



# CREATING A MORE SUSTAINABLE WORLD FOR FUTURE GENERATIONS

I often wonder what kind of world my grandchildren will inherit. The outlook is disconcerting: climate change is threatening our living environments, biodiversity is declining, our soil is degrading, fish stocks are being depleted, and the sea is being polluted by plastic waste. What would I answer if someone asked our generation: "Why didn't you do more? Why didn't you act before it was too late?"

With this thought in mind, I decided that with my own family business, I would do my best to do my part. I want to prove that working in a more sustainable way is not only possible, but also more economically viable. This principle also applies to everyday cleaning products.

A carbon neutral circular economy is the key to more sustainable consumption. Everything should be done without generating emissions, and by using renewable energy sources. Disposable solutions should be avoided, and raw materials should be circulated in a closed loop, or be naturally occurring and biodegradable. We still have a long way to go, but we are taking determined steps towards this vision.

When it comes to entrepreneurship, I grew up thinking that a company needs to produce value for society, rather than profit for its owners. This idea guides us every day as we work towards a more sustainable future.

Johanna Hamro-Drotz, CEO, Sinituote



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### **FINNISH FAMILY BUSINESS**

Sinituote Oy manufactures sustainable cleaning products that promote circular economy.

- Sinituote Oy is a Finnish family-owned company that belongs to the multisector SINI Group.
- The company was founded in the 1940s and purchased by its current owners in 1988.
- We are the leading manufacturer of cleaning supplies in the Nordic countries.
   Our main product categories include household cleaning and clothing care products, KUNGS car care products, and professional cleaning products.
- 80% of our products are manufactured in Finland, at our own factories in Kokemäki and Akaa.
- 16% of our products are manufactured in Europe and 4% in Asia. All our partner factories are subject to BSCI audits.

**OUR OWN FACTORIES IN FINLAND PRODUCE** 

80%

**OF OUR PRODUCTS** 

**TURNOVER IN 2022** 

40.2

MILLION EURO

**TAXES PAID IN 2022** 

0.25

**MILLION EURO** 

**EMPLOYEES** 

162

2022



### **HIGHLIGHTS OF 2022**



We calculated our **SCOPE 3 EMISSIONS,** 

i.e., the emissions of our supply chain.



We launched

#### **SINI CLEANING TABLETS:**

goodbye to disposable bottles!



WE INVESTED 1,83 MILLION EURO

in production.



We replaced two disposable products with **BIODEGRADABLE** 

MATERIALS.



We launched SINI Pro professional products and private label products made of

**RECYCLED PLASTIC.** 



#### **SINI WAS RANKED 8TH**

in Finland's most valued brands report, rising 7 steps from the year before.



#### **SINI WAS RANKED 3RD**

in the vote for Finland's most sustainable product of the year.



We are following

#### **SCIENCE BASED TARGETS**

for climate action since 2021.



### INNOVATING TO PREVENT PLASTIC WASTE

Last year we launched a product that reduces the environmental impact of cleaning. SINI cleaning tablets leave no plastic waste, and the carbon emissions during transport are 98.7% less than with liquid detergents.

98.7 %
LESS CO2 EMISSIONS DURING
TRANSPORTATION

When the tablets are diluted in water at home, heavy, liquid detergent bottles do not have to be transported around the world, leading to reduction in transportation-related emissions. Usually, over 95% of the contents of the detergent bottles is water.

Tablets also help to reduce plastic waste since they can be used in reusable bottles. Approx. 50 million disposable bottles are used every year in Finland\*. Of these, one in three bottles end up in mixed waste.

Sini cleaning tablets contain no chemicals hazardous to the environment or health. They are plant-based and biodegradable and awarded with the official ecolabel of the Nordic countries, the Nordic Swan Ecolabel. The tablets are manufactured at the Sinituote factory in Kokemäki.



99.9 %
LESS PLASTIC WASTE





#### FIGHTING AGAINST A THROWAWAY CULTURE

The operations of Sinituote are guided by three key principles. These principles guide our product design and product development.



### 1) WE DO NOT WANT TO MAKE ANYTHING USELESS

We design our products so that worn out parts can be replaced without having to buy a completely new product. Our products are also compatible with each other; you only need one SINI handle to which you can attach various cleaning heads.



