

Sustainable procurement report

2023



At Sisterna, we are committed to incorporating sustainability into all aspects of our business operations, including procurement. This Sustainable Procurement Report provides an overview of our efforts and achievements in sourcing products and services that minimize negative environmental and social impacts while maximizing positive contributions to sustainability.

Sustainable procurement is not just a responsibility; it is an opportunity to drive positive change throughout our supply chain.

In this report, we will outline our supplier engagement, our environmental impact, labor and human rights, health and safety, ethics, performance highlights, challenges, our network, and our supply chain.

We understand that transparency is crucial in building trust with our stakeholders. Therefore, this report will provide a comprehensive overview of our sustainable procurement practices, performance, and the progress we have made in achieving our objectives. It will also address any challenges encountered and the strategies we have implemented to overcome them.

Through collaboration with our suppliers, customers, and other stakeholders, we aim to foster innovation and develop sustainable solutions that address pressing environmental and social issues. By promoting fair labor practices, human rights, and ethical business conduct, we strive to create a positive impact on the communities in which we operate.

We recognize that sustainability is an ongoing journey, and we remain committed to continuous improvement. This report serves as a transparent reflection of our efforts to date and our dedication to pushing the boundaries of sustainable procurement.

Supplier Engagement

We assessed and selected suppliers based on their sustainability performance, including environmental impact, labor practices, and ethical conduct. We do this by auditing our suppliers, making sure they are aware of our sustainable procurement policy and making them sign our supplier code of conduct to ensure they uphold to this. No instances of child labor, forced labor, or exploitative practices were found within our supply chain during the reporting period. We encouraged transparency and accountability from our suppliers regarding their labor practices and supply chain traceability.



Performance highlights supplier engagement

KPI	2021	2022	Goal
CSR policies in place	100%	100%	All our suppliers must report on CSR.
Signed supplier code of conduct	100%	100%	We want 100% of our suppliers to adhere to our Supplier Code of Conduct.
Sustainable procurement policy signed	-	-	Our goal is to have our suppliers sign our sustainable procurement policy in the coming year.
REACH requirements fulfilled	100%	100%	All our suppliers must comply with REACH requirements.
Have a policy including labor and human rights	100%	100%	We strive for all our suppliers to have policies that include labor and human rights.
Have a policy including ethics	100%	100%	We strive for all our suppliers to have policies that include ethics.
Have a policy on whistle blowing procedure	100%	100%	We aim for all our suppliers to have a whistleblowing policy.
Reporting on diversity	100%	100%	All our suppliers are required to report diversity in their organization.
Audit	0%	100%	We want to do audits of our suppliers.
Carbon footprint of supplier	100%	100%	We want all our suppliers to calculate their carbon footprint.
GHG emissions supplier	100%	100%	We want all our suppliers to report their GHG emissions.
Water consumption	100%	100%	All our suppliers should report on water consumption.
Waste management in place	100%	100%	A waste management system should be in place.

Environmental impact

We are continuing to put processes in place to understand our environmental impacts and risks. We are working to reduce these impacts and promote environmentally-friendly policies. Areas covered include:

- RPSO
- Waste and disposal
- Reducing plastic
- Carbon footprint
 - o In the office (Figure 1)
 - o Shipping

To guide our sustainable development activities, we use the UN Global Compact Sustainable Development Goals (SDGs). More about this can be read in our CSR report.

