

Sustainability report Arion 2023

September '23



Next steps towards strategic sustainability



"Citius, Altius, Fortius". That is not only the original motto of the Olympics, it is also the central theme of Arion's strategy for the years until 2025. It means "Faster, Higher, Stronger", and relates to making faster decisions, reaching for higher goals, and building a stronger

foundation in our strategy. This could also be related to sustainability.

In the previous sustainability report, we already presented that we want to transition from having a "sustainability strategy" to a "sustainable strategy". The former refers to a strategy for sustainability, which is related to but separate from the corporate strategy. The latter, a sustainable strategy, means that the corporate strategy is inherently sustainable. Therefore, in the desired situation, our strategic motto, should simultaneously relate to sustainability.

Citius (Faster) – There are many routes to a more sustainable future. That is good because we will need many, if not all, measures to tackle the global environmental challenges that we are facing. The pitfall is that sustainable actions are not taken in time if there is a lack of focus. Also at Arion, we have many ideas, which need to be implemented faster in the future, to keep our head start in sustainability and to contribute to a sustainable world. One the key projects for Arion in the upcoming years, is the development of an emission reduction plan.

Altius (Higher) – In the emission reduction plan, but also for other sustainable projects, we need to set high(er) goals. Our sustainability objectives should be in line with the industry or more ambitious to lift the overall sustainability level. In addition, we should never be satisfied and always aim for higher goals.

Fortius (Stronger) – Finally, the foundation needs to be stronger, also with respect to sustainability. Consequences for People, Planet, and Profit should be considered with every business decision that we make. To get there, we need to invest in more awareness, knowledge, and reliable data about the sustainable impact that we can make. This sustainability report is one means to this end. I am curious about your feedback.

CAN YOU HELP US GETTING FASTER, HIGHER AND STRONGER?



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Sustainability at Arion

This sustainability report aims to provide an overview of Arion's current sustainability efforts and highlights key initiatives undertaken during the period spanning 2022 to the first half of 2023. Before delving into our sustainability initiatives, it is essential to establish Arion's definition of sustainability: 'the responsibility for the impact that Arion exerts on its surroundings, in social, environmental, and business terms.'

In social terms (people), Arion recognizes the significance of social impact and is committed to contributing to the well-being and happiness of various stakeholders. We prioritize the satisfaction of our customers and end users, as well as the contentment of our employees, the broader society, students, individuals in developing countries, supply chain partners, and other stakeholders.

Among these, our primary objective is to make a substantial social impact on our customers. Arion Slide Solutions products are designed to enhance the comfort of nurses and stocking wearers. By simplifying the process of putting on and removing compression clothing, these products improve the experience for medical professionals and patients alike. Additionally, our Swash® products play a role in promoting nurse and patient well-being. Through their contribution to patient comfort and the unburdening of nurses, these products have a positive impact on healthcare environments.

By prioritizing the happiness and well-being of our stakeholders, Arion remains dedicated to its sustainability goals and continues to develop products that contribute positively to health care. In the chapter "People" of this sustainability report, you will read more about our social contribution to the most relevant stakeholders.



PEOPLE

In environmental terms (planet), we can distinguish two main focus areas: 1) our products, and 2) our business processes.

With respect to our products, we are able to present results for the Swash® bathing gloves. An independently conducted Life Cycle Assessment (LCA) shows that the total ecological impact of a bed bath with this product is 74% lower compared to the ecological impact of a bed bath with water and soap. This might be a surprising outcome to many because Swash® is a disposable product that is unsustainable in the perception of many people. And it is true that the use of Swash® instead of water and soap, leads to more waste.

However, this is more than compensated by the energy and water saved (amongst others) if Swash® is used instead of water and soap. The LCA shows that more than 250 liter of water is saved per bed bath over the complete lifecycle if Swash® is used for the bed bath instead of water and soap. More about the LCA and other "planet" related information about our products can be found in the chapter "Planet" of this sustainability report.

In the "planet" chapter, we will also present projects, initiatives and more information about our business processes. Amongst others, more information is provided about our plans to set-up a emission reduction plan, a clean-up project Arion participated in, and about our ISO 14001 certified environmental management system.



PLANET

Finally, in business terms (profit), we contribute to the economic system, for example by sharing our knowledge for the benefit of other entrepreneurs, students, customers, and other stakeholders. More about this and about our contribution to clean drinking water through our partnership with Made Blue, can be found in the “Profit” chapter of this sustainability report.



PROFIT

Before the People, Planet, and Profit chapters begin, three particular topics are important to mention first: The materiality matrix, our participation in global/national sustainability networks, and setting up a strategy that is sustainable.

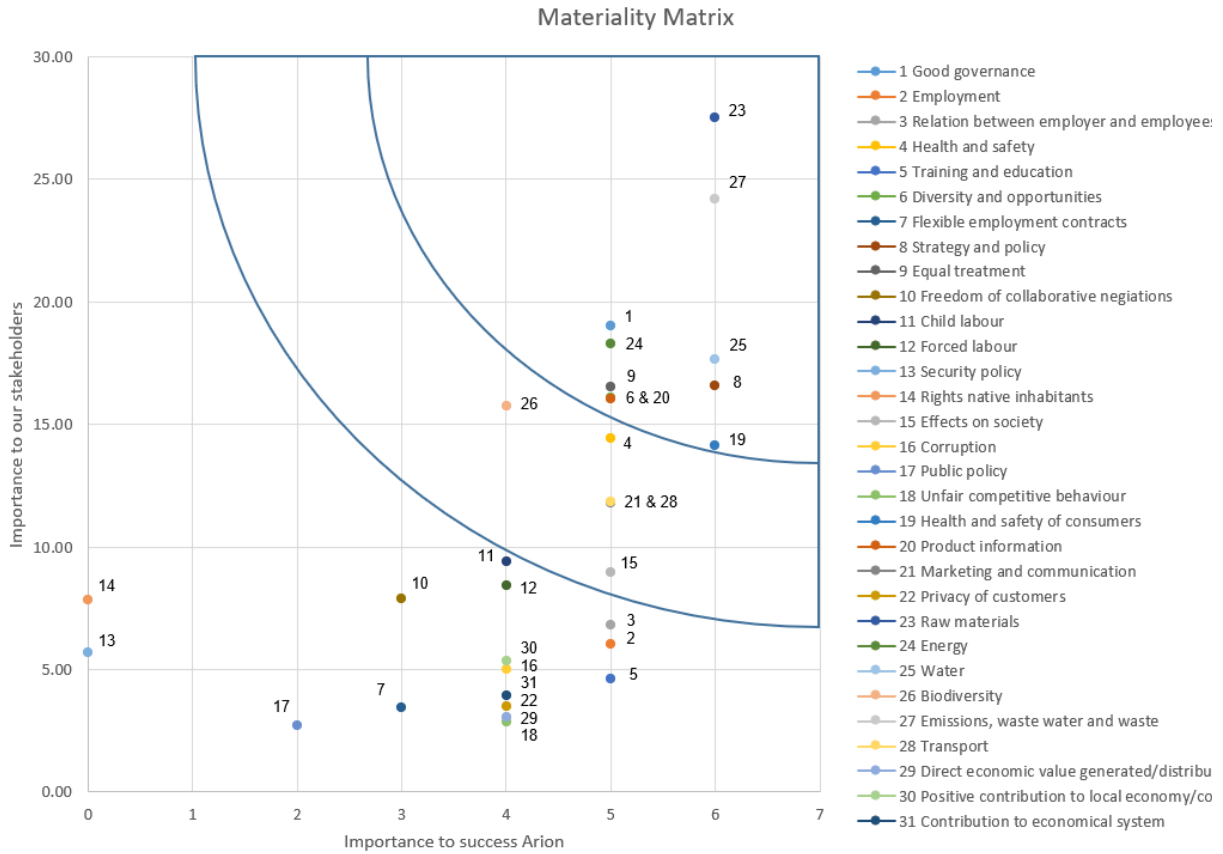
Materiality matrix: Identifying Key Sustainability Topics

Arion recognizes the multitude of sustainability topics encompassing "people," "planet," and "profit," each carrying varying degrees of importance. While we acknowledge the significance of these topics, it is essential to focus our efforts on those that align most closely with our values and have the greatest impact. Therefore, we have conducted a comprehensive materiality assessment to identify the key sustainability topics that are most important to Arion, considering both our future trajectory and the perspectives of our stakeholders.

In 2022, we conducted an updated materiality assessment, evaluating each sustainability topic based on its relevance to the future success of Arion and its significance to our stakeholders. More information about the materiality assessment and the criteria that were used, can be found in appendix II. Through this evaluation process, we have identified the topics that warrant our primary attention and resources:

- Good governance - Adhering to regulations and business ethics
- Strategy and policy - Protecting human rights in our supply chains
- Diversity and opportunities (new compared to 2022) – Ensuring well-being of all employees
- Equal treatment (new compared to 2022)- Ensuring that people are treated equally
- Consumer health and safety - Assuring health and safety of end users
- Product information (new compared to 2022) – Sufficiently informing users about products (not misleading)
- Raw materials - Increase use of recycled raw materials
- Energy - Decrease use of (unsustainable) energy
- Water - Decrease use of (unsustainable) water
- Emissions, waste water and waste - Decrease emissions, waste, and waste water

One former material sustainability topic that is not selected as a material topic anymore based on the new materiality matrix is “health and safety of employees”. Although this topic is not material anymore, of course this remains an important topic for Arion to invest in.



Materiality matrix showing the most important sustainability themes on the top right (indicating that these themes are most relevant for the future success of Arion and are most significant to our stakeholders).

By prioritizing these specific topics, we ensure that our sustainability efforts are directed towards areas where we can make the most meaningful and lasting impact. While we understand that there are numerous sustainability aspects that are important in their own right, our materiality assessment allows us to allocate our resources effectively, focusing on the topics that resonate most strongly with our organizational objectives and stakeholder expectations.


To score the sustainability topics with respect to their importance to our stakeholders, we annually collect expectations of our most important stakeholders. One way in which our stakeholders can share their expectations with us, is filling out an online questionnaire, which readers can access by clicking on this [link](#).



Arion's Key Sustainability Topics




"People"
related
indicator


"Planet"
related
indicator


Overarching
indicator

Engagement with Sustainability Networks

Arion recognizes the importance of collaboration and active participation in international and national sustainability networks that strive to drive attention and action towards creating a more sustainable world. Among the many networks in existence, two that hold particular relevance to Arion are the Sustainable Development Goals (SDGs) and MVO Nederland (MVO Netherlands).

UN Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) established by the United Nations provide a comprehensive framework for addressing global challenges and promoting sustainable development. Arion acknowledges the importance of aligning our sustainability efforts with the SDGs, as they serve as a shared blueprint for a better future. Arion utilizes the SDGs as a discussion topic during meetings with suppliers and distributors. By incorporating the SDGs into these engagements, we promote dialogue, collaboration, and collective action towards achieving sustainable development goals throughout our value chain.

Arion recognizes the global challenges represented by all 17 Sustainable Development Goals (SDGs) and acknowledges their collective importance in addressing today's pressing issues. However, in order to focus our efforts effectively, we have identified three SDGs that hold particular significance for our sustainability strategy: SDG 3 - Good Health and Well-being, SDG 6 - Clean Water and Sanitation, and SDG 12 - Responsible Consumption and Production.



By concentrating on these specific SDGs, Arion aims to make a targeted and meaningful impact within these areas. Our commitment to SDG 3 emphasizes the importance of promoting good health and well-being, both for medical professionals and patients. Through our products and initiatives, we actively contribute to enhancing healthcare outcomes and improving the quality of life for health care individuals. SDG 6 emphasizes the crucial need for clean water and sanitation. Arion recognizes the importance of sustainable water management and sanitation practices. We are dedicated to minimizing water consumption, promoting responsible water usage, and supporting efficient sanitation solutions, ensuring a healthier and

more sustainable future. Furthermore, our focus on SDG 12 highlights our commitment to responsible consumption and production. Arion actively seeks to promote sustainable business practices, reduce waste generation, and prioritize environmentally friendly product design and manufacturing processes.

For more information about the UN SDGs, visit: www.un.org/sustainabledevelopment/.