### 2) OUR PRODUCTS ARE MADE TO LAST

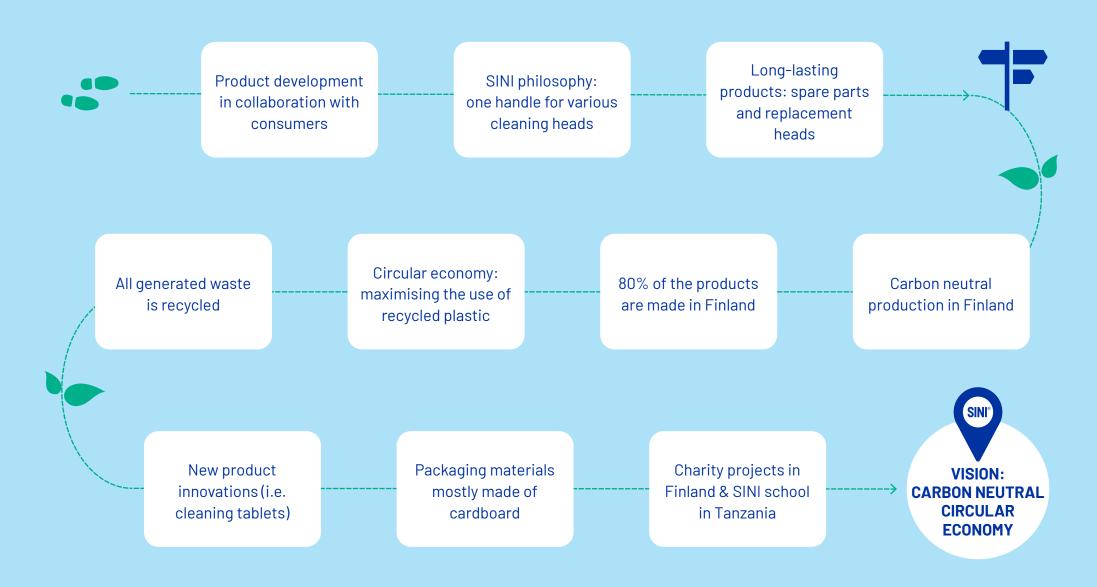
When we do something, we make sure we do it right. We ensure that our products are of high quality and last a long time, even decades. We do not launch a new product until we are sure that it is durable and works as intended. All our products bearing the Key Flag Symbol have a 5-year warranty.



### 3) WE PRODUCE EVERYTHING WE CAN IN FINLAND

We manufacture as many products as possible at our own factories in Kokemäki and Akaa. Currently, 80% of our products are made in Finland. Promoting Finnish labour is a matter of honour to us.

### STEPS TOWARDS MORE SUSTAINABLE CONSUMPTION

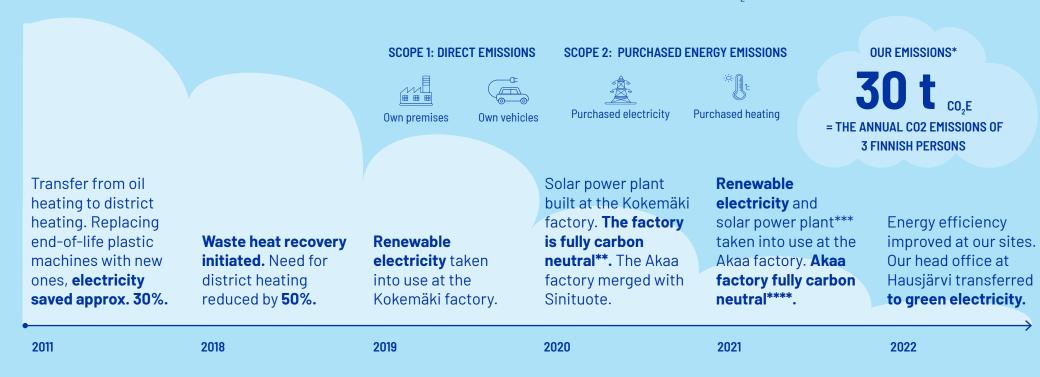




### **CARBON NEUTRAL PRODUCTION**

Sinituote's main factory in Kokemäki has been carbon neutral since 2020. The Akaa factory was merged with Sinituote in 2020 in connection to an aquisition, and was made carbon neutral in 2021, making all manufacturing of Sinituote in Finland carbon neutral.

