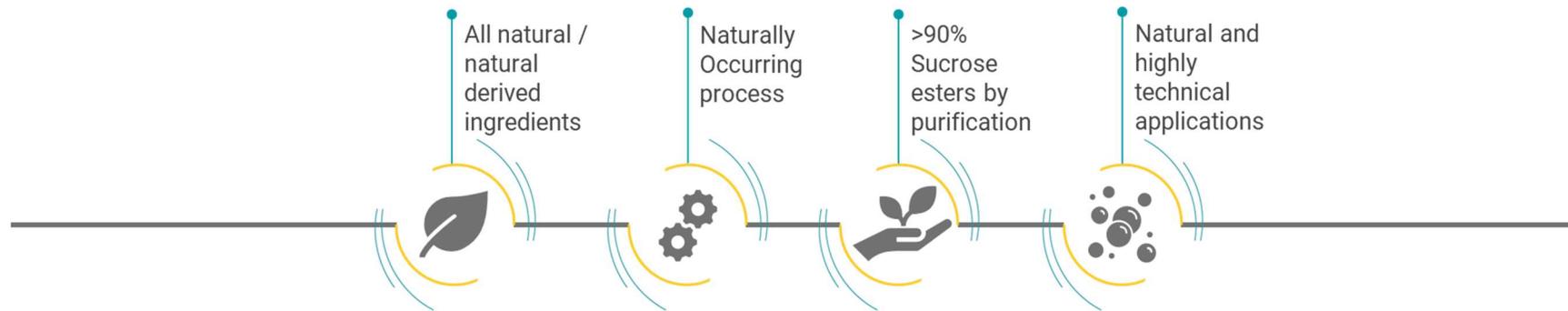


Sucrose esters are a unique range of high quality, PEG-free, non-ionic emulsifiers, with an exceptional performance. We comply with worldwide regulations and have several certifications concerning the responsible production of our sucrose esters.



## Our certifications and claims

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



Moreover, they have several certifications and claims that make them a great fit for any natural formulation.

### COSMOS/Ecocert

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

Each country has its own standard and its own 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.

### Ecovadis

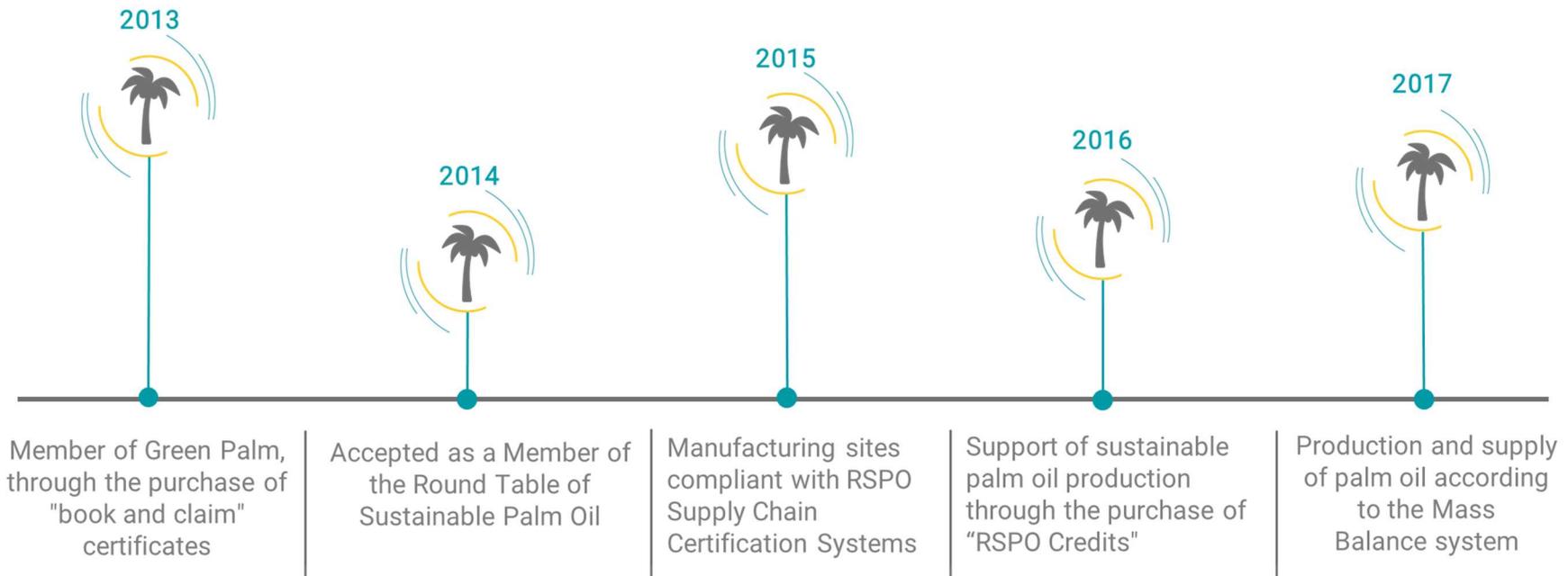
Since 2018 Sisterna joined Ecovadis, the world's most-trusted sustainability rating, enables all businesses to reduce risk, drive performances, and improve environmental and social outcomes. In 2021 Sisterna was awarded a silver Ecovadis rating for its efforts and had a rating of 59/100.