MVO Nederland

MVO Nederland, a national sustainability network, is another vital platform that Arion engages with. MVO Nederland emphasizes corporate social responsibility (CSR) and encourages businesses to adopt sustainable practices. By participating in this network, Arion collaborates with like-minded organizations, sharing knowledge and best practices, fostering innovation, and collectively advancing sustainability within the Dutch business landscape. In addition, everyone at Arion can keep themselves up to date about new developments by participating in events, workshops and presentations.

MVO Nederland defined themes that are important for a sustainable society, being:

1. New wealth
2. Real prices
3. Transparent supply chains
4. Inclusive entrepreneurship
5. Green energy
6. Biodiversity
7. Circular economy

These themes, as well as the SDGs, are taken into consideration in our materiality assessment to identify the most material sustainability topics for Arion.

Through our involvement in these networks, Arion actively contributes to the broader sustainability agenda, promotes collaboration among diverse stakeholders, and leverages shared expertise to drive positive change. By aligning with the SDGs and engaging with MVO Nederland, Arion demonstrates its commitment to sustainability and its dedication to being an active participant in the global sustainability community.

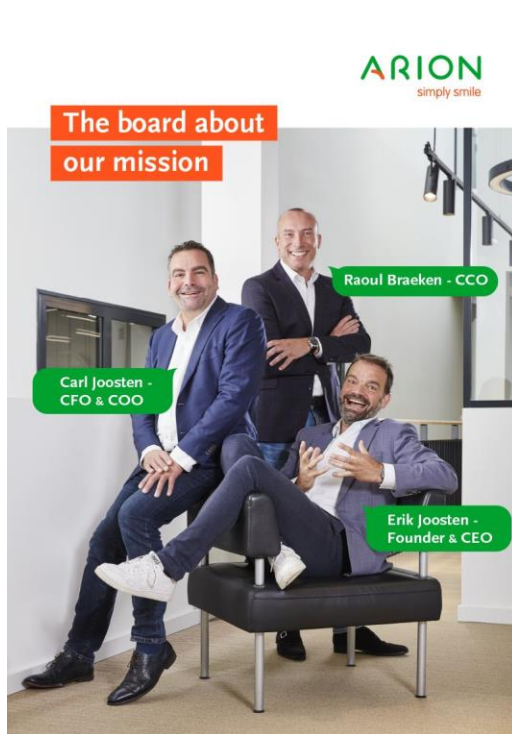


“Sustainability is a long ride, but enthusiasm and motivation take us halfway through the journey”

ARION
simply smile

A strategy that is sustainable

The health care industry is becoming more and more aware of its ecological impact. Amongst others because of the visibility of the waste created by the health care industry, health care organizations gradually take into account sustainability aspects in decision-making.

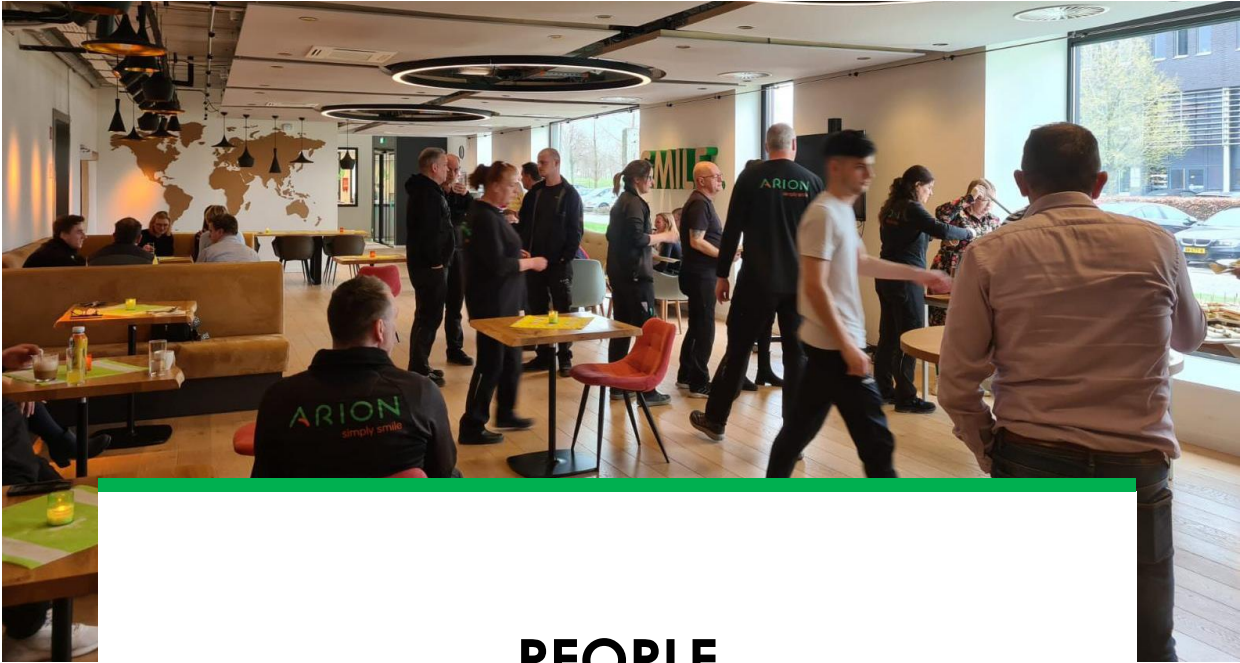


Sustainability also became increasingly important to and for Arion and will become even more important in the future. Our certificate for the Performance Ladder level 4 already shows that we are a frontrunner in our industry in terms of sustainability. We are the only washing without water supplier that conducted an LCA, we engage in extensive discussions with our supply chain partners and customers about sustainability, and we donate clean drinking water in developing countries to name but a few sustainable examples.

Yet, currently, we still have a sustainability strategy and we want to take further steps to reach a situation in which our corporate strategy is inherently sustainable. Therefore, sustainability is one of the strategic pillars of our new strategy for the time period 2023-2025. One of the projects for this strategic pillar is to set-up an emission reduction plan, which is in line with the European emission goals, and with our corporate strategy. Furthermore, we will continuously explore possibilities to reduce the ecological impact of our products. Part of this, is to gain more insights first about possible ecological consequences of alternative raw materials.

Strategic Theme	Main objectives 2025
Portfolio Development	<ul style="list-style-type: none"> - Strong Swash® and Arion Slide Solutions product range - Cleasure surface wipes sold in several countries - Wound care product development
Market development	<ul style="list-style-type: none"> - Higher share with Swash® in nursing homes and home care segments - Top 3 position with Swash® and Arion Slide Solution products
Sustainability	<ul style="list-style-type: none"> - Shifting from a "sustainability strategy" to a strategy that is sustainable - High (next) level sustainability performance including emission plans - Generation of green energy
Manufacturing quality	<ul style="list-style-type: none"> - Double production capacity (invest in quantity and quality)
Strategic procurement	<ul style="list-style-type: none"> - Become less vulnerable for supply chain volatilities
B2C	<ul style="list-style-type: none"> - Having a full-fledged B2C 'washing without water' brand
Servitization	<ul style="list-style-type: none"> - Swash® team

Overview of strategic pillars including sustainability



PEOPLE

“People” in sustainability reflects social responsibility, which means that we need to do business in a way that ensures and contributes to people's well-being. In the following pages, we will present several examples of how we contribute to well-being:

- Home working policy
- Focus on (sustainable) leadership
- Diversity
- Human rights in supply chains
- End-user comfort and well-being
- Innovation based on health care needs

Homeworking Policy: Empowering Autonomy, Flexibility, and Sustainability

At Arion, we are committed to fostering a work environment that promotes employee well-being, autonomy, and flexibility. With the introduction of our homeworking policy, we empower our employees to embrace a more flexible approach to their work-life balance. This policy has proven to be especially significant during the COVID-19 pandemic, allowing us to prioritize the health and safety of our employees while ensuring business continuity. By enabling remote work, we have adapted to the changing circumstances and maintained seamless operations.

Also after the COVID-19 pandemic, employees at Arion are allowed to work approximately half of their working days from home.

Beyond its immediate benefits, our homeworking policy also aligns with our sustainability goals. By reducing the need for daily commuting, we reduce our emissions and environmental impact.

Through our homeworking policy, Arion not only supports our employees in achieving greater autonomy and flexibility but also demonstrates our responsibility towards the environment and a more sustainable world.



Leadership at Arion: Empowering for Excellence

Effective leadership has a pivotal role in driving organizational success and fostering a positive work culture, also to improve our sustainability performance. Therefore, we will introduce a leadership project, designed to enhance the management skills of our middle-management team. The impetus for this project emerged from the insightful feedback gathered through our employee engagement survey conducted in 2022. Several employees highlighted the potential for improvement in management skills, emphasizing the importance of equipping our leaders with the necessary tools and competencies to inspire and motivate their teams.

Scheduled to commence in 2023, our leadership project could encompass workshops for which we will collaborate with external partners who specialize in leadership development. Through these workshops, we aim to cultivate a culture of strong leadership at Arion, empowering our middle managers to excel in their roles. By enhancing their management skills, we foster an environment that promotes employee engagement, growth, and satisfaction.

This leadership project exemplifies our commitment to continuous improvement and creating a supportive work environment. We firmly believe that investing in the development of our leaders will enable them to guide their teams with vision, empathy, and resilience.

Diversity at Arion

The importance of diversity in the healthcare industry cannot be overstated. Women account for almost 70% of the global health and social workforce. At Arion, we recognize that women can be caring leaders. Building upon this recognition, we understand the importance of gender diversity in the business realm as well. We are proud to report that at Arion, 55.56% of our managers are female. This inclusive management team brings a diverse range of perspectives, experiences, and skills to their leadership roles.

In addition to gender diversity, we also embrace cultural diversity within our workforce. We have employees representing 11 different nationalities, fostering a rich tapestry of backgrounds, ideas, and expertise within our organization. At Arion, we believe that a diverse workforce fosters innovation, enhances problem-solving capabilities, and drives sustainable growth.

Through nurturing a diverse and inclusive environment, Arion thrives as a dynamic and forward-thinking organization. We remain dedicated to fostering diversity, empowering women in leadership, and creating a workplace that embraces the strengths and talents of individuals from various backgrounds and perspectives.

Protecting human rights in our supply chains: A commitment to responsible sourcing

It is important to uphold and protect human rights throughout our supply chains. While we primarily source materials from European suppliers, we acknowledge that our supply chains may extend beyond Europe. Recognizing the importance of ensuring ethical practices, we prioritize the safeguarding of human rights throughout our entire supply network.

To enforce this commitment, we have implemented several measures. Key suppliers, with whom we have engaged in transactions exceeding €100,000 in the preceding year, are required to sign a supplier declaration. This declaration serves as an affirmation of their adherence to fundamental human rights principles, including the prohibition of forced labor, child labor, and the provision of proper labor conditions.

Furthermore, we actively monitor compliance by periodically visiting key suppliers to assess their adherence to the supplier declaration. In 2022, 93.8% of our key suppliers have signed the declaration, showcasing their shared commitment to upholding human rights.

Moving forward, our goal is to ensure that all key suppliers align with our supplier declaration or an equivalent declaration. We are resolute in our pursuit of a responsible and ethical supply chain, where human rights are protected, and workers are treated with dignity and fairness.

Promoting comfort and well-being of end users

We are dedicated to enhancing the comfort and well-being of healthcare professionals and patients alike. Our Arion Slide Solution products have been designed to improve the experience of nurses and stocking wearers. By simplifying the process of donning and doffing compression clothing, these innovative solutions significantly improve comfort and convenience.

Moreover, our Swash® products play a role in promoting the well-being of nurses and patients. With a focus on patient comfort and the alleviation of nurses' burdens, these products contribute to the overall quality of care. By providing ergonomic and practical solutions, Swash® products enable nurses to deliver care more efficiently and enhance patient satisfaction.

Through our commitment to developing these comfort-enhancing solutions, Arion is dedicated to elevating the healthcare experience. By prioritizing the well-being of nurses and patients, we strive to create positive and impactful outcomes that enhance the overall quality of care delivery. Moreover, our products do not only promote comfort and well-being but make the activities of donning and doffing of stockings and of bathing care recipients more efficient. Due to the shortages of nurses, our products will be increasingly needed to offer quality of care in the future.



Apart from promoting comfort and well-being with our products, we also pay attention to specific health issues on our social media channels, for example to men's health in N(M)ovember.

