

FROM AMBITION TO SUSTAINABILITY IN PRACTISE



best taste, best price!

PREFACE

Sustainability Report 2022/2023

Thanks to the commitment of our employees and the good cooperation with suppliers and customers, we coped well with the aftermath of the coronavirus pandemic. Global resource shortages, exacerbated by the war in Ukraine, forced us to make major efforts in 2022 to meet our commitments. We faced unprecedented price increases and volatility. Despite these challenges, we managed to maintain and even strengthen our market position in 2023. Sustainability and corporate social responsibility are becoming increasingly important, encouraged by both customers and governments. We are preparing for upcoming laws and regulations, such as the EU Taxonomy, the Corporate Sustainability Due Diligence Directive, the Corporate Sustainability Reporting Directive, and the EU Deforestation Regulation (EUDR), and will continue to assume our responsibilities.

Because social responsibility is non-negotiable for us, we have developed a CSR policy, in addition to our food safety and quality policy, on which we work with great ambition. And that drive comes from the realisation that we are part of society. As a manufacturer of high-quality products and as a good employer for people in the Netherlands and the countries from which our raw materials originate. We see this social involvement as an essential part of our raison d'être. A good example of how we already put this into practice for our Inproba brand: we use 100% Rainforest Alliance certified chilli peppers from sustainable agriculture for our sambals and chilli sauces, fill them in 100% recycled PET and provide them with FSC certified paper labels in our **carbon neutral***** factory in Baarn.

Inproba BV focuses on 3 pillars: environment, raw materials, and social involvement. Together, we have established CSR targets that relate to these pillars.

Rob Libbenga
CEO Inproba
May 2024



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Closing words



SUSTAINABLE DEVELOPMENT GOALS (SDGS)

As mentioned earlier, we work with great ambition on corporate social responsibility, focusing on three pillars: environment, raw materials and social involvement.

In doing so, we take the UN Sustainable Development Goals (SDGs) as our guiding principle and are part of the SDG Netherlands community.

The Sustainable Development Goals (SDGs) are **17 goals** and **169 targets** to make the world “a better place in 2030”, the United Nations writes in its proposal for a new global agenda. The goals must put an end to poverty, inequality and climate change. Achieving the Sustainable Development Goals is a matter of cooperation between companies, government, civil society organisations and citizens.



Looking at the 17 SDGs, our focus is therefore on the following objectives

- 1. No poverty
- 2. No hunger
- 3. Good health and well-being
- 6. Clean water and sanitation
- 7. Affordable and clean energy
- 12. Responsible consumption and production
- 13. Climate action
- 15. Life on land
- 17. Partnership to achieve objectives

PILLAR 1 CARE FOR THE ENVIRONMENT

We attach great importance to contributing to a beautiful, clean and healthy living environment for future generations. For that reason, we focus on working sustainably within our organisation and making agreements with our customers and suppliers. These agreements include compliance with the social and environmental criteria set out in the ILO guidelines and the Amfori BSCI Code of Conduct.

By signing the Baarn Climate Agreement 2030 (later BKA2050), we are the only production company in Baarn since 2020 to contribute to the reduction of the municipality's carbon footprint with a 100% climate neutral organisation **(scope 1 & 2)*****. This means that emissions from gas, electricity, freight traffic to customers and coolants are either green (from Dutch wind energy, for example) or compensated with verified carbon compensation projects abroad.

Inproba is not currently a member of the Science Based Target Initiative (SBTI), but aims to become a member from 2024. We are committed to the net zero ambitions, going beyond the current status of near-climate neutrality. Inproba is working on scope 3 emission reduction targets, with milestones for 2030 and 2050.