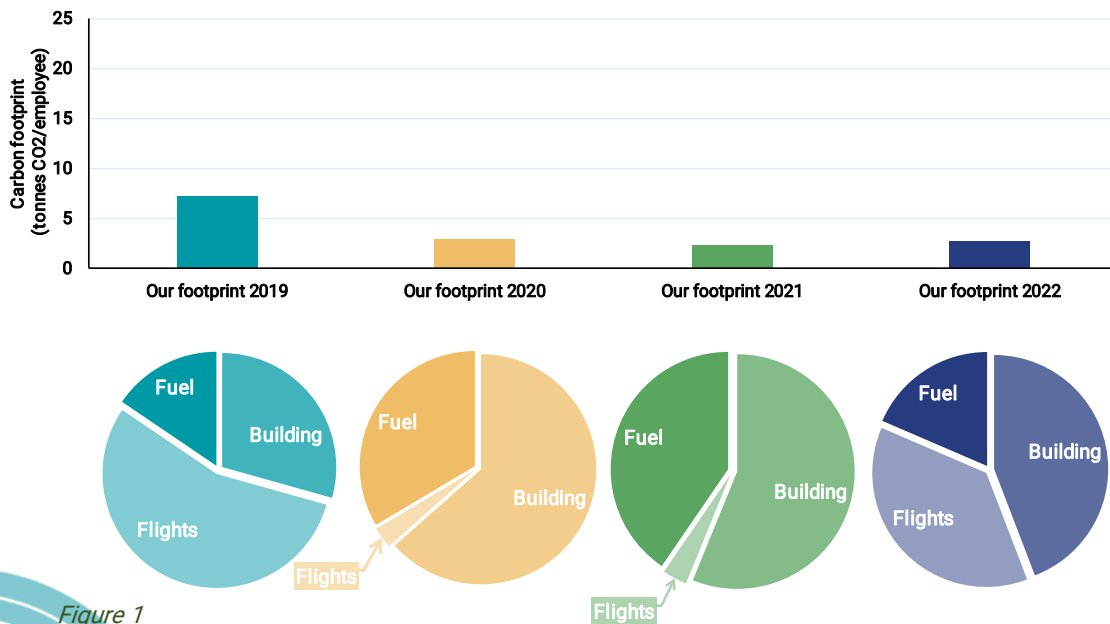


Figure 1

Labor and human rights

Sisterna cares a lot about employee Well-Being and Development. This is why we promote part-time employment because we believe a good work/life balance is important. We also promote the training and personal development of team members. We refuse to accept discrimination of any kind in working relations and we expect diversity to be promoted. Employees must be treated with respect and dignity. Physical or verbal abuse or other harassment and any threats or other forms of intimidation are prohibited. We want to prevent illegal working practices such as child or forced labor.

Health and safety

A healthy and safe working environment is provided for all employees, in accordance with international standards and laws. All applicable policies, procedures and guidelines must be adhered to.

Ethics

Sisterna is active in preventing corruption, bribery, fraud, conflicts of interest or money laundering. We also want to prevent any breaches of physical and digital data to ensure information security. We require our suppliers, contractors and their team members to maintain confidentiality with regard to all information they have access to, in accordance with applicable laws. We also expect them to protect all intellectual property belonging to Sisterna, our customers, other suppliers and individuals. Sisterna does not tolerate, permit or engage in bribery or unethical behavior in any aspect of our business. We do not do business with anyone who does not comply with our standards of ethical behavior.

Performance highlights environment, labor and human rights, health and safety, ethics

Our Environmental impact			
KPI	2021	2022	Goal
Products with palm oil are RSPO certified	100%	100%	We want to keep this 100%.
CSR report	yes	yes	We want to update our CSR report every year.
Carbon Footprint (Tonnes CO2 per employee)	2.36	2.72	Sisterna strives to reduce its carbon footprint every year.
Shipping Carbon Footprint (Tonnes CO2)	66	91	Shipment by boat is preferred to airfreight shipments for environmental reasons.
Sustainability meetings held internally	7	16	We want to increase the amount of time spend on sustainability by Sisterna employees.
Labor and human rights			
Policy in place on labor and human rights	Yes	Yes	We always want to have a policy in place that includes labor and human rights.
The average of hours spent per employee on education/training	22	34	Sisterna strives to increase the number of hours spent on education and training.
Total education budget per employee on average	€2000	€2000	Maintain support level.
Percentage of part-time employment	100%	100%	Sisterna wants to support a healthy and flexible work-life balance.
Health and safety			
ISO's	16128 9001:2015 14001:2015	16128 9001:2015 14001:2015	Sisterna wants to maintain the quality of the product by complying with ISO standards.
Number of occupational accidents	0	0	Sisterna wants to limit the number of work accidents to zero.
Ethics			
Percentage of employees who are trained in discrimination	100%	100%	We want every employee to be trained on this topic.
Equal pay	100%	100%	The salary of women should be equal to that of men with a comparable position, education and experience.

Challenges and opportunities

Challenges

Sisterna believes it is important to identify challenges in our supply chain and improve them as best we can.

- **Supplier Management:** We find and manage reliable suppliers who can deliver quality goods and services consistently, which can be challenging. Maintaining good supplier relationships is crucial for our smooth procurement operations.
- **Cost Control:** We strive to balance value and quality, which can be a delicate challenge. Cost fluctuations and budget constraints can further complicate this issue.
- **Supply Chain:** We are aware that disruptions in the supply chain, such as natural disasters, political instability, or unexpected events, can lead to delays, shortages, or increased costs.
- **Compliance and Regulation:** We adhere to various procurement laws, regulations, and ethical standards, which can be complex and time-consuming, especially as we operate in multiple regions with differing laws.
- **Risk Management:** Identifying and mitigating risks associated with suppliers, quality, delivery, or currency fluctuations is critical for us to maintain a stable procurement process.
- **Sustainability and Social Responsibility:** Ensuring that our procurement practices align with sustainability goals and social responsibility initiatives can be a challenge as we navigate ethical and environmental considerations.