In 2022, the only scope 1 and 2 emissions were from the four cars of the sales team and from the electricity at the head office, which was replaced by green electricity later that year. These resulted in 30 tonnes of emissions, equivalent of the annual  $CO_2$  emissions of 3 Finnish persons.



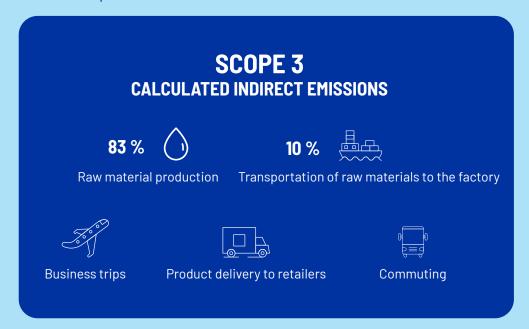
<sup>\*</sup>The calculation is based on the GHG emissions calculation standard and the figures from 2021. The emissions have been compensated. \*\*The district heating at our Kokemäki factory is bio-based, and our head office is heated with a wood chip boiler. \*\*\*The solar power plants produce 13% of the annual electricity consumption of the factories. \*\*\*\*The Akaa factory uses air heat pumps and does not purchase any heating energy.

### THE EMISSIONS OF OUR SUPPLY CHAIN CALCULATED

We calculated the indirect emissions of our supply chain (scope 3). Now we are setting the desired target levels and working on reducing the emissions together with our subcontractors.

Over 4/5 of the scope 3 emissions of Sinituote are created by raw materials. The most significant way to reduce our scope 3 emissions is to increase the use of recycled plastic. In 2022, we succeeded in reducing the carbon emissions of our raw materials by 20% by replacing traditional plastic with recycled plastic in many of our products.

### **UPSTREAM:**Pre-production and other indirect emission sources



#### **DOWNSTREAM:**

Post-production emission sources

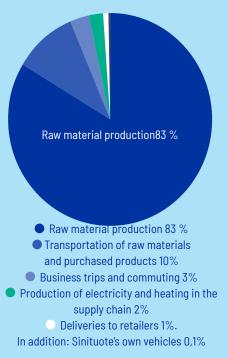
## SCOPE 3 (NON-CALCULATED INDIRECT)

The calculation excludes:

- Waste
- Product sales
- Use of sold products
- Discarding of sold products

#### SCOPE 3 -

Distribution of emission sources



<sup>\*</sup>We calculated our scope 3 emissions in 2022. The calculation was based on the emissions of 2021 and was carried out by the Natural Resources Institute Finland. Learn more about our scope 3 calculation on page 27.

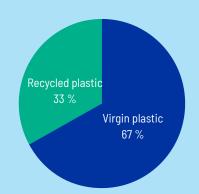


### RECYCLED PLASTIC IS OUR MAIN RAW MATERIAL

In 2022, we used a total of 310,436 kg of recycled plastic, 13% more than the previous year. At the Akaa factory, the use of recycled plastic increased dramatically, whereas at the Kokemäki factory, the use of recycled plastic went down due to the supply shortage of frost-proof recycled plastic used in the winter season products of our KUNGS car care range.

The most effective way to reduce the carbon footprint of Sinituote is to increase the use of recycled plastic, as recycled plastic generates 57% less CO2 emissions\* than virgin plastic. In 2022, we succeeded in reducing the emissions of raw materials by 20% by increasing the use of recycled plastic.

#### THE PLASTIC USED AT THE AKAA FACTORY



The Akaa factory used **28% more** recycled plastic than the previous year.

#### THE PLASTIC USED AT THE KOKEMÄKI FACTORY



The Kokemäki factory used **7% less** recycled plastic than the previous year.



<sup>\*</sup>Source: Fortum

<sup>\*\*</sup>Other materials include cardboard, metal, recycled metal, wood, paper, glue and colourants and fibre.

### **ACTIVE PRODUCT DEVELOPMENT**

The main raw material of Sini products is recycled plastic, which is highly durable in long-lasting consumer goods. We have used recycled plastic since 1998 and we are doing active product development to apply recycled plastic in even more products. Currently, we are using nine different types of recycled plastic.