Innovating with insight: meeting healthcare needs

The true value and ultimate success of our products lie in their ability to address the actual needs of healthcare professionals and patients. Rather than solely focusing on technical possibilities, we prioritize the development of solutions rooted in the requirements and experiences of those working in healthcare.

One illustrative example of our commitment to meeting healthcare needs is our upcoming innovation, the footcap. This product, slated for introduction after the summer of 2023, is the result of extensive conversations with health care specialists worldwide. During these discussions, nurses candidly shared their practice of using shampoo caps for foot care. Their insights, wishes, and requirements served as invaluable inputs for the development of the footcap.

By actively engaging with healthcare professionals and patients, we glean relevant insights that shape our innovation process. This approach ensures that our products are purpose-built to address real-world challenges and enhance the well-being of both caregivers and patients.

Appendix III of this sustainability report provides an overview of all our sustainability KPI's, objectives, and achievements, including those related to "People". Arion's material "People" indicators (that is, the most important indicators for Arion) are:

- Strategy and policy (ensuring human rights in supply chains)
- Diversity and opportunities
- Equal treatment
- Health and safety consumers

All of these material indicators are related to SDG 3 "Good health and well-being".



PLANET

“Planet” in sustainability reflects environmental responsibility, which means that we need to do business in a way that minimizes negative effects on the environment or even has positive effects on the environment. Examples of how Arion acts environmentally responsible that will be presented next are:

- Ecological impact of our products
- Results Wonderful.Stream project
- Raw material alternatives
- Sustainability in production
- Emission reduction plan
- Clean-up project
- ISO 14001

Gaining insights in the ecological impact of our products

We had a comprehensive Lifecycle Assessment (LCA) conducted for Swash®. This independent assessment provides valuable insights into the environmental footprint of Swash® compared to traditional bed baths using water and soap. From raw material extraction to waste disposal, the LCA considered 17 environmental indicators to provide a comprehensive evaluation.



The LCA findings reveal a 74% reduction in environmental harm when using Swash® for bed baths, as compared to the conventional water and soap method. While the use of Swash® results in an increase in waste generation, the savings in water and energy consumption across the complete lifecycle more than compensate for this impact.

Through the LCA, we gain valuable insights that inform our ongoing efforts to refine and improve Swash®, enabling us to make even greater strides toward sustainability. We remain dedicated to transparently assessing and optimizing our products to minimize their ecological footprint, while delivering superior care experiences for both patients and healthcare professionals.

To reduce the ecological impact of Swash® we collaborate with our supply chain partners as well. In May 2022, we organized a two-day supply chain meeting in which we discussed sustainable possibilities together with our supply chain partners. This supply chain meeting was facilitated and supported by the Wonderful.Stream project of which the results will be presented next.



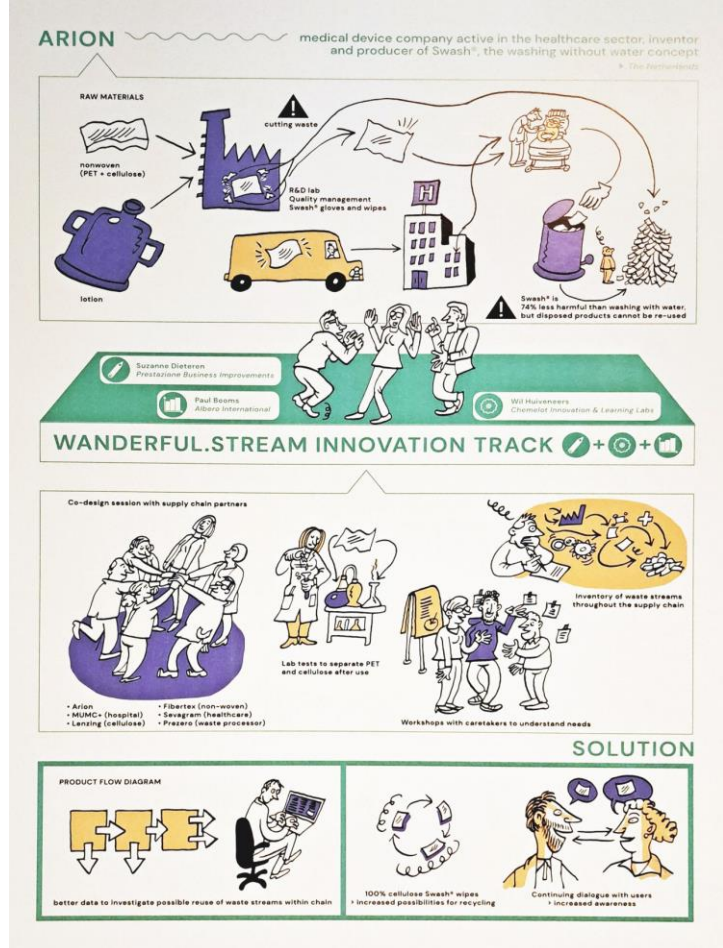
Results Wonderful.Stream project

The Wonderful.Stream project is an initiative aimed at identifying new, smart, and circular applications for local waste. This project is part of the Interreg project V_A Euregio Meuse-Rhine programme SME's full Stream Ahead.

Through Wonderful.Stream, we have embarked on three subprojects that are currently underway. Firstly, we are exploring the use of monomaterials for our Swash® product range, with the aim of reducing ecological impact and facilitating better recycling practices. Secondly, we are mapping the waste streams within our supply chain, uncovering opportunities for reuse and recycling. Lastly, we have initiated discussions with our customers to optimize the efficient use of Swash®, minimizing unnecessary consumption and waste.



The results of the Wanderful.Stream project were presented in an exhibition hosted by the Discovery Museum in Kerkrade (NL), highlighting our approach to sustainable solutions. Through collaboration, research, and continuous improvement, we strive to lead the way in sustainable washing practices.



Pursuing sustainability by advancing our raw material choices

We continually seek out more sustainable alternatives for our raw materials. By exploring innovative options, we aim to enhance the environmental performance of our products and reduce their overall impact.

For our Swash® product line, we are actively researching the use of monomaterials for our wipes, envisioning a future where they are made entirely from 100% cellulose. This shift would improve their eco-friendliness by facilitating easier recycling. Additionally, we are exploring the potential of 100% polypropylene (PP) packaging that is both technically recyclable and incorporates recycled content. This shift aligns with our commitment to reducing our reliance on virgin materials. For our Arion Slide Solution products, we are actively investigating the adoption of paper packaging as a sustainable alternative to the current plastic packaging. This transition would contribute to reducing plastic waste and promoting a more environmentally friendly approach to packaging.

By continually evaluating and adopting more sustainable raw materials, we aim to minimize the ecological footprint of our products. Apart from the ecological impact of our products, we are also looking into possibilities to reduce the ecological impact of our business processes, for

example our production processes. In general, we are setting-up an emission reduction plan for Arion.

Driving sustainability in production

We aim to implement sustainable practices throughout our production processes to minimize our environmental footprint and maximize resource efficiency. We have made significant strides in this regard, focusing on two key areas: lotion production and the production of our Swash® gloves.

In our lotion production, we adopt a cold process, eliminating the need for energy-intensive heating. This cold process not only requires less energy but also contributes to a lower carbon footprint, aligning with our commitment to sustainable manufacturing practices.

Furthermore, we have worked closely with our machine supplier to optimize the production of our Swash® gloves. Through collaborative efforts, we have improved the welding of seams, resulting in the ability to utilize less nonwoven material. By reducing the amount of nonwoven material required for glove production, we effectively minimize waste and conserve resources without compromising quality.

As part of our sustainability objectives, we strive to keep production waste below 4%. This target reflects our continuous efforts to enhance operational efficiency and minimize the impact of our manufacturing processes on the environment. Through ongoing collaboration, innovation, and waste reduction strategies, we will continue to explore opportunities to optimize our production processes and advance our sustainability performance.

In the text box, a talk with our R&D manager about sustainability in R&D is presented.

Sustainability possibilities in R&D



Christine de Kogel – R&D Manager

“Sustainability does not begin or end with the product itself. You should consider the entire product chain; from raw material selection over manufacturing process, to use and disposal. I can choose the best, most biodegradable, and natural wax as a raw material for Swash®, but if I need to cut down a forest to grow it, transport it around the world to get it or waste energy to use it, then how sustainable is the resulting product really? The challenge is to look further than your own product. And it makes R&D more fun.”

The core of R&D's role from the sustainability perspective is to ensure that we develop products in the most sustainable and environmentally friendly way possible. R&D can do that from at least three points of view:

1. How we operate our labs (process-oriented methods and measures)
2. How we develop new products (product-oriented methods and measures)
3. What processes and materials we use

From the process-oriented perspective, sustainability is certified with ISO 9001 and ISO 14001. Our R&D Manager, Christine de Kogel can give specific examples of sustainability translated into practice.

The first measures taken are in line with the green chemistry framework which looks at key green measures labs could pay attention to, including waste reduction, energy efficiency, use of natural products and the reduction of the carbon footprint with more sustainable processes.

For example, our R&D team uses glass vials instead of plastics for analyzing raw materials, creating prototypes and determining stability. As Christine emphasizes, some choices are not always that simple: "We limit the use of plastic where we can, but because for sampling, everything needs to be sterile, sometimes plastic is the only option. Sterile glass vials are simply unaffordable in this context."

Other than paying close attention to existing processes and operations, our R&D team is doing a lot of testing on different raw materials combinations. One example Christine shares is about the tests that are currently done to use natural thickener in the Swash® Perineum lotion instead of using thickener that has plastic in it. The aim is to produce only natural lotions and renewable nonwovens.

Sustainable challenges in R&D practices

Being 100% sustainable is a big challenge. It is important to realize that sustainability may require tough choices. When our R&D department chose for a cold processing technique to produce the lotion for our gloves, wipes and shampoo caps they knew it would limit them in the choice of raw materials they could use.

As Christine explains "You cannot use waxes and butters, for example, because those need to be melted and incorporated into hot water to get a stable lotion. Changing the viscosity and creating emulsions is also more complex when done cold but it is not impossible and more sustainable so worth the challenge." The R&D team chose for cold process techniques because hot process would require a lot of excess energy. "You would need to heat up two large vessels: one with water and one with other ingredients, to 80°C only to mix them and let them cool down again before they can be used for impregnation in the wipes. This would be an enormous waste of energy and heat. And why do it when you can do it cold?", clarifies Christine.

Finally, the biggest challenge when it comes to sustainability in R&D is to keep a balance between using materials with the smallest possible environmental impact without compromising the efficacy or safety of our products; "But also that is a challenge that makes R&D more fun!"

Embarking on an Emission Reduction Journey

At Arion, we address our environmental impact and embrace sustainability at every level of our operations. To this end, we have taken steps towards setting up an emission reduction plan.

We have measured our scope 1 and scope 2 emissions, allowing us to assess our direct and indirect greenhouse gas emissions. Now, our focus is shifting towards reliably measuring our scope 3 emissions, which encompass the emissions from our entire value chain. We have started to engage with our supply chain partners to gather the necessary information for this assessment. Our emission reduction plan will initially prioritize scope 1 and scope 2 emissions, targeting emissions generated from our own activities and energy consumption. However, we are fully committed to expanding our efforts to include scope 3 emissions as well, ensuring a comprehensive approach to emission reduction.

To inventory potential emission reduction measures, we have conducted an extensive assessment. In 2022, an energy study was carried out to explore energy reduction possibilities. Although our premises are already highly energy-efficient due to their modern design, we continuously seek ways to enhance our efficiency.

Some additional measures have already been taken to reduce our emissions. We have transitioned to a predominantly electronic car park, reducing our reliance on fossil fuels. Furthermore, we have planned the installation of 500 solar panels by 2025, harnessing renewable energy sources to power our operations.

Clean-up project

The current state of plastic pollution is alarming, with only 9% of all plastic consumed being recycled, while the majority ends up in landfills or our natural surroundings. It is evident that collective efforts are necessary to tackle this pressing challenge.

At Arion, we recognize the urgent need to address the critical issue of plastic pollution and its detrimental effects on our planet. And we take action.

In honor of World Earth Day, our dedicated employees participated in the Maas Cleanup in Maastricht. Alongside other enthusiastic individuals, including Scouting Eburonen, we joined forces to clean up a section of the Maas riverbank. Together, we made progress in making this area free from litter and plastic pollution.

While cleanup efforts are commendable, we firmly believe that prevention is the key to addressing plastic pollution effectively.