ACHIEVED GOALS



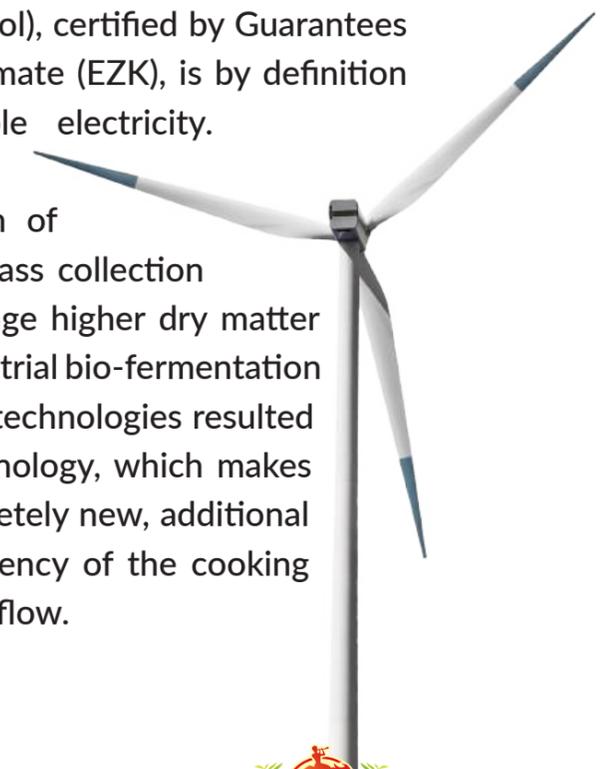
PILLAR 1 CARE FOR THE ENVIRONMENT



- **Contributions at scope 1&2 according to the UN Green House Gas Protocol:** By investing in an agroforestry and reforestation project in the province of Quang Tri, Vietnam, together with FSC Netherlands, FSC Vietnam (I&P), and the Medical Committee Netherlands Vietnam (MCNV), we have contributed to our **scope 1 and 2 emissions*****. This project, covering 2,145 hectares of forest, houses 474 families from the Bru-Van Kieu ethnic minority, who live a self-sufficient life in the forest. To this end, Inproba has sponsored The Association of Quang Tri Smallholder Forest Certification Groups (Association of Quang Tri Groups) contributing to FSC® Verified Impact of carbon sequestration worth 1.927,70 ton.
- **Less pollution:** Stabilise pollution units in production. The pollution units are still linked to production and output. We did achieve a slight increase compared to 2020. However, despite doubling production compared to 2024, we remained just above the level of the base year 2014, which remained stable in 2023.
- **Fuel saving:** The purchase of 10 hybrid cars contributes to further fuel savings in commuting and business travel. A nice side effect of the lockdowns in 2021 is the sharp reduction in business travel. Inproba's car policy states that newly purchased cars may have an emission of up to 120 grams of CO2 per kilometre driven (ex-works standard value).

From 1 July 2024, Inproba will comply with its obligation to register and report to the government all forms of residential work mobility of permanent and temporary employees via a GDPR-secure app. The insights will be used to further tighten mobility policy.

- **Wind energy:** Since January 2016, our entire electricity needs have been covered by 100% Dutch wind energy. Inproba's annual energy needs correspond to the production of one wind turbine. Dutch wind energy (scope 2 of the GHG Protocol), certified by Guarantees of Origin (GoOs) of the Ministry of Economic Affairs and Climate (EZK), is by definition climate neutral because it concerns fossil-free and renewable electricity.
- **Reduction of biomass waste:** By optimising the collection of biomass, the production of biogas increased. Improved biomass collection in 2022 and 2023 also made it possible to achieve an average higher dry matter content in the biomass, leading to higher efficiency in non-industrial bio-fermentation and higher yields of biogas. The research into better cleaning technologies resulted in the purchase of new boiling vessels, piping and new technology, which makes further savings to be expected. With the purchase of a completely new, additional 30,000 kg cooking installation aimed at improving the efficiency of the cooking process, we see that there is no increase in effluent flows and flow.



ACHIEVED GOALS

- **Reduce carbon footprint:** By switching to 100% wind power, it was possible to reduce the carbon footprint by about 60%. The total gas consumption was compensated through 'Gold Standards': a 'Cook Stove' project in Ghana by AFS Energy. These wood-fired cooking stoves reduce carbon emissions by 40% and ensure cleaner air, leading to fewer respiratory problems and increased employment in Ghana, where these eco-efficient stoves are built. From mid-2021, GS certificates were purchased from a biogas project in Türkiye for compensation through AFS Energy.
- **Reduce food waste:** By improving metal detection on unpackaged products, investing in multiple end-of-line metal detectors for packaged products and delivering packaged leftovers to the food bank, food waste could be minimised.
- **Reduction of residual waste, plastic, paper and cardboard:** External research by Milgro, our partner in waste management, showed a recycling percentage of more than 76%, a good score in relation to the industry.