Manufacturing products made of recycled plastic may require a lot of research and testing as recycled plastic is not as homogenous as virgin plastic. This is especially true for products that have several technical parts and joints. In 2022, we invested a lot or resources into researching the use of recycled plastics. The results of this work will be manifested in our products during 2023. We also put effort into ensuring that we can acquire sufficient materials in the future.

In 2022, we encountered supply shortages of certain types of recycled plastic. Here are some examples of SINI products made of recycled plastic.

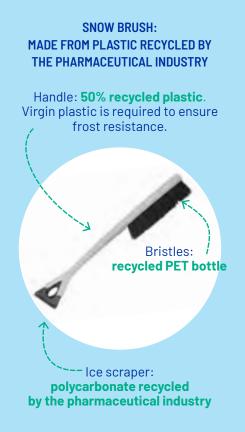






### RECYCLED PLASTIC IS USED WIDELY

We already use recycled plastic in 61 different products – and the number is constantly rising. The manufacture of a single product usually requires the use of many different grades of plastic for the product to withstand not only time but also different conditions, such as cold temperatures or dishwashing.





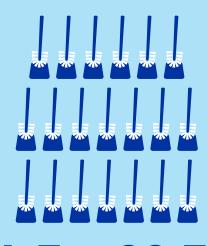




### **ALREADY 986,500 KILOS OF PLASTIC WASTE AVOIDED**

We are a frontrunner in ecological design. According to our design philosophy, only the worn-out parts need to be changed. For over 20 years, we have been manufacturing replaceable heads for dish brushes, lint rollers and toilet brushes. With this strategy, we have been able to reduce plastic waste equivalent to more than 46 million plastic bags.

The average family buys 2 toilet brushes a year. In 10 years, the toilet brushes will produce:



4.5

KG OF PLASTIC WASTE KG OF CO. EMISSIONS

If the family purchases a replacement brush head instead of disposable toilet brushes, it will only produce\*:



0.56

KG OF PLASTIC WASTE

0.42

KG OF CO<sub>2</sub> EMISSIONS

SINI's replacement brush head made from recycled plastic produces\*\*

99%
LESS CO, EMISSIONS



88%

LESS PLASTIC WASTE

<sup>\*</sup>The calculation does not include CO<sub>2</sub> emissions from transport and production. By choosing SINI Products made in Finland, the consumer can minimise transport distances and be sure their product is manufactured in a carbon neutral factory.

### **ALL WASTE IS RECYCLED**

As with all industrial production processes, also the production of cleaning equipment generates waste. Last year, our production generated 242,000 kg of waste. All waste is carefully sorted and used in the best possible way.

#### THE WASTE WE GENERATE:



#### **AND HOW IT IS USED:**





### **PROMOTING OPERATIONS IN FINLAND**

We value our production in Finland. 80% of our products are manufactured at our two factories in Kokemäki and Akaa in Finland \*, which employ a total of 162 people.

To secure the continuity of our operations in Finland, we strive to keep the prices of our products competitive. In 2022, we invested EUR 1.83 million in production.

The fact that we manufacture our products at our own factories enables flexibility and fast delivery times. We are able to react quickly to changing demand and seasonal peaks.

In recent years, we have hired 3–10 new employees annually. We have also created new work profiles; for example, we hired our own chemist in 2022.

#### **NUMBER OF EMPLOYEES**

LOCATION	PERCENTAGE
Kokemäki factory	110
Akaa factory	33
Erkylä head office	12
Helsinki	6
Outside Finland	1

#### **EMPLOYEE AGE**

AGE	PERCENTAGE
under 25 years	6,2%
26 - 50 years	57,4%
51 – 59 years	27,8%
over 60 years	8,6%

**WE INVESTED** 

1.83

MILLION EURO IN PRODUCTION

**WE GUARANTEE** 

99%

**DELIVERY RELIABILITY** 

<sup>\*</sup> In addition, 16% of our products are manufactured in Europe and 4% Asia. Our partners deliver, for example, microfibre products and sponges. All our partner factories are subject to BSCI audits.

#### STRIVING FOR EXCELLENCE IN EMPLOYEE EXPERIENCE

Sinituote invests in employee well-being. In 2022, we launched office break workouts at all our sites, resulting in a decrease in musculoskeletal system diseases.