Our participation in the Maas Cleanup reflects our dedication to making a positive impact on the environment. We understand that it is our collective responsibility to safeguard our planet for future generations.



ISO 14001:2015 Certified Environmental Management System

Sustainability at Arion has been managed by a certified CSR management system already for many years. For several years in a row, we obtained a Performance Ladder certificate for level 4, indicating an above industry-average sustainability performance.

In addition, we are proud to announce that in 2023, we have obtained the ISO 14001 certification for our Environmental Management System. This certification reaffirms our commitment to sustainability and reducing our environmental impact.

With ISO 14001:2015 certification in place, we can more effectively manage and continually improve our environmental performance. It enables us to identify and mitigate potential risks, minimize waste generation, optimize resource utilization, and enhance our overall environmental performance.

This achievement reflects our dedication to responsible business practices. As we move forward, we remain committed to upholding the highest standards of environmental management.



Appendix III of this sustainability report provides an overview of all our sustainability KPI's, objectives, and achievements, including those related to "Planet". Arion's material "Planet" indicators (that is, the most important indicators for Arion) are:

- Raw materials;
- Energy;
- Water;
- Emissions, waste water and waste; and
- Product information.

All of these material indicators are related to SDG 12 "Responsible consumption and production", whereas the material indicator "water" is related to SDG 6 "Water and sanitation" as well.

PROFIT

“Profit” in sustainability reflects economic responsibility, which means that we need to do business in a financial sustainable way that contributes to the economic system. Examples of Arion’s economic responsibility that are presented next are:

- Reporting on sustainability
- >63,000,000 Made Blue liters
- Sustainable student assignments
- Sharing knowledge



Aligning Sustainability Reporting with CSRD

At Arion, we have long recognized the importance of sustainability reporting as a means to transparently communicate our sustainability efforts and performance. As we look to the future, we are determined to stay ahead by aligning our reporting practices with the Corporate Sustainability Reporting Directive (CSRD).

The CSRD, set to be implemented in the near future, will introduce new reporting requirements and standards for companies across the European Union. By preparing to meet these standards, we aim to further enhance the credibility and comprehensiveness of our sustainability reporting. Our existing reporting framework provides us with a valuable head start in this journey. We have been sharing information about our sustainability initiatives, achievements, and impact for many years. This experience has helped us develop reporting processes and engage stakeholders effectively.

As we align with the CSRD, we will continue to enhance our reporting methodologies, data collection, and disclosure practices. Our aim is to provide stakeholders with a comprehensive and accurate view of our sustainability performance, reinforcing our commitment to transparency and accountability.

Contributing Clean Drinking Water through our Collaboration with Made Blue

771 Million people worldwide still lack access to clean drinking water!

Arion is committed to making a positive impact on the world, and one of the ways we do this is through our partnership with Made Blue. Through this collaboration, we ensure that clean drinking water is made available for every Swash® bathing package we sell.

Access to clean drinking water is a basic human right, yet millions still lack this essential resource. By supporting Made Blue, we contribute to the goal of providing safely managed water and sanitation to all, as outlined in Sustainable Development Goal 6.

On World Water Day, we announced that Arion's contribution of 63,681,250 liters of clean drinking water has helped at least 872 people have enough water for 10 years or more. Additionally, our efforts have prevented 446 tons of CO2 emissions, saved 9,552 trees from logging, and prevented 637 tons of plastic waste. You can read more about the rationale behind these impact numbers here: <https://lnkd.in/dg-yrEXk>.



swash®
simply smile

63,681,250 LITRES

OF CLEAN DRINKING WATER IN DEVELOPING COUNTRIES



We are proud to be part of this important cause, and we thank all our Swash® customers for their support in making clean drinking water accessible to those in need. Together, we can make a difference.

Sustainability student assignments

Arion believes in the power of collaboration and the exchange of knowledge to drive sustainability. Therefore, we have established fruitful partnerships with knowledge institutions, engaging students in various assignments, including assignments that contribute to our sustainability goals. These assignments provide students with real-world challenges, while offering fresh perspectives and creative solutions to address sustainability issues. We have witnessed the value that students bring to our organization.



For example, one student assignment, of a student from Fontys, focused on the back shoring of our packaging process for Arion Slide Solutions products. By reducing transport movements, we could minimize our carbon footprint and enhance overall supply chain sustainability. In another assignment, one student of the Maastricht School of Management (MSM) worked on developing a measurement process for our upstream scope 3 emissions. This initiative helped us gain a better understanding of what data is relatively easy and what data is more difficult to obtain. Additionally, students of Zuyd investigated possibilities to streamline the data collection process for measuring our sustainability performance.

These collaborations demonstrate our dedication to nurturing young talent and incorporating fresh perspectives into our sustainability journey. In 2022, in total, 138 students worked on an Arion (group) assignment.

Sharing our knowledge

We aim to have a positive impact in the wider community. As part of our sustainability efforts, we actively share our knowledge and expertise through various activities.

Our CEO, for instance, dedicated over 200 hours to activities beyond Arion's core business in 2022. This included coaching new start-ups and delivering guest lectures at knowledge institutions. By sharing our experience and insights, we aim to inspire and support others, fostering an environment of innovation and sustainability. Furthermore, several "Arioneers" often have the opportunity to give presentations to our customers on topics such as innovation and hygiene. These engagements provide valuable platforms for exchanging ideas and promoting best practices within the industry.



Arion's CEO, Erik Joosten, giving a presentation at a customer event.

We believe that sharing knowledge is essential for driving positive change and accelerating sustainability efforts. By actively participating in events, presentations, and mentoring activities, we contribute to building a more informed society.

Appendix III of this sustainability report, provides an overview of all our sustainability KPI's, objectives, and achievements, including those related to "Profit". One of Arion's material indicators (that is, the most important indicators for Arion) that can be related to profit is:

- Good governance that ensures adherence to regulations and business ethics.

**The “S” from SMILE
stands for
“Sustainability” –
the first and one of
Arion’s most
important corporate
values**

ARION
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Communication about sustainability

Effective communication is a fundamental aspect of our sustainability efforts. We recognize that building awareness about sustainability, both in general and within the context of Arion's specific challenges, is crucial. To achieve this, we are committed to open, transparent, and comprehensive communication regarding our sustainable ambitions, achievements, objectives, and challenges.

This sustainability report serves as one of our key communication tools, enabling us to increase awareness and provide stakeholders with detailed information about our sustainability initiatives. However, we understand that a single report is not sufficient to engage our diverse stakeholders fully. Hence, we employ various other communication channels, including our active presence on social media platforms.

Our social media accounts, particularly LinkedIn and Facebook, play a significant role in promoting sustainability and raising awareness. We regularly share posts and updates that highlight our commitment to sustainability and demonstrate our ongoing efforts. Through these platforms, we engage with our stakeholders, sharing valuable insights, success stories, and the challenges we face on our sustainability journey.

Through transparent and comprehensive communication, both through our sustainability report and social media channels, Arion aims to strengthen awareness, engage stakeholders, and inspire positive change. By maintaining an active dialogue and sharing our sustainable practices, we strive to create a collaborative environment where sustainability becomes a shared responsibility and a catalyst for continuous improvement.

Christine de Kogel
R&D Manager

Sustainability does **not begin** or **end** with the product itself. The challenge is to **look further** than your own product.

How can R&D contribute to sustainability?

[READ MORE](#)

- ✓ **Glass vials** over plastic
- ✓ **Local sourcing** whenever is possible
- ✓ Lotion **ingredients** that are **not fossil fuel-based**
- ✓ **Cold process techniques** instead of hot process

www.arion-group.com

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International Women's Day

Women in a managerial role.

* Data from Statista, Eurostat, Eurostat. [https://ec.europa.eu/eurostat/web/products-csdas/main?id=sdg-5-1919-07-144-10923-20maNager5%20\(34%25\)](https://ec.europa.eu/eurostat/web/products-csdas/main?id=sdg-5-1919-07-144-10923-20maNager5%20(34%25))

swash
simply smile

Unite around water

Be the change you want to see in the world



End note: Some pieces of the text in this sustainability report are rewritten by OpenAI's GPT-3 model. Although the content that was rewritten came from Arion and the generated text was checked and adjusted after rewriting, we want to be open and transparent about the use of AI. In fact, this is what AI responded when asked whether we need to cite it if pieces of the rewritten text are used in this report:

"As an AI language model, I don't require explicit citation for the text I generate. However, it's always a good practice to acknowledge the sources of information and give credit where it's due. If you feel that using the text or pieces of it from our conversation would benefit your sustainability report, you can include a general acknowledgement to OpenAI's GPT-3 model or simply state that the information was derived from an AI language model. This ensures transparency and ethical use of AI-generated content."

Because "transparency and ethical use" are important to Arion (and is related to sustainability), we agree with AI's answer and therefore acknowledge its contribution to this report.

Appendix I – CSR management system Arion

Arion places a strong emphasis on managing our current and future sustainable impact through a comprehensive CSR management system. This system adheres to the requirements set forth by the Performance Ladder standard, based on ISO 26000.

In 2019, our CSR management system was certified at level 4, surpassing the general attainable level of CSR within our industry. This achievement demonstrates our commitment to outperforming industry norms and continuously improving our sustainable practices. We are proud to have maintained this certification throughout 2022, showcasing our dedication to upholding high standards of corporate social responsibility.

Our CSR management system serves as a structural framework that integrates CSR principles into all aspects of our operations and activities. By embedding CSR throughout our organization, we foster a culture of sustainability and ensure that responsible practices are ingrained in our day-to-day operations.

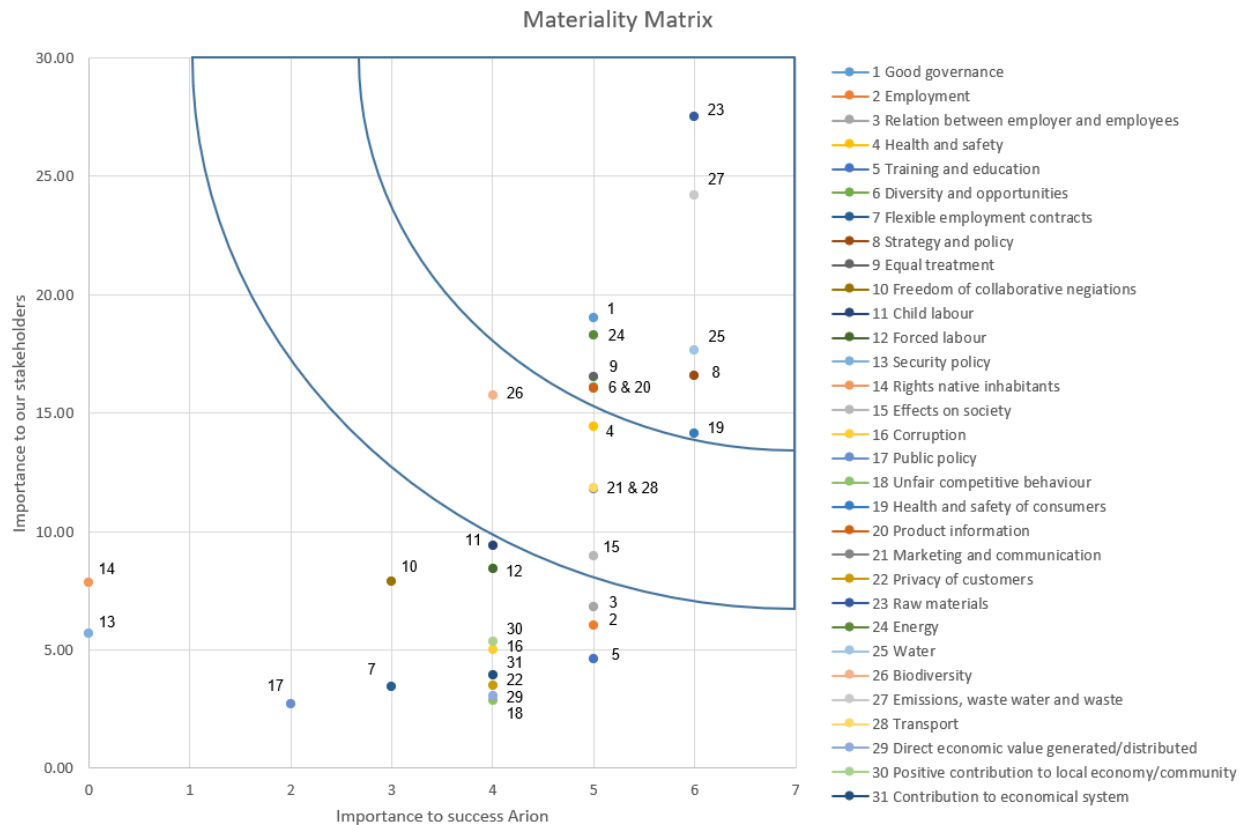
The aim of our CSR management system is to continuously enhance our sustainable performance. By setting objectives and key performance indicators (KPIs) for each CSR theme, as detailed in Appendix III, we establish clear targets and metrics to guide our progress. This systematic approach allows us to measure and track our performance, identify areas for improvement, and drive sustainable outcomes.