ON SCHEDULE FOR 2024



PILLAR 1
CARE FOR THE ENVIRONMENT

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

- **Reduce carbon footprint:** Inproba has already had climate neutral operations (on scope 1 & 2) from 2020 until 2022**** Using an external agency specialised in Corporate Carbon Footprinting (CCF) and Product Carbon Footprinting (PCF), we intend to join SBTi in early 2025 and have our ambitions verified via SBTi. This will enable us to take steps to simultaneously reduce and compensate greenhouse gas emissions on scope 1 to 3 (3 = all upstream emissions from the farmer and the downstream emissions to retail).
- **Reduce gas consumption:** In the spring and summer of 2022, a study was commissioned by Baarn municipality to explore how the industrial site 'De Noordschil' could be disconnected from gas within three years with solar thermal and heat pump systems. After evaluation by Inproba, which takes 84% of all heat energy, the proposed heat network proved ineffective. Inproba launched internal projects to reduce gas consumption by 22% through adjustments to piping. It also looked at a steam network with a unique steam-heat pump and an e-boiler. However, in 2023, the infrastructure to support the additional electricity demand was lacking. Legislation, high investment costs and electricity grid under-capacity are barriers to e-boilers and steam heat pumps.

- **Residual waste reduction:** Despite the high percentage of waste that we already recycle, we are still looking at ways to separate recyclable materials even better and reduce residual waste even further. According to Milgro's 2023 study, a further 32% residual waste reduction is possible, provided that the method and conditions of cooperation with Milgro are met. On 15 March 2024, we entered a partnership with Milgro with the joint objective of reducing residual waste by 32% and increasing the recycling rate from 76% to 84%.



Nevertheless, these measures can reduce carbon emissions by 80%. As soon as Dutch legislation is amended and the existing infrastructure can be used, and once network operators increase their capacity, we will take this up again.

PILLAR 2 USE OF RENEWABLE RAW MATERIALS

Our products originate in nature. At Inproba, the sustainability of how we manage our raw materials and our production is very important. The focus is therefore on making our key raw materials more sustainable, like our chilli peppers, for which this has now been achieved through Rainforest Alliance certifications. [Watch our Rainforest Alliance video here.](#)

8 years ago, we started making the chilli pepper chain transparent. Partly as a result, the Ministry of Foreign Affairs considers Inproba a 'front-runner' in the field of CSR. That is why Inproba was asked in early 2020 to contribute to the investigation of former Minister Sigrid Kaag called '[IMVO in Perspective](#)'. The aim was ultimately to achieve the Dutch as well as European '[Corporate Sustainability Due Diligence Directive](#)' or 'CS-triple-D' IMVO legislation.

With the help of an [article in Dutch] [IMVO Voucher](#) issued by CSR Netherlands on behalf of the Ministry of Foreign Affairs, during 2022 and 2023 research was carried out in Malawi in collaboration with GIZ Germany and Inproba regarding the establishment of an agroforestry chilli value chain project. Leveraging the expertise of the local GIZ and

GIZ Germany, a chain director was sought, who as a processor could unite chilli pepper farmers through contract farming, with the aim of launching the production of raw sambal. Unfortunately, despite extensive research, it was not possible to start this chilli project, partly due to the lack of suitable processors and two consecutive natural disasters in Malawi.

When selecting and assessing our raw material suppliers, we attach great importance to their involvement in organisations that promote sustainable production, such as ProTerra, Global G.A.P., Rainforest Alliance & UTZ, NCV and the international V-label. In 2022, we took significant steps to make our prawn crackers (kroepoek) more sustainable: we introduced a full vegan range without shrimps, while maintaining the characteristic prawn cracker flavour. In 2022, our Vegan Prawn Crackers was voted '[runner-up](#)' of the international V-Label.