### REACH

REACH entered into force on 1 June 2007 with implementation taking place in stages in the years to 2018. The registration deadline for all our pre-registered Sisterna products was 31 May 2018. Sisterna's mother company DKS Co. LTD. has taken over the registration process from Sisterna through an OR (Only Representative) in the course of 2016. All our raw materials are REACH registered.

## RSPO

One of the most important certifications that Sisterna has is from 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 for the local plantation workers. We want to take our responsibility so we offer a sustainable palm-based emulsifier.



## Natural product Association

Our products are also certified by the Natural Products Association since 2012, this is the US largest and oldest non-profit organization dedicated to the natural products industry.

## FSSC 22000

Our mother company DKS, producer of the raw materials, has been certified with FSSC 22000, a Food Safety Management System. It distinguishes itself from other food safety certifications because of its focus on certifying the Food Safety Management System of an organization.

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

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

### Kosher

Kosher means fit, genuine or correct. When it comes to Kosher food the word Kosher means 'fit for consumption' for those adhering to Jewish dietary laws. The products of Sisterna are Kosher and Parev certified through March 31st, 2022 by Manchester Beth Din. This means our ingredients and production process is up to the Kosher standard.

### FDA approved

The Sucrose Esters of Sisterna and the process is FDA approved.

### Non-GMO, Vegetarian, Vegan

The products of Sisterna are all non-GMO and suitable for vegetarians and vegans.

### NATRUE

NATRUE is an international quality mark created with the aim of protecting and promoting natural and organic cosmetics around the world. Sisterna raw materials comply with the NATRUE standards.



## New business

By investigating new natural emulsifiers and surfactants to add 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:



Sustainable



Biobased



Non-allergen



Natural taste



As less E-numbers as possible, FSSC



Non-animal



Palm oil free



Produced in Europe



Unique



Natural certified

# OUR PARTNERSHIPS



**SDG 17 Partnerships for the goals**

Our value of having good partnerships with other companies closely relates to SDG 17, partnerships for the goals.