The CSR Performance Ladder standard plays a crucial role in maintaining the strength of our CSR management system. It provides a comprehensive framework that encompasses all important CSR themes, ensuring that we address a wide range of sustainability aspects in a holistic manner. By adhering to this standard, we reinforce our commitment to managing our CSR impact effectively and meeting our sustainability goals.

Through our certified CSR management system and adherence to the Performance Ladder standard, Arion is well-equipped to navigate the complexities of sustainability, drive continuous improvement, engage with our stakeholders, and create a positive and lasting impact on society and the environment.



Appendix II – Materiality assessment 2023



For the importance to our stakeholders (y-axis), the following criteria are used to determine the scores of each topic; sum of the following criteria:

- Public debate about it (yes = 1; no = 0); based on own assessment
- Regulations that Arion needs to adhere to applicable to the topic (yes = 1; no = 0); based on own assessment
- Average of:
 - o Selection of 10 most important themes by external stakeholders (2020) multiplied by 10. For each topic, it is calculated how often it is selected as a percentage of how often it could have been mentioned (number of stakeholders who shared their top 10).
 - o Selection of 10 most important themes by external stakeholders (2022) multiplied by 10. For each topic, it is calculated how often it is selected as a percentage of how often it could have been mentioned (number of stakeholders who shared their top 10).
 - o Selection of 10 most important themes by employees (2021) multiplied by 10. For each topic, it is calculated how often it is selected as a percentage of how often it could have been mentioned (number of stakeholders who shared their top 10).
- Normalized score of stakeholder expectations mentioned related to the different topics. Stakeholder expectations are coded under the different CSR indicators. For example, if a stakeholder mentions that they expect Arion to reduce their energy use, then this is +1 for indicator 24 "energy".

- Whether or not the topic is related to any of the material indicators as identified by Edana (yes = 5; no = 0)
- Whether or not the topic is related to “new economy” indicators endorsed by MVO NL (yes = 5; no = 0)

For the importance to the success of Arion (x-axis), the following criteria are used to determine the scores of each topic; sum of the following criteria:

- If the topic is related to:
 - o Any process of Arion (yes = 1; no = 0)
 - o Our corporate strategy (yes = 1; no = 0)
 - o Important strategic opportunities or risks (yes = 1; no = 0)
 - o Our primary processes (yes = 1; no = 0)
 - o SDG 3 – Good health and well-being (yes = 1; no = 0)
 - o SDG 6 – Clean water and sanitation (yes = 1; no = 0)
 - o SDG 12 – Responsible production and consumption (yes = 1; no = 0)

Appendix III – Overview of CSR KPI's, Goals and performance 2022-2023

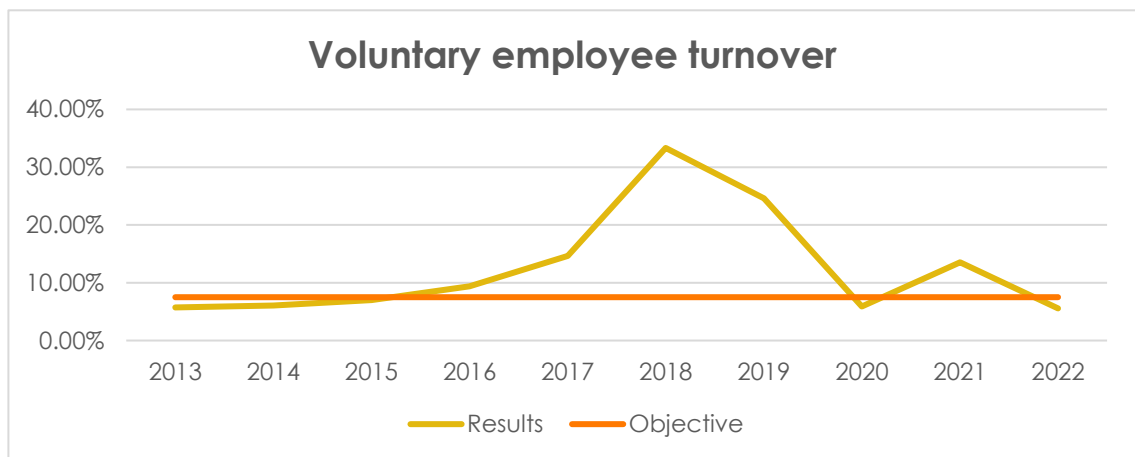
1. Good governance (material indicator)

- Arion being successfully sued for violating regulations
Objective: Arion should not be sued for violating regulations.
Results: Arion has not been sued in 2022, nor the preceding years.

PEOPLE

2. Employment

- Voluntary employee turnover
Objective: The voluntary employee turnover should not exceed 7.5%.



Results: In 2022, the voluntary employee turnover dropped below the 7.5% threshold to 5.56%, and therefore the objective was once again reached after a year in which the voluntary turnover was higher. This is a good development, especially given the attractive labor market in which employees can relatively easily switch jobs and employers.

3. Relationship between employer and employees

- Overall employee satisfaction grade
Objective: The average overall satisfaction grade among our employees should be at least an 8 on a scale from 1 (very dissatisfied) to 10 (very satisfied).

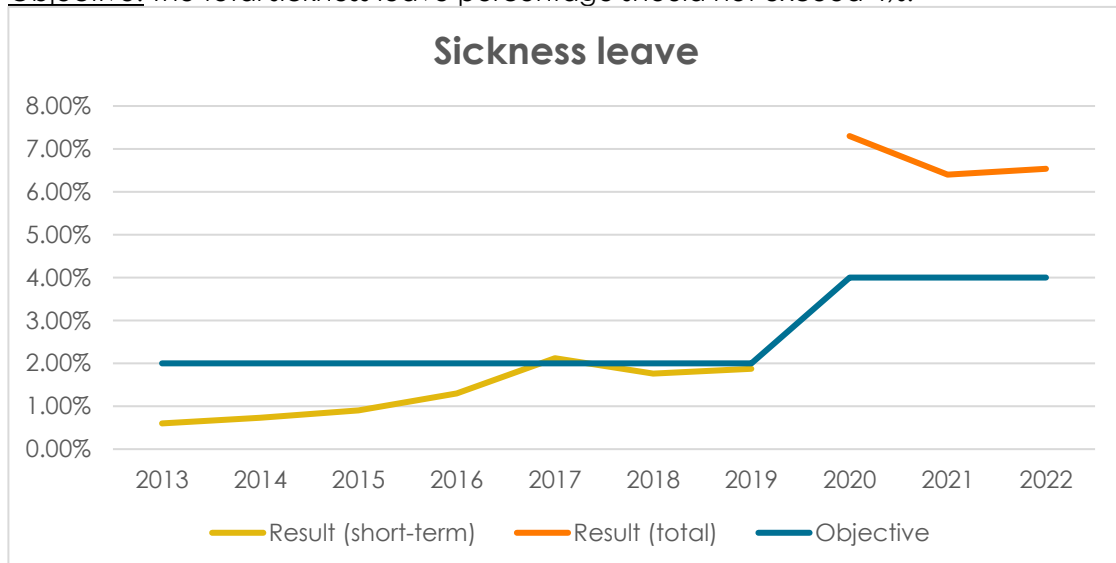


Results: The average satisfaction grade was 7.7 in 2022 and in 2021, which is below our objective. The employee engagement survey results will be discussed in detail with the board to determine measures to increase the satisfaction grade again.

4. Health and safety of employees (no longer a material indicator anymore)

➤ Sickiness leave percentage (total)

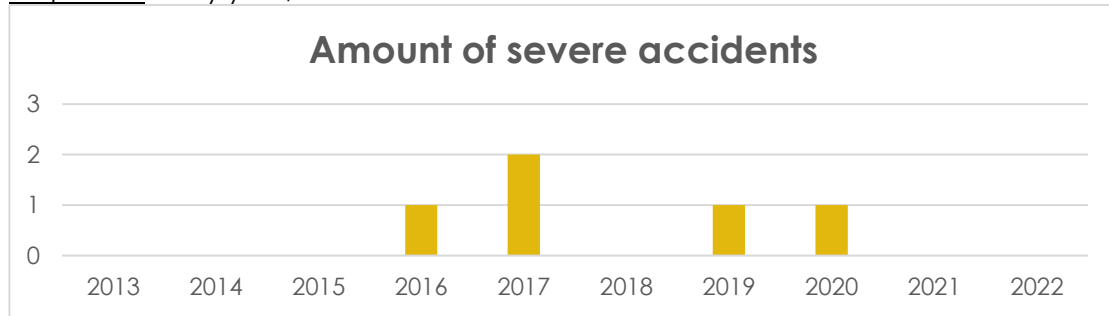
Objective: The total sickness leave percentage should not exceed 4%.



Results: The total sickness leave was 6.54% in 2022 (6.4% in 2021), which is higher than the objective. This could be caused by COVID-19 as especially our production employees cannot work when they needed to go in quarantine. For the time period 2013-2019, we only measured short-term sickness leave (up to 2 weeks) because our objective in these years was to have a short-term sickness leave percentage below 2%. To enable an easy comparison with the sickness leave of other companies, we decided to change the KPI and objective and make it relate to the total sickness leave in 2020. Because a couple of employees had sickness leave for a longer time period (7 sickness leaves longer than 2 weeks in 2022) over a relatively small workforce (77 at December 31st 2022), the total sickness leave result is heavily inflated.

- Amount of severe accidents

Objective: Every year, we want to be accident free.



Results: No accidents were recorded in 2022 and therefore we reached the objective.

- Lost Time Injury Frequency rate (10.000.000 MH)

Objective: The LTIFR should be 0.

Results: The LTIFR was 0 in 2022 because no accidents occurred.

5. Training and education

- Yearly training expenditures per employee

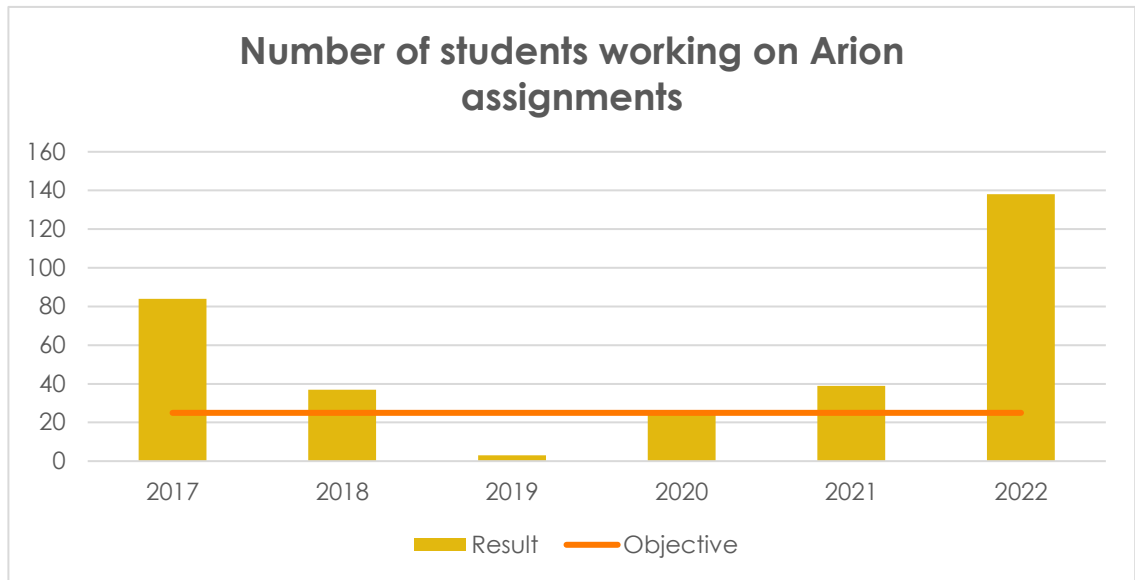
Objective: The yearly expenditures on training and development should at least be €1,000,- on average per employee.