Opportunities

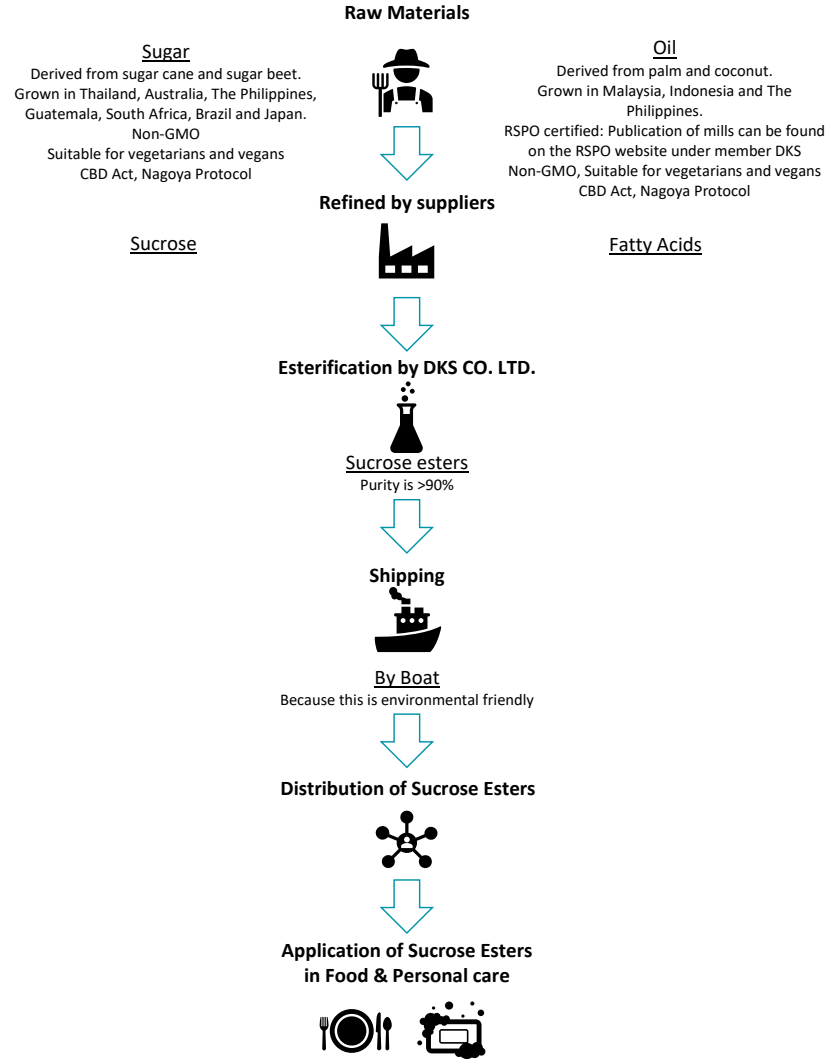
We want to highlight potential opportunities for improvement and expansion of sustainable procurement practices.

- **Inspiring:** We want to inspire our network through our quarterly distributor update by sharing sustainability-related topics. As well as through our LinkedIn platform where we regularly shed light on sustainability topics.
- **Open communication:** To improve our procurement we want to have supplier sustainability meetings.
- **Knowledge transfer:** We want to organize sustainability meetings with our distributors to improve sustainable procurement throughout the supply chain.
- **Packaging:** To improve the procurement of our packaging we want to find sustainable alternatives.
- **Emissions:** Map the carbon footprint of our products in order to reduce their impact on the environment.
- **New Business:** We aim to research other sustainable ingredients to expand our product portfolio.
- **End of life use:** We aim to develop guide formulations that inspire producers of end products to put sustainable products on the market.

Future Outlook

We will continue to review and update our sustainable procurement policy to align with emerging best practices and stakeholder expectations. We will invest in training and awareness programs to further promote sustainable procurement practices among our employees and suppliers. We will set new targets and KPIs to drive continuous improvement in our sustainable procurement efforts.

Our supply chain



Our international network



Conclusion

Sisterna remains dedicated to advancing sustainability through responsible procurement practices. We will continue to collaborate with suppliers, distributors and stakeholders to promote sustainable solutions, reduce our environmental footprint, and foster a more ethical and transparent supply chain.