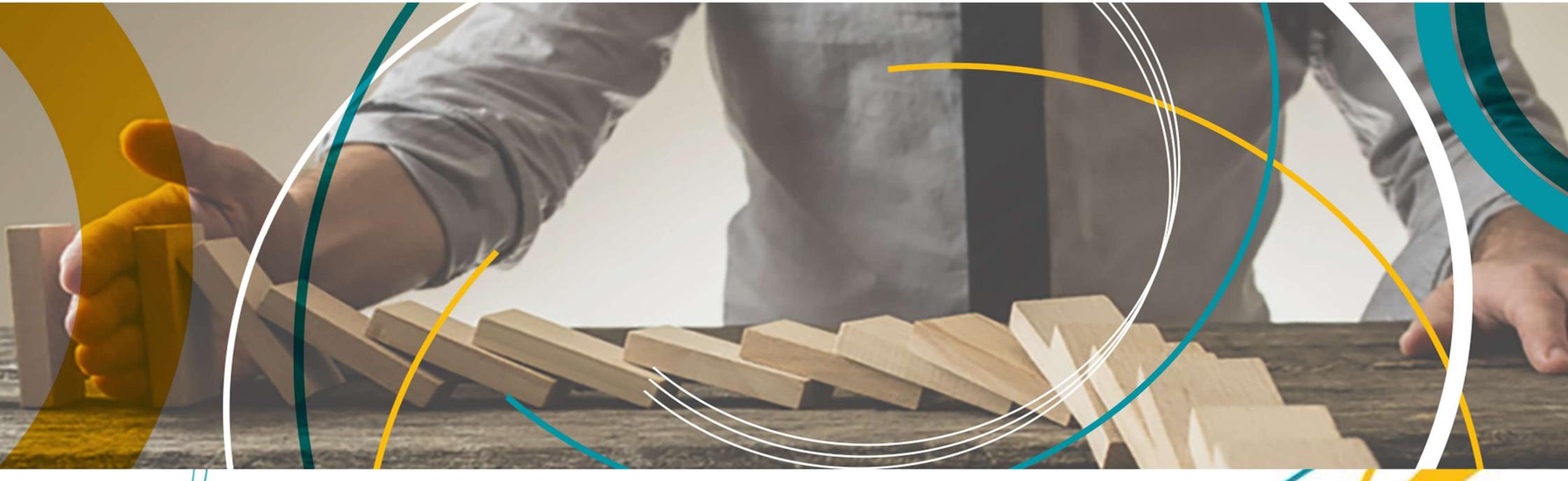
We believe that partnerships are essential to reach goals, this is why we work together with our supplier and different cooperation parties and certification providers.

Our main partner is our mother company DKS Co. Ltd.. Sisterna is established 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 work. In addition from these two shareholders we have a big network of distributors, logistic partners, and other companies that we collaborate with.



# OUR RISK

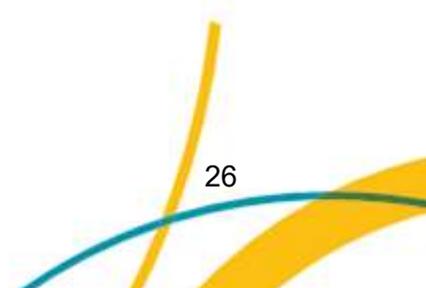


## Managing our risks

The company has a Risk Management Policy in place since 2017 and has been undergoing annual risk evaluation reviews. These reviews include the definition of risks in terms of impact and likelihood as well as establishing and follow-up of action plans and persons responsible for execution.

Sisterna implemented The Fine & Kinney method to estimate the degree of risk and to determine which measures should be taken to reduce these risks. The aim of working by this method is to focus management's attention on the most important threats and opportunities that we face. Sisterna has identified about 15 areas of potential risks, for example environmental risks, IT security, credit risk, product supply etc. that we monitor and assess on an annual basis. In 2020 Sisterna also incorporated pandemics in its risk portfolio.

The risk management is under 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 working with our supplier and customers in order to make sure the principles of CSR are respected throughout the entire supply chain.