We saw a 25% decrease in absences due to musculoskeletal system diseases, compared to the previous year. Neck and shoulder problems were reduced by 50%. Our daily exercise even made the news in Finland's biggest newspaper Helsingin Sanomat. We also grant additional sports benefits points for all employees taking part in the office break workout.

Our well-being programme covers a wide array of healthcare services, including, for example, an insurance covering various operations and short-term psychotherapy as well as bicycles for commuting.

We survey employee experience regularly and continually strive to improve employee well-being.

A DECREASE OF

**25%** 

IN MUSCULOSKELETAL SYSTEM DISEASES

THE AVERAGE AGE OF EMPLOYEES IS

43

YEARS

#### **WORK-RELATED ACCIDENTS 2022 (PCS)**

ТҮРЕ	2020	2021	2022
Accidents leading to absences*	3	1	6
Serious work-related accidents**	0	0	0
Frequency of accidents***	16,23	3,47	20,04



<sup>\*</sup> Accidents at work resulting in absence

<sup>\*\*</sup> Number of work-related accidents resulting in absences of over 30 days.

<sup>\*\*\*</sup> The number of work-related accidents leading to compensation per million work hours.

### **GUARANTEED QUALITY**

We provide a 5-year warranty for all products manufactured in our own factories. Some of our customers still have mop handles purchased from us 40 years ago.

All our new products are carefully designed and tested. Product properties are tested in our own test laboratory, for example in a UV cabinet, hot cabinet and chest freezer, as well as by mechanical stress tests. In this way, we ensure that products can withstand a variety of conditions, and that we only use the best materials.

Thanks to our own production, we are able to react quickly if a product requires some improvements; usually errors are analysed, tested and corrected within 2 weeks. Improvements are required for a maximum of 1 to 2 products per year.



#### **OUR CUSTOMER SERVICE TEAM PROVIDES EXPERT ADVICE**

- Each SINI Product package contains a phone number you can call to provide feedback and present product requests and ideas.
- Our customer service team provides advice on how to use the products and cleaning. We get dozens of phone calls every day.

#### **WAYS TO TEST PRODUCT DURABILITY**









### MORE THAN 500 STUDENTS IN THE SINI SCHOOL

In 2006, we established a school in the remote village of Harghushay in northern Tanzania. We have also supported the further education of 60 SINI school students in secondary school, polytechnic or university. The collaboration has now lasted for over 15 years and has benefited the entire community.

The school makes an income from the garden that was built in connection to the school and from the cows bought for the school in 2018. The sales of cows covers all the costs related to raising the livestock. Also, school meals and the salary of one of the two cooks are covered with income from the cows. This supports our joint target of making the school self-sufficient.

Within the SINI micro loan programme, as many as 90 women in the village have been granted a loan to set up their own businesses. The loans have typically been used for purchasing a sewing machine, setting up a small shop or manufacturing soap. The loans have all been paid back in full.



Janeth J. Constantino is a student of water technology engineering. She will be the first university educated woman in her village.

#### **SCHOOL NEWS 2022**

- The school has 595 students and 10 teachers. 23 of the 30 students that attended the primary school final examination, passed the exam and continued to 7th grade. This is an outstanding result.
- The girls' dormitory has significantly improved the girls' results. Many girls living at home help with domestic chores and cannot spend their evenings studying.
- The girls reside in the dormitory for two to four weeks before the final examination, gaining an advantage in being able to concentrate on their studies. Some of the girls live in the dormitory for the entire school year, avoiding the long and unsafe commute.

### **OUR CONTRIBUTION TO SOCIAL PROJECTS**

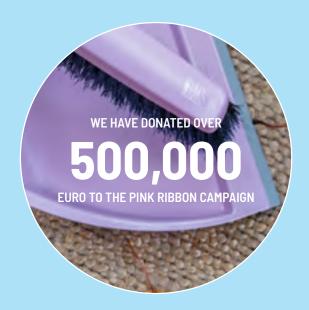
We want to make a difference on issues that matter to us. Over the years, we have participated in several social projects. We have, for example, contributed to the protection of the Baltic Sea in collaboration with the John Nurminen Foundation. Also, we have participated in the "Pink Ribbon" campaign in support of cancer research since 2010, donating over EUR 500,000 in total.