Results: This KPI has been introduced in 2021 and therefore, the trend line can only be presented for two years. Before 2021, the objective was to spend at least 1.6% of the total salary costs on training and development, which we exceeded for the first time in 2020 (result of 3.22%). The average training and development expenditures per employee in 2022 was €726.92 compared to €1,562.19 in 2021. This means that we did not reach our objective in 2022 but we are above par in the industry.

- Students working on Arion assignments

Objective: Every year, at least 25 students worked on an Arion assignment.

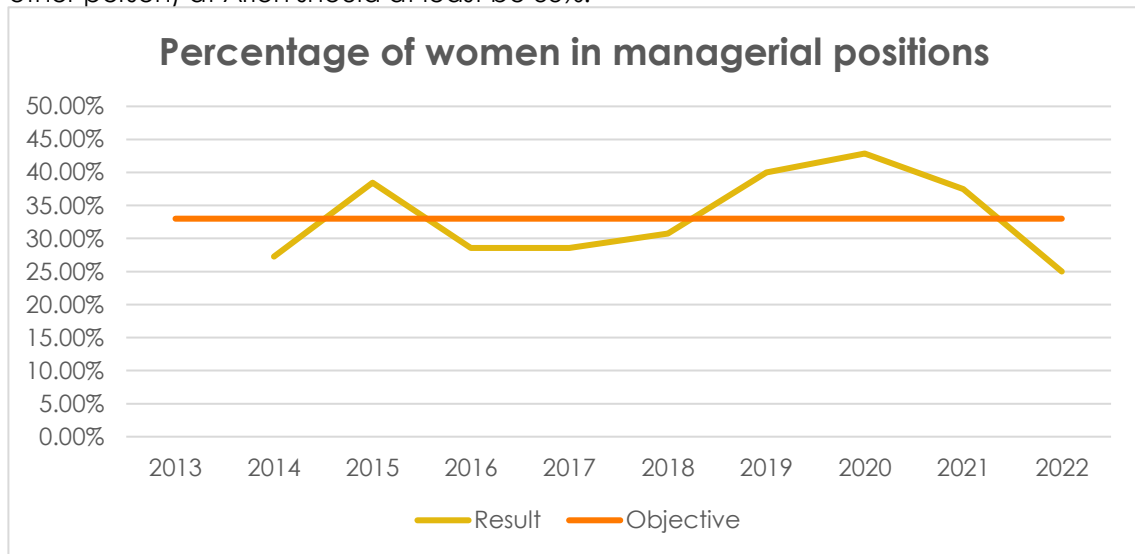


Results: 138 students worked on an Arion assignment in 2022 (compared to 39 in 2021), which is above the objective. In 2023, we already started many new student projects and again expect to have more than 25 students to work on an Arion assignment. Therefore, we decided that the objective will be increased to 40 students for the first time in 2023.

6. Diversity and opportunities (material indicator)

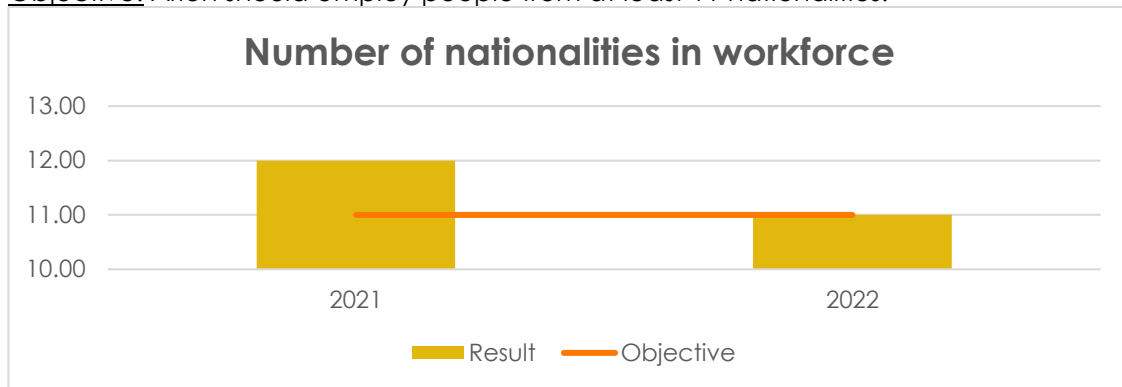
- Percentage of women in managerial positions

Objective: The percentage of women in managerial positions (managing at least 1 other person) at Arion should at least be 33%.



Results: 25% of the managers at Arion were women in 2022. After many years in which we exceeded our objective, in 2022, the result was below our objective. This is partly explained by the number of employees who manage at least 1 other person in our logistics and production departments, which are mainly male-dominated.

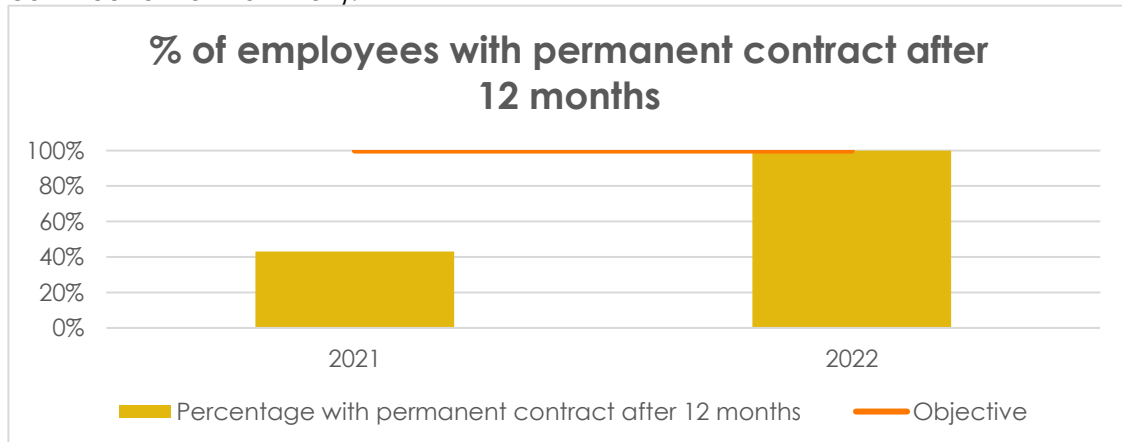
- Number of nationalities in workforce
Objective: Arion should employ people from at least 11 nationalities.



Results: We did meet or exceed the objective for the second time in a row as we employed employees of 11 different nationalities in 2022 (measured at December 31st 2022) over a workforce of 77 employees.

7. Flexible employment contracts

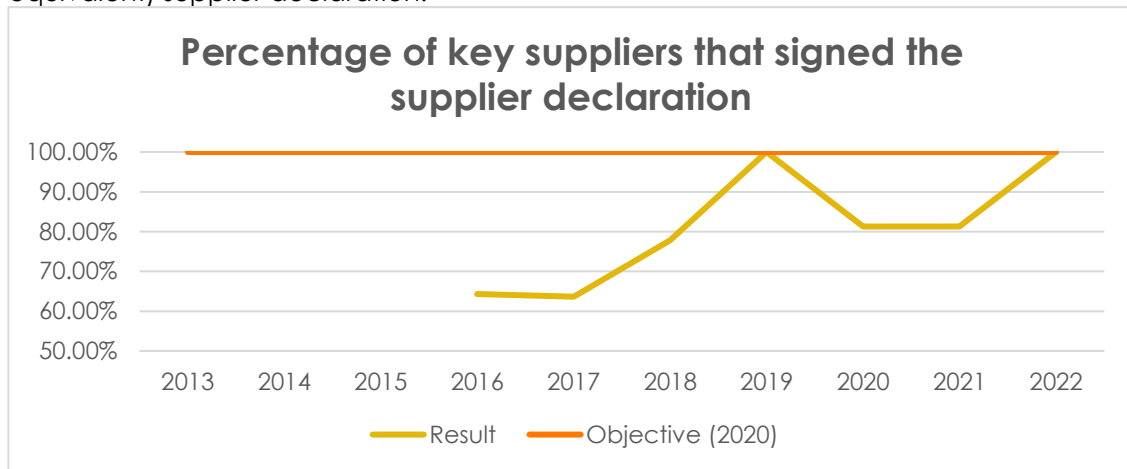
- Employees with permanent contract after 12 months
Objective: All employees that started from an employment agency or started with a temporary contract should have a permanent contract after 12 months (in case they continue to work for Arion).



Results: With respect to the topic “Flexible employment contracts” we defined a new KPI related to the percentage of employees that started with a temporary contract (whether from Arion or of an employment agency) and that continued to work for Arion after the temporary contract terminated under a permanent contract. For the calculation for 2022, we inventoried all employees that started in 2021 of whom the temporary contract ended in 2022 and who continued to work for us after their temporary contract terminated. Subsequently, the numbers of those employees that received a permanent contract after 12 months were counted and expressed as a percentage of the total. In 2022, 100% of the employees that started with a temporary contract and that continued to work for Arion after its termination, received a permanent contract after 12 months (this was 43% in 2021). The objective is to reach 100%, meaning that every employee who starts with a temporary contract and who can continue their work after its termination, get a permanent contract after 12 months. The change in our HR policy led us to meet our objective in 2022.

8. Strategy and policy (material indicator - NEW)

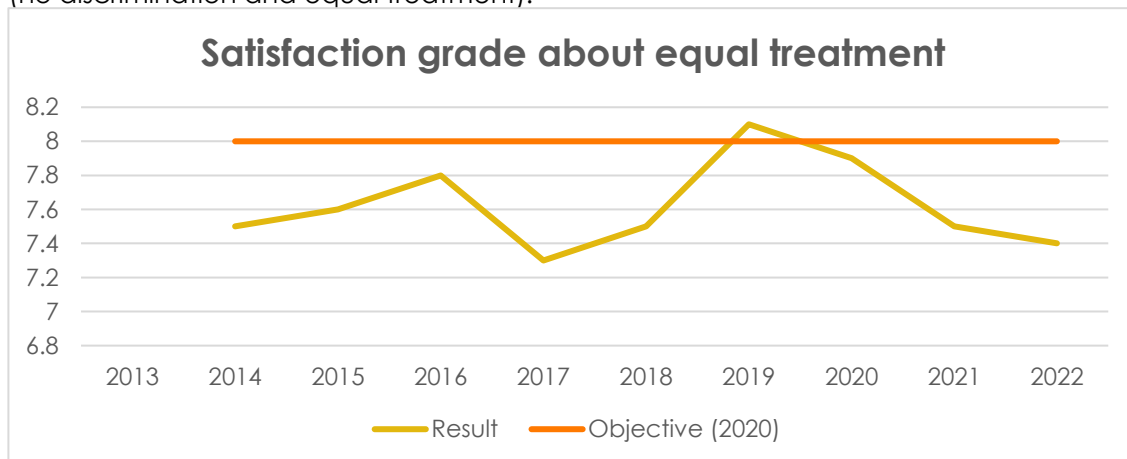
- Percentage of key suppliers that signed the supplier declaration
Objective: 100% of our key suppliers should have signed our (or an alternative equivalent) supplier declaration.



Results: in 2022, 100% of our key suppliers signed the supplier declaration or an equivalent declaration (compared to 81.25% in 2021 and 2020). The percentage improved and meets the objective. We are in contact with all key suppliers to have the supplier declaration (or an equivalent) signed and to assure that human rights are respected in our supply chains.

9. Equal treatment (material indicator – NEW)

- Employee satisfaction about equal treatment
Objective: The average satisfaction grade for equal treatment among our employees should be at least an 8 on a scale from 1 (discrimination and unequal treatment) to 10 (no discrimination and equal treatment).



Results: Although no incidents of discrimination were recorded in 2022, the average satisfaction grade regarding equal treatment was 7.4 in 2022, compared to 7.5 in 2021 and 7.9 in 2020. Not only did we not reach our objective, the results also show a decreasing trend. Arion takes these concerns very serious and will discuss the results of the employee engagement survey in depth to take appropriate measures. Arion has a confidant person who was not notified in 2022 for cases of unequal treatment. Furthermore, the average score on the statement "At Arion, I never felt discriminated" was 4.07 on a scale from 1 (totally disagree) to 5 (totally agree).