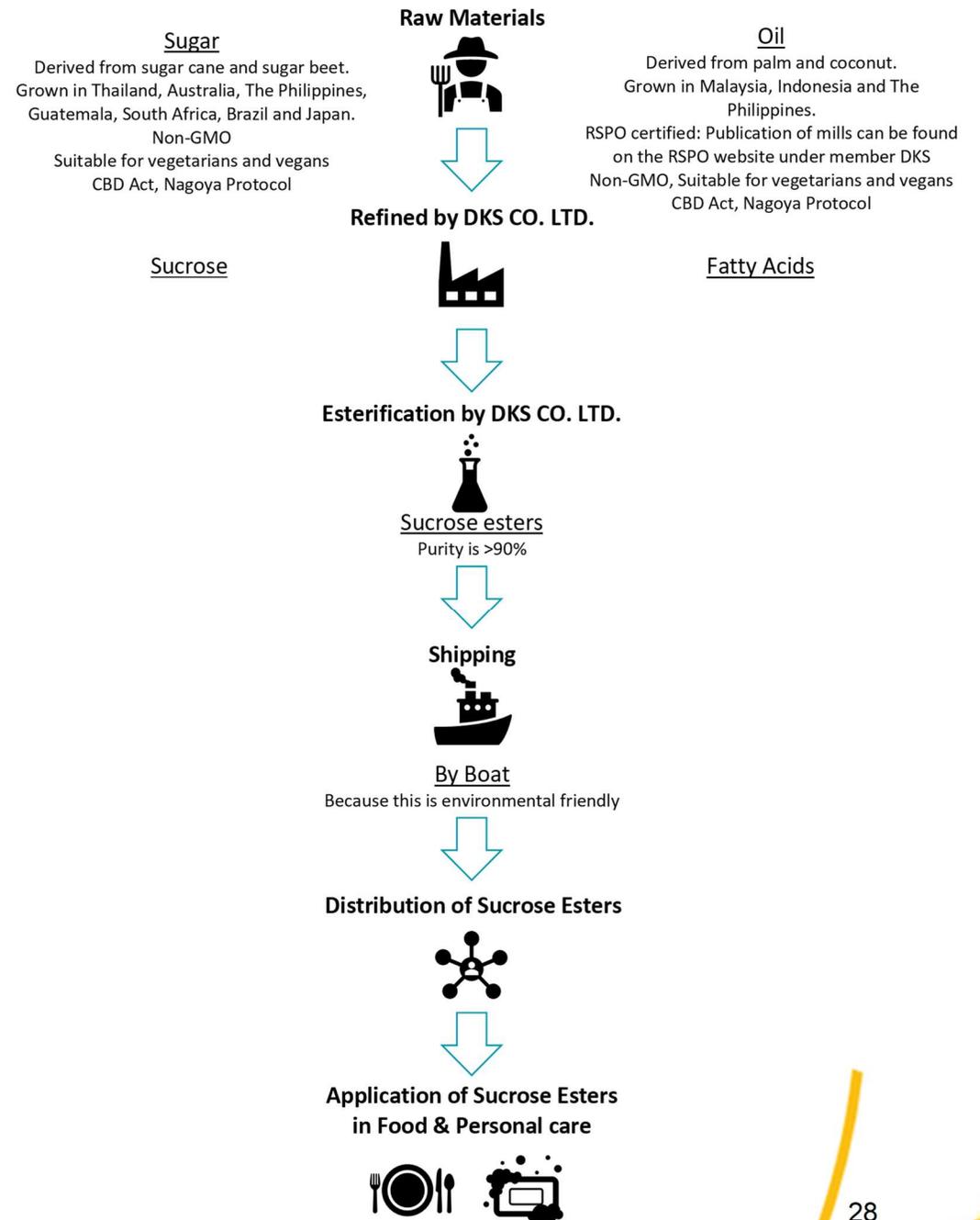
The Ecovadis assessments allow us to evaluate our principles and suppliers against CSR principles including social issues, environmental issues and governance practices.

Our due diligence procedure incorporates assessments and helps us to identify and prevent violations of human rights (workers' health and safety, working hours, freedom of association, child and forced labour etc.) across our supplier's operations.

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

Since 2013 we have been promoting and supporting the sustainable palm oil production. 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 have been accepted and registered as a Member 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. In order to participate in the sustainable palm oil sector, they must become a member of the RSPO and then apply to the RSPO for a license. Our distributors play a vital role in maintaining the integrity of the certified chain.



# OUR GOALS



## KPIs

The following table shows the progress that we made in 2018 towards 2021. For more details about developments in each of the areas, please read our CSR report.

KPIs	2018	2019	2020	2021	Goals
<b>PEOPLE</b>					
<b>Absenteeism</b>	0,47%	0,58%	0,95%	0,03%	Sistema wants to maintain its absenteeism rate below the national average of 2,75% in 2022.
<b>Number of occupational accidents</b>	0	0	0	0	Sistema wants to keep the number of occupational accidents at zero.
<b>Proportion of women</b>	78%	75%	78%	78%	Sistema strives for equality, but competences will be the deciding factor in selections.
<b>Equal pay</b>	100%	100%	100%	100%	Women's salary compared to men's with comparable position, education and experience needs to be equal.
<b>The average of hours spent per employee on education/training*</b>	26	45	6	21	Sistema strives to increase the number of hours spent on education and training.
<b>Total education budget per employee on average</b>	€2000	€2000	€2000	€2000	Maintain support level.
<b>Average of years worked at Sistema per employee**</b>	12	11	11	12	Sistema wants to stay an attractive, safe and caring workplace for our employees.
<b>Percentage of part-time employment</b>	100%	100%	100%	100%	Sistema wants to support a healthy and flexible work/life balance.
<b>Percentage of employees who are trained on discrimination</b>				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.
<b>Our Carbon Footprint (Tonnes CO2 per employee)</b>		7.21	2.97	2.92	Sistema strives to reduce here carbon footprint yearly.