In 2022, we helped the victims of the war in Ukraine in many ways. Anders Brotherus from the Sinituote owner family personally delivered drones, bullet-proof vests, helmets, and generators to Ukraine. Sinituote participated in acquiring the equipment. We also donated funds to Sisu ry for delivering stretchers and bandages to Ukraine.

In Finland, we donated products to Ukrainian refugees, with the Sinituote personnel making their own contributions, gathering a lot of clothes and home utensils to our region's refugee centre.







### **OUR GOALS FOR THE FUTURE**



products made in Finland (scope 3).

We are constantly developing our operations with the following goals in mind.

THI	EME	G0ALS 2022	GOALS 2023	GOALS 20
MADE IN FINLAND	Finnish labour	We employed 162 persons in Finland.	In Finland, we will employ at least as many persons as we did in 2022.	We will continue to employ in Finland and ensure that new products are taken into production in Finland, so that the number of production personnel in Finland increases hand in hand with our revenue.
	Investing in production in Finland	We invested 1.83 million euro in production machinery and automation	We will invest 1.5–2 million euro in production machinery and automation.	We will invest 1.5–2 million euro on average in production annually.
CIRCULAR ECONOMY	Increasing the use of recycled plastic	Percentage of recycled plastic Kokemäki: 40%, Akaa: 33%. Total percentage +13% compared with the previous year.	Percentage of recycled plastic Kokemäki: 50% Akaa: 40%	100% of plastic raw material is recycled plastic or non-fossil (excluding the technical materials that do not yet have a non-fossil option in 2023).
	Materials for brokerage products	We analysed the raw materials of aluminium, steel and wood rods, and their certified or circular economy alternatives.	Over 50% of the aluminium used in our own production is recycled. We will find new suppliers of certified wood. We will buy steel made at least partially from recycled steel. We will expand our analysis to cover also other significant raw materials.	All of our raw materials are sustainable, and we favour circular economy alternatives.
CLIMATE	Reducing emissions	We calculated the indirect scope 3 emissions of our supply chain and identified the most significant ways to reduce emissions.	We will lower the indirect scope 3 emissions in our supply chain by increasing the percentage of recycled plastic in our raw materials. We will investigate the possibilities of lowering the emissions of logistics.	We have halved the indirect scope 3 emissions of the plastic raw material by employing 100% recycled plastic and by reducing the logistics emissions in the supply chain (compared with 2021).

### THE CARBON FOOTPRINT OF SINITUOTE: SCOPE 1, 2 & 3

Natural Resources Institute Finland made the calculations based on the figures from 2021. The calculation included the Kokemäki and Akaa factories and the head office at Erkylä. The calculation covered the most common greenhouse gases (GHG): carbon dioxide (CO2), methane (CH4) and nitrous oxide (N20), which are converted into carbon dioxide equivalent per kilogram (CO2-ekv-kg) = carbon footprint. The calculation excludes the environmental impact of the use or disposal of the manufactured products and the manufacture of the purchased products.

#### THE CALCULATION INCLUDES

- The raw materials used in the manufacturing at the Kokemäki and Akaa factories, including the GHG of the entire supply chain (excl. purchased services such as cleaning)
- The indirect chain emissions of the energy production
- Delivery of raw materials to the factory
- Delivery of subcontracted products to Sinituote Oy warehouse in Finland
- Business trips and commuting
- Delivery of final products to retailers

#### THE CALCULATION EXCLUDES

- Manufacturing the subcontracted products and their raw materials
- The machinery and equipment used in the production
- Production waste disposal
- Rented premises (all Sinituote premises are owned by Sinituote)
- The use and further processing of sold products
- The disposal of sold products
- Rented and leased equipment, franchising and investments

SCOPE	EMISSION SOURCE	T CO <sub>2</sub> E	PERCENTAGE
Scope 1	The direct GHG emissions of Sinituote's own vehicles	26.9	1%
Scope 2	The direct GHG emissions of purchased electricity	2.9	0,1%
	Production of raw materials	3,143.0	83%
	Supply chain of electricity and heating	61.7	2%
	Business trips and commuting	115.9	3%
Scope 3	Sinituote's own vehicles	5.6	0,1%
	Delivery of raw materials and subcontracted products to the factories	68.6	10%
	Delivery of the products to retailers	46.9	1%
	Scope 3 total	3,741,7	99%



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