THE STORY BEHIND SUSTAINABLE SAMBALS AND CHILI SAUCES FROM INPROBA



100% Chilli



For more information, visit www.fairoriental.nl or www.ra.org

USE OF SUSTAINABLE RAW MATERIALS



- **Non-GMO:** We do not use genetically modified organisms at Inproba. [Read more about our non-GMO policy.](#)
- **RSPO certified palm oil:** Since 2014, we only use sustainable palm oil from 'Roundtable on Sustainable Palm Oil' (RSPO) certified suppliers. Since mid-2016, we use only sustainable certified palm oil at SG (segregated) level. Despite RSPO, palm oil still has human and environmental disadvantages. For that reason, Inproba has chosen to minimise the use of palm oil (two raw materials) and to reduce it even further in the future where possible. [See here our sustainable palm oil policy.](#)
- **Benchmark research carbon footprint:** A comparison of the carbon footprint of our 700 ml chilli sauce in a PET bottle with the same chilli sauce of a reference product in glass from Thailand shows that the Inproba chilli sauce results in 41% less carbon emissions. The study was conducted by LuTz Consulting based on an environmental impact LCA. In the near future, other products may be considered for a similar measurement of the carbon impact. For more information, [see the factsheet.](#)
- **FSC® certified paper and cardboard:** Inproba only buys paper and cardboard that is 100% FSC certified and thus comes from responsibly managed forests. This applies to all forms of packaging (labels, boxes, paper foil, cartons, trays, etc.) as well as to paper used for correspondence and photocopying. [Read more about our FSC policy.](#)
- **Rainforest Alliance certified chillies:** Since 2019, all chili peppers used in our Inproba sambals and chili sauces have been Rainforest Alliance certified. In 2020, we extended this certification to our curry products. Our goal is to achieve Rainforest Alliance certification for 100% of our annually increasing production volume of sambal, chili sauce, and curry, both for our own brand and for the brands we produce for others. Additionally, we are exploring opportunities to source other raw materials with Rainforest Alliance certification. [Watch our Rainforest Alliance video here.](#)
- **Only free-range eggs:** For several years, Inproba has only been using raw materials (or derivatives) for which free-range eggs are used.



PILLAR 2
USE OF SUSTAINABLE RAW MATERIALS



- **Soya: ProTerra:** Inproba only purchases non-GMO products. As a contribution to sustainable soya cultivation, saving people and the environment, we limit our sourcing to soya from Asia, Europe or North America, where the large-scale problems with deforestation are minimal, or we buy soya from South America with the ProTerra label. This label goes beyond RTRS and guarantees both environmentally friendly and humane cultivation and strict compliance with non-GMO principles. [Read our soy policy here.](#)
- **CSR in the supply chain:** More and more customers want Inproba to sign the Amfori BSCI Code of Conduct, which includes social and environmental criteria. However, Inproba cannot currently guarantee 100% compliance with the ILO, OECD and UNGP, because the chain for many raw materials is not transparent. In order to anticipate the Due Diligence legislation, in autumn 2023 Inproba launched an internal project to make the 29 most important and critical raw materials from BSCI high-risk countries transparent and to monitor compliance with social and environmental requirements by (sub)suppliers. In this respect, due care is taken according to ESG criteria, any abuses are identified and attempts are made to solve them together with suppliers. For us, this striving for transparency and improvement is 'The taste of Honest Oriental'. Our goal is to achieve these improvements for the 29 most important raw materials, as with chilli peppers (via RA certification). As soon as extensive research has analysed the challenges of these raw materials, Inproba will enter into discussions

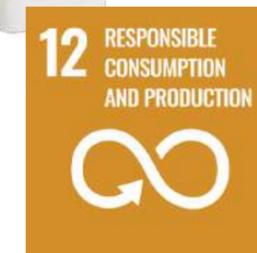
with its suppliers to ensure compliance with social and environmental requirements. We ensure that **raw materials** travel as few kilometres as possible and we transport as few kilos as possible (so no unnecessary transport of water, for example).