10. Freedom of collaborative negotiations

- Complaints about freedom to unite
Objective: We should get 0 complaints about the freedom to unite or to engage in collective labor negotiations.
Results: Ever since the introduction of this KPI in 2013, we did not get a single complaint about influencing the freedom to unite or the engagement in collective labor negotiations.

11. Child labor

- Percentage of key suppliers that signed the supplier declaration
Objective: 100% of our key suppliers should have signed our (or an alternative equivalent) supplier declaration.
Results: See CSR topic 8 "Strategy and policy" on page 25. The supplier declaration that is mentioned at topic 8 also includes clauses about child labor. Therefore, the same KPI is used for this theme as well.

12. Forced labor

- Percentage of key suppliers that signed the supplier declaration
Objective: 100% of our key suppliers should have signed our (or an alternative equivalent) supplier declaration.
Results: See CSR topic 8 "Strategy and policy" on page 25. The supplier declaration that is mentioned at topic 8 also includes clauses about forced labor. Therefore, the same KPI is used for this theme as well.

13. Security policy (not applicable to Arion)

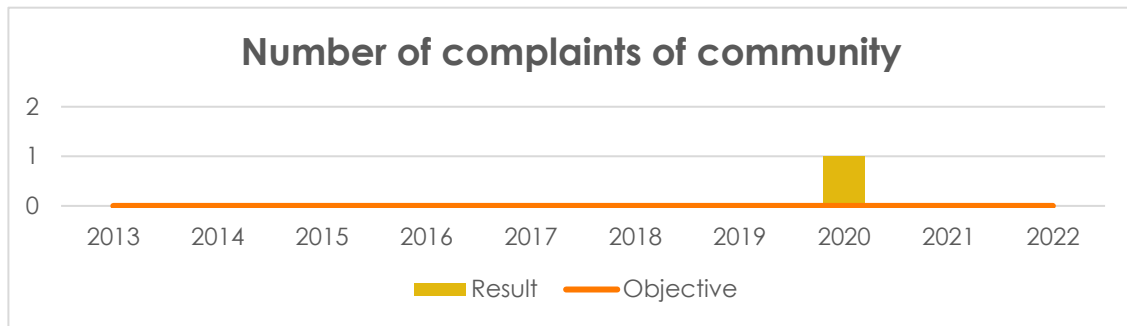
This CSR topic is about security personnel respecting human rights. This topic is not applicable to Arion as we don't have security personnel.

14. Rights native inhabitants

- Percentage of key suppliers that signed the supplier declaration
Objective: 100% of our key suppliers should have signed our (or an alternative equivalent) supplier declaration.
Results: See CSR topic 8 "Strategy and policy" on page 25. The supplier declaration that is mentioned at topic 8 also includes clauses about the rights of native inhabitants. Therefore, the same KPI is used for this theme as well.

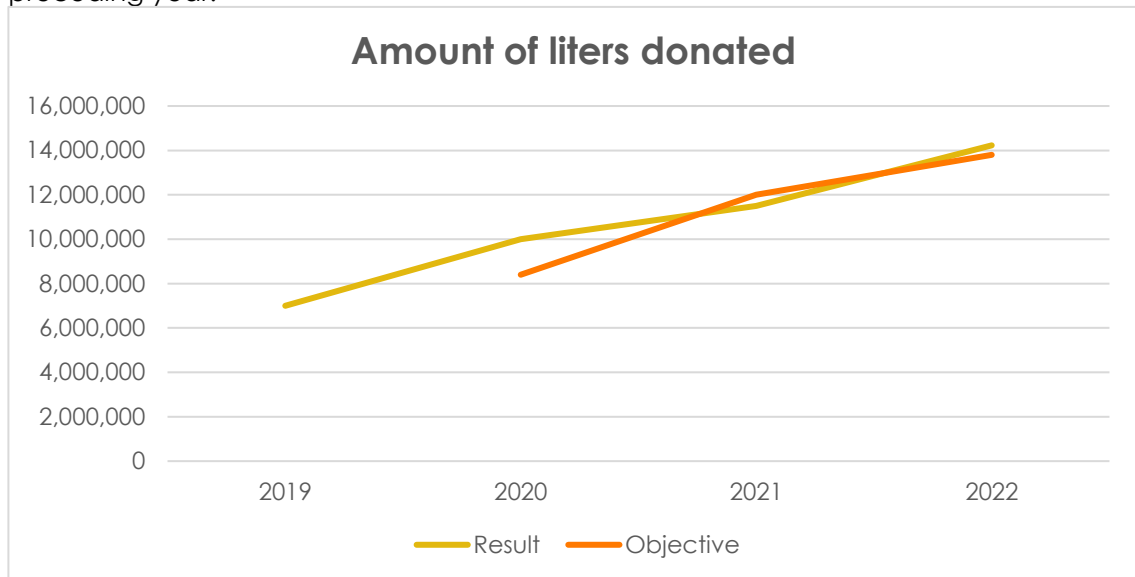
15. Effects on society

- Number of community complaints
Objective: We should get 0 complaints from the community about negative effects of our operations and activities.



Results: We did not receive any complaint from society in 2022. We actively asked stakeholders whether they think we negatively affect the community in our sustainability survey. Out of 18 stakeholders who filled out the sustainability survey in 2022, all but one indicated to have no reasons to think that Arion negatively influences the community. One stakeholder indicated to not know whether this would be the case.

- Amount of liters of clean drinking water contributed to Made Blue
Objective: Every year, we donate +20% of clean water to Made Blue based on the preceding year.



Results: 14,227,000 liters of clean drinking water were donated in 2022, which exceeds the objective of 13,800,000 liters (+20% compared to the liters donated in 2021).

16. Corruption

- Notification of corruption incidents
Objective: We should be involved in 0 corruption incidents.
Results: Also in 2022, as in all the previous years, we have received no notification of being involved in corruption incidents. In 2022, we started to actively ask our stakeholders if they have reasons to believe that Arion (or its supply chain) is involved in corruption. Out of 18 stakeholders who filled out the sustainability survey, all but one indicated to have no reasons to think that Arion is involved in corruption. One stakeholder indicated to not know whether this would be the case.
 In 2023, we will introduce a whistleblower policy to meet new Dutch regulations regarding the protection of whistleblowers.

17. Public policy

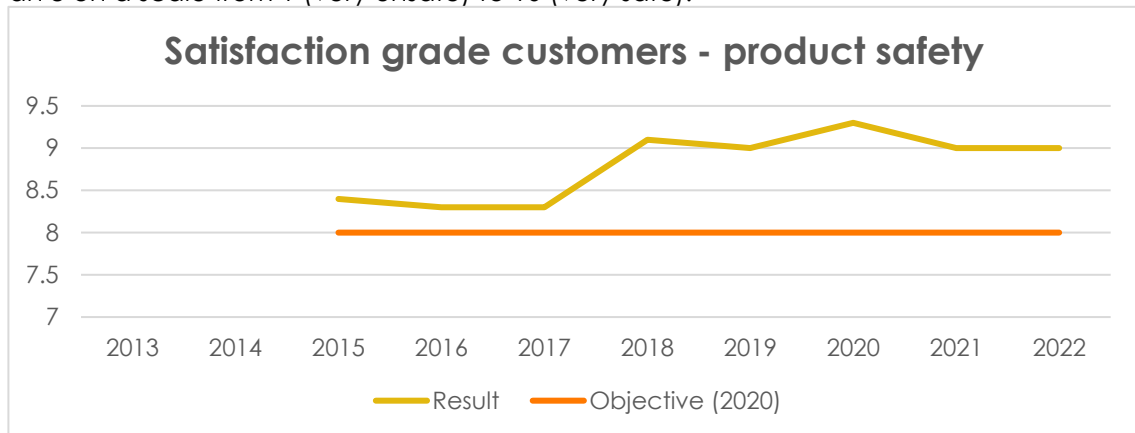
- Membership overview political parties and networks
Objective: Every year we make an overview of our memberships in (political) networks and our contribution to these networks.
Results: This overview has been completed for 2022. Arion does participate in interest networks but did not support any organizations or projects with political or religious aims in 2022.

18. Unfair competitive behavior

- Notifications of unfair competitive behavior
Objective: Number of notifications of third parties of unfair competitive activities (should be 0).
Results: Also in 2022, as in all the previous years, we have received no notification of being involved in unfair competitive behaviors. In 2022, we started to actively ask our stakeholders if they have reasons to believe that Arion (or its supply chain) is involved in unfair competitive activities. Out of 18 stakeholders who filled out the sustainability survey in 2022, all but one indicated to have no reasons to think that Arion is engaged in unfair competitive activities. One stakeholder indicated to not know whether this would be the case.

19. Health and safety of consumers (material indicator)

- Customer satisfaction about product safety
Objective: The average grade for product safety across our customers should be at least an 8 on a scale from 1 (very unsafe) to 10 (very safe).



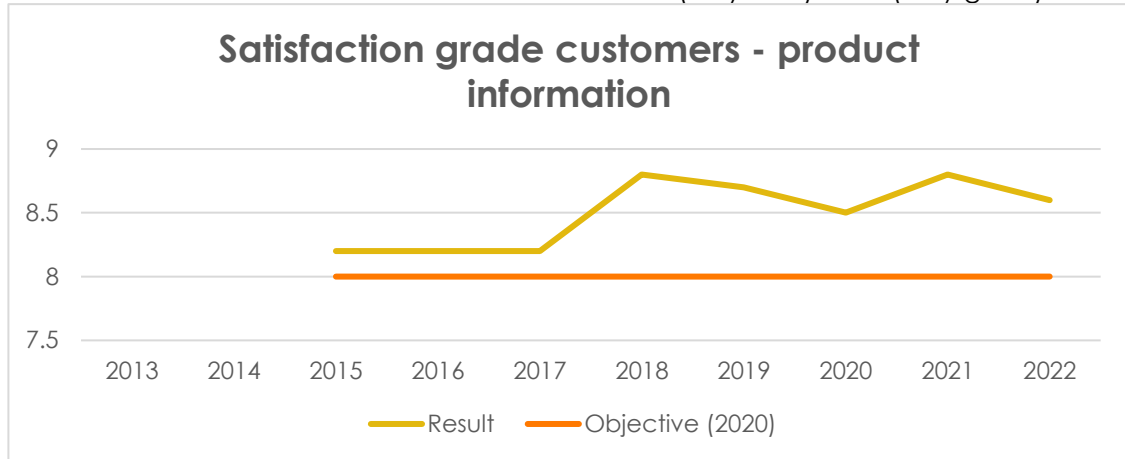
Results: The average satisfaction grade was 9.0 in 2022 (based on answers from 9 customers/distributors) compared to a 9.0 in 2021. Although the results are based on a small sample, we outreached the objective every year. In 2023, we already started a new data collection round amongst customers and distributors. The new questionnaire is sent to 73 customers and 29 distributors of Swash@.

- Accidents caused by our products
Objective: Our products should not cause any accident.
Results: Also in 2022, as in all the previous years, no accidents have been caused by our products. An accident is defined as any incident that directly or indirectly led, might have led, or might lead to 1) the death of a patient, user, or other person; 2) the temporary or permanent serious deterioration of a patient's, user's, or other person's state of health; or 3) a serious public threat.

20. Product information (material indicator)

- Customer satisfaction about product information

Objective: The average grade for the product information that we present across our customers should be at least an 8 on a scale from 1 (very bad) to 10 (very good).