\* 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.

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	Sistema wants to maintain the quality of the product by complying with ISO standards.
Shipping Carbon Footprint (Tonnes CO2)		1820	628	66	With the eye on the environment shipment per boat is preferred instead of air shipments.
OUR PARTNERSHIPS					
Contribution to charity	€500	€500	€500	€500	We want to express our support by making a financial contribution to various charities that share our values.

## Our people

### Obtained goals in 2021

- We reduced our office and shipping carbon footprint even further this year.
  - Replacing one diesel company car with an electric company car.
- We discussed the opportunity of placing solar panels with the building owner for the coming year
- The carbon footprint for shipments is reduced by not using any air shipments this year.
- Sustainability has become a topic in our monthly company meeting.
- By sending our Christmas card digital instead of by post we did not have to use paper and transport, reducing the carbon footprint.
- The money saved by sending the Christmas card digitally was donated to [The Ocean Cleanup](#) to support them in the fight against the floating ocean plastic pollution. In this way we contribute to SDG 14 Life below water.

## Future goals

- We plan on reducing our carbon footprint even more the coming years.
  - Next year our TL light will be replaced by LED lights in the office.
  - We will continue to look into using electric or hybrid company cars in the coming nine years.
  - Sending our sample packages carbon neutral.
    - We will use recycled boxes and filling materials.
    - We will use a transport service that offers a carbon neutral option.
  - We want to improve our personal care sample packaging and make these more sustainable.
- We plan on promoting education and training opportunities with our employees, so that they will continue growing in their personal development.
  - Next year we also want to follow a group training with all the employees at Sisterna.
- To ensure our employees are happy in our workspace next year we will start with a yearly anonymous survey to see how satisfied our employees are and what we can do to improve that.
- We will continue to use ocean shipments, if this is possible considering the schedule and available stock, as these have a lower carbon footprint.
- Sisterna wants to promote a healthy lifestyle in 2022;
  - We will provide an ergonomic working space by replacing all the standard desks by sit stand desks at the office.
  - A future goal is to invest in a lounge area (seats/sofa's/games) at the office.
  - We want to improve the home office work space of each employee.
- We want to improve our waste management at the office, separating organic waste (9 people): placing a bucket for food leftovers intended for a colleague's chickens.
- Look into the possibility of setting the printer automatically on eco mode.
- Create an education policy.

## Our products and their safety

### Obtained goals in 2021

Sisterna was awarded a silver EcoVadis rating for its efforts and had a rating of 59/100.

Concerning New Business, Sisterna obtained several samples from different companies and started testing the emulsifying and foaming properties of these samples. All these samples were selected using the criteria mentioned above.

### Future goals

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

## Our partnerships

### Obtained goals in 2021

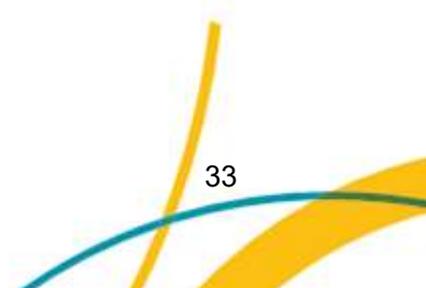
We keep in good contact with our mother company DKS and have regular meetings. This year Sisterna reached out to several companies regarding to its new business. Sisterna is also working with a design firm to update the style.

### Future goals

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.

We will continue inspiring the owner of the building to make our headquarters more sustainable. This coming year the building manager of the Sisterna office will invest in LED Lights and solar panels.





**Experience our Expertise**

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