- **Sustainable packaging:** an internal study is currently underway to investigate the possibilities of making packaging more sustainable. Inproba already fulfils various ambitions of the **FNLI and CBL Covenant of Sustainable Packaging 2025**. In 2019, for example, the company started offering r-PET bottles. Since the end of 2020, we only use 100% r-PET bottles for the Inproba brand. Another example concerns the foil of the Inproba Fried Onions. Since early 2023, a more recyclable monofoil has been used. Cans, buckets and plastic caps have been changed to more recyclable colours, trays are omitted if possible and we are increasingly inserting unprinted inner pockets. We have now converted the iconic green 100% r-PET ketjap bottle to a version without dye. Black plastic packaging had already been phased out. For each retailer, project-based studies are carried out to study the extent to which we can respond to the ambitions of the FNLI for private label products. For one retailer, choosing an alternative model has already resulted in a **40% weight reduction in glass on 700,000 packs per year**.

PILLAR 3 SOCIAL ENGAGEMENT

HEART FOR THE CONSUMER

Stimulate healthy nutrition: Where we promote healthy nutrition among our staff, we also strive to ensure that our products are as natural as possible. We also ensure that the amount of sugar and salt is reduced as much as possible and that the use of allergens is kept to a minimum. All without compromising on taste.





PILLAR 3
SOCIAL INVOLVEMENT



Achieved:

- **Sugar reduction:** The 2018 introduction of the Chilli Sauce 50% less sugar, (Chosen Product of the Year 2019), and the Ketjap Manis 30% less sugar, with which we have already taken a big step towards less sugar, is currently unchanged. Inproba still makes a good contribution to the reduction of salt/sugar intake every year. Since 2022, we have also taken steps towards less salt and sugar with 8 more Inproba products (Fish Sauce, Teriyaki Wok, Sweet & Sour Wok, Soy Sauce, Sriracha, Oyster Sauce, Ketjap Asin, Chilli Sauce Sweet). This will save 79,530 kg of sugar and 5,872 kg of salt per year, without the consumer making any concessions on taste.
- **Honest ingredients:** Wherever possible, Inproba works with natural ingredients and without artificial additives. Besides reducing sugar and salt, this is something Inproba has devoted a lot of attention to in recent years. [Read more about honest ingredients and the reduction of sugar and salt.](#)
- **Gluten-free products:** Our Inproba Ketjap Manis is completely gluten-free and bears the internationally recognised Crossed Grain quality mark of the AOECs (Association of European Coeliac Societies). The Dutch Coeliac Association (NCV) awards this quality mark under licence to producers and suppliers in the Benelux.

Objectives for 2024:

- **Quality Control and Support:** With periodic inspections of our products and (downward) adjustments in salt/sugar where possible within the organoleptic and microbiological limits, we check all our Inproba products annually. In addition, we advise our Private Label customers to do the same, in a continuous process, providing support where necessary.
- **More nature:** We use as many natural fragrances, colourings and flavours as possible and strive for Clean Label where possible.
- **Further restriction of allergens:** Where possible, we will further restrict the use of allergens.



PILLAR 3 SOCIAL INVOLVEMENT

HEART FOR SOCIETY

We source the ingredients for our products from different countries. These are often countries where the population has a harder life than in the Netherlands. In these regions in particular, we are happy to demonstrate our social commitment. In addition, we support regional projects and organisations, both in the form of a financial contribution and in products.





PILLAR 3
SOCIAL INVOLVEMENT



Outside The Netherlands:

- **Agricultural aid for Nepal:** In 2016, Inproba partnered with Icfon/ISARD in Nepal by sponsoring one of their projects in the North of Nepal. The aim is to train families from different villages to get a structural income from agriculture and livestock farming. In the period 2016-2022, 1100 farming families were able to grow fruit and vegetables on their own land. Enough for their own consumption and to sell on the market, enabling them to build up a reserve for when there is less produce available. Creating kitchen gardens, building greenhouses, making terraces with irrigation systems, increasing the fertility of the land, as well as purchasing seeds and training farmers (partly through the use of Junior Technicians in Agriculture) significantly increased the harvest and thus the income of the farmers. [Read more about how the Icfon and Nepalese farmers did in 2020 at the time of the Covid pandemic. www.icfon.nl](http://www.icfon.nl)
- **Structural partnership with FSC Netherlands:** Since 2021, Inproba has been a partner of FSC Netherlands and has chosen to invest in a reforestation project in Vietnam, in the province of Quang Tri. This project covers a total area of 2,145 hectares of FSC® certified rainforest, managed by the forest owner Association of Quang Tri Groups in collaboration with 474 ethnic minority families in 5 villages, with a focus on agroforestry. The cultivation

of acacia trees, bamboo and rattan for the furniture industry, as well as the replanting of indigenous plants, ensures a balance in ecosystem services and biodiversity, while providing livelihoods for local communities. The area has a verified and certified carbon storage of 350,000 tons and an additional carbon capture of 7,000 tons via carbon sequestration.

Inproba invests in this forest and the ethnic minority population by sponsoring FSC® Verified Impact on carbon worth 1,927.70 tons, thereby contributing to its residual emissions over the years 2020-2022 on **scope 1 & 2*****. The partnership with FSC NL, Quang Tri and FSC I&P (International) has been entered into for a period of 3 years (2024-2026), within which contributions for future emissions over the years 2024-2026 can also be made. This partnership helps increase the income of local communities and the sustainable management of the FSC® forest, which in turn promotes biodiversity and ecosystem services and can further increase carbon storage.





PILLAR 3
SOCIAL INVOLVEMENT



Targets:

At the beginning of 2021, Icfon and Inproba agreed that an impact measurement with Social Return On Investment (SROI) will be carried out by an external research agency in collaboration with the Impact Center Erasmus. The aim of this is to objectively test the improvements in farmers' incomes and standard of living over the past 5 years, compared to the investments made in the regions. This impact measurement will help Icfon and ISARD Nepal decide how to bring the projects to a successful conclusion in the final phase (after 4-6 years). Inproba will continue to support Icfon and ISARD in 2021 by starting a number of new projects in a neighbouring region, over the next 4-6 years.

In the Netherlands:

- Sports clubs and associations in Baarn and the immediate vicinity have received sponsorship money.
- Primary schools and student associations have received sponsorship for projects.
- Events in and around Baarn have received sponsorship in kind and money.
- The Food Bank and Inproba are working more closely together because not only Inproba products, but also more and more Private Label products from retailers can be donated to food banks by Inproba. The advantages are twofold: food waste is tackled and people needing help can benefit from a more varied supply.





CLOSING WORDS

Inproba proactively engages in a dialogue with its stakeholders, in particular NGOs, and we would like to mention the following NGOs: Rainforest Alliance, Forest Stewardship Council (FSC International), CSR Netherlands, Stichting Goed Hout & Goed Papier (FSC Netherlands), Quang Tri Association Vietnam, Medical Committee Netherlands Vietnam NCMV, Icfon / ISARD Nepal and GIZ Gesellschaft für Internationale Zusammenarbeit. In all cases, a common goal is key, namely in close cooperation to achieve the sustainability of raw materials, the environment, the organisation and society as a whole.

Inproba is one of more than 120 signatories of [article in Dutch] **the Baarn Climate Agreement 2030**, an initiative of the municipality of Baarn, NGOs, citizens and businesses in Baarn. This is intended to contribute to the Baarn Climate Agreement and to make the municipality of Baarn climate neutral in 2030. Since 2020, Inproba has achieved a climate neutral (on scope 1 & 2)^{***} of **the GHG protocol**.

**** Climate neutral on scope 1 & 2 means that responsibility is taken for emissions that are owned or controlled by a company and which are therefore manageable by Inproba. This concerns parameters such as the use of electricity, gas, own freight transport to customers and the use of coolants.*

Baarn, May 2024



Ministerie van Buitenlandse Zaken



Questionmark



100% Chili



The mark of responsible forestry