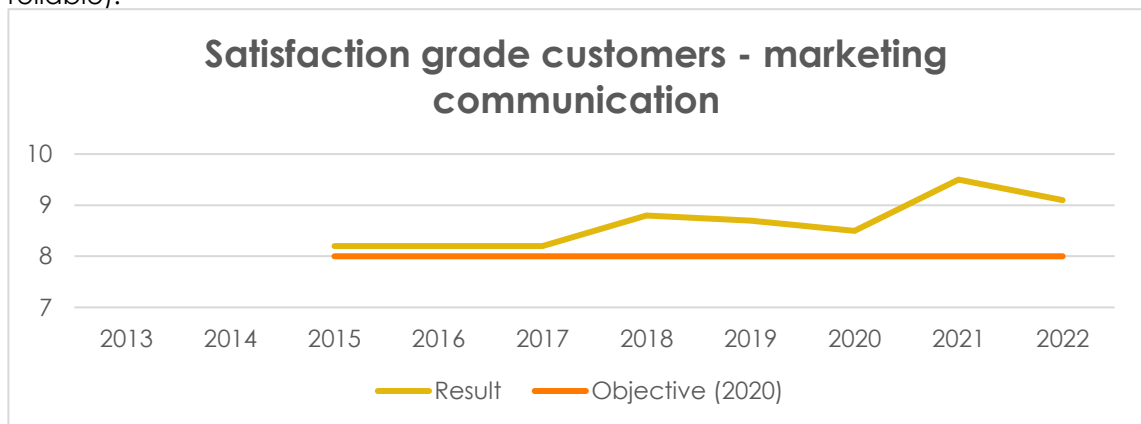


Results: The average satisfaction grade was 8.6 in 2022 (based on answers from 9 customers/distributors) compared to 8.8 in 2021. Although the results are based on a small sample, we outreached the objective every year. In 2023, we already started a new data collection round amongst customers and distributors. The new questionnaire is sent to 73 customers and 29 distributors of Swash®.

21. Marketing and communication

- Customer satisfaction about marketing communication

Objective: The average grade for our marketing communications across our customers should be at least an 8 on a scale from 1 (very bad and unreliable) to 10 (very good and reliable).

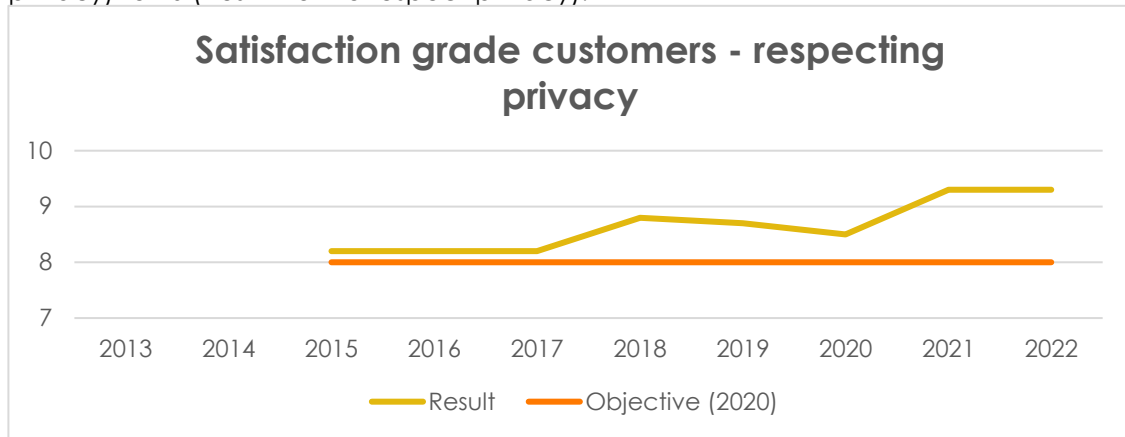


Results: The average satisfaction grade was 9.1 in 2022 (based on answers from 9 customers/distributors), compared to 9.5 in 2021. Although the results are based on a small sample, we outreached the objective every year. In 2023, we already started a new data collection round amongst customers and distributors. The new questionnaire is sent to 73 customers and 29 distributors of Swash®.

22. Privacy of customers

- Customer satisfaction about respecting customer privacy

Objective: The average grade across our customers for how they perceive us to handle customers' privacy should be at least an 8 on a scale from 1 (don't trust Arion to respect privacy) to 10 (trust Arion to respect privacy).

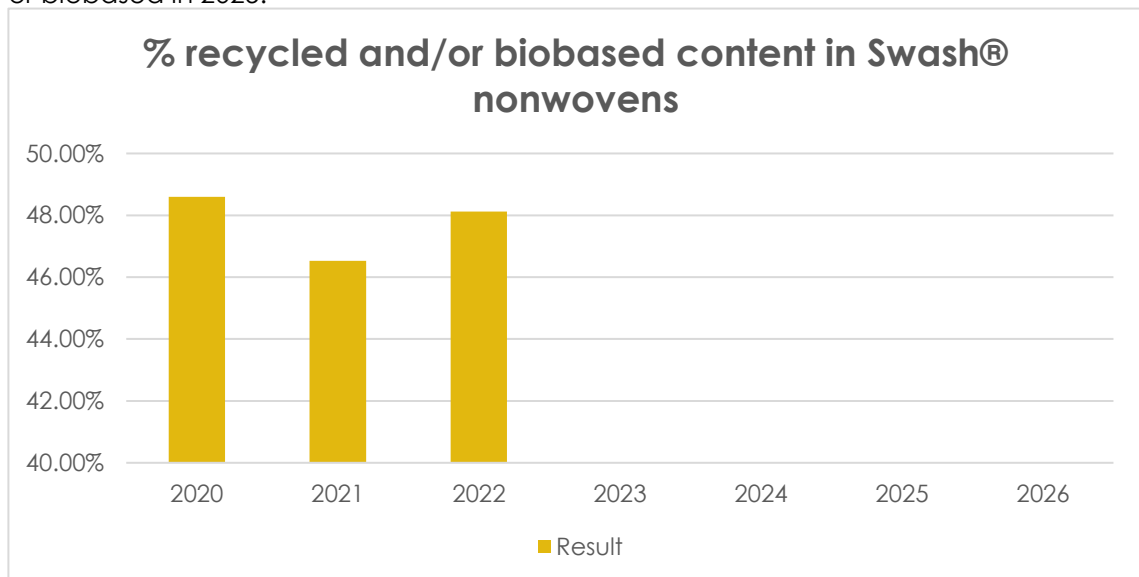


Results: The average satisfaction grade was 9.3 in 2022 (based on answers from 8 customers/distributors), the same as in 2021. Although the results are based on a small sample, we outreached the objective every year. In 2023, we already started a new data collection round amongst customers and distributors. The new questionnaire is sent to 73 customers and 29 distributors of Swash®.

PLANET

23. Raw materials (material indicator)

- Percentage of recycled and/or biobased materials in Swash® packaging
Objective: 75% of the materials used for our Swash® packaging need to be recycled or biobased in 2025.
Results: In 2022, unfortunately 0% of our Swash® packaging materials was recycled and/or biobased. Although we are looking into packaging materials that could lead to improvements, it is not likely that this objective will be reached in 2025. After a discussion with our R&D department, we decided to set the objective of having at least 95% of our packaging materials from a biobased and/or recycled source in 2030. The main reason for postponing this objective is that this time will be needed for current regulations that prohibit the use of recycled content in packaging for our type of products to change. Other reasons why we need more time to switch to recycled and/or biobased packaging materials are current low availability of such packaging materials, price issues, investments required in our production facilities, and the performance of such alternative packaging materials.
- Percentage of recycled and/or biobased materials in Swash® nonwovens
Objective: 100% of the materials used for our Swash® nonwovens needs to be recycled or biobased in 2025.



Results: The percentage of recycled or biobased materials in our Swash® nonwovens increased slightly to 48.12% in 2022 (compared to 46.53% in 2021). Swash® products that are made of needlepunch nonwovens consist for 100% of biobased and recycled materials. Swash® products that are made of spunlace nonwovens consist for 37% of biobased and recycled materials. After a discussion with R&D, we decided to determine two new objectives: 1) for our glove products, 100% of the materials will be recycled and/or biobased in 2030; and 2) for our wipes products, 100% of the materials will be recycled and/or biobased in 2026.

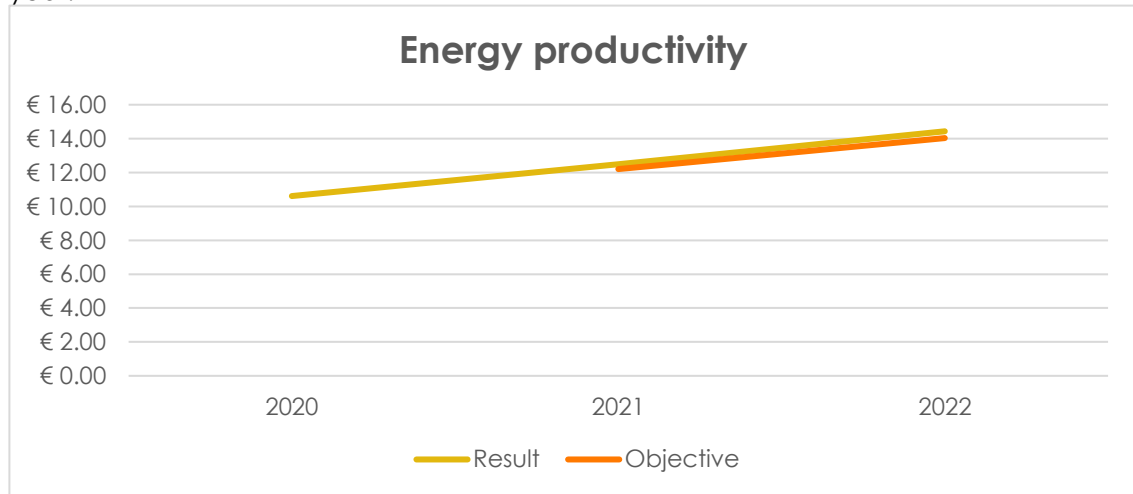
- Percentage of recycled and/or biobased materials in Arion Slide Solutions packaging
Objective: 100% of packaging materials for Arion Slide Solutions must be made of recycled and/or biobased content in 2025.
Results: In 2022, the packages of the Arion Slide Solution products consisted for around 8% of recycled material, which means that we still need to make a lot of progress. In 2022, a project started to replace the plastic packages with packages made of

recycled and/or biobased materials. The first results are expected in 2023 and we are confident to meet the objective for 2025.

24. Energy (material indicator)

- Energy productivity (revenues / energy use in kWh; energy use = total electricity + total gas consumption)

Objective: The Energy productivity needs to increase by 15% compared to the previous year.



Results: The energy productivity shows how much value is produced per energy unit and therefore the higher the value, the better (the more value is created per energy unit). The energy productivity in 2022 was €14.43 compared to €12.49 in 2021, which is higher than the objective of €14,- (~+15% compared to the previous year).

We decided to determine a new KPI and objective that will be introduced in 2023 (reported in from 2024 on). This new KPI will be about the electricity use (excluding electricity used for charging our cars) per ton produced (Kg) for sale. This will ease the comparison of our results with other companies in our industry.

- Solar panels installed at HQ

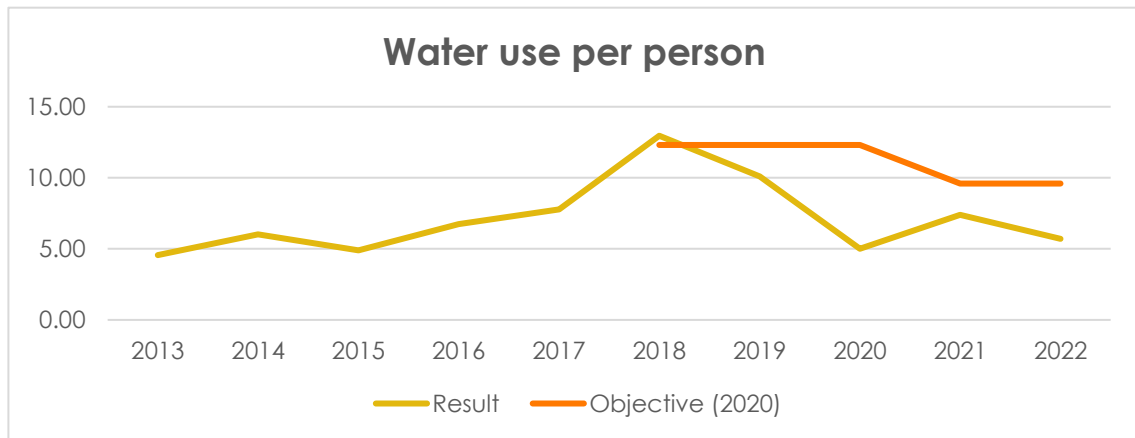
Objective: At least 300 solar panels need to be installed in 2025.

Results: In 2022, no solar panels were installed yet but we are looking into this and keep the objective for 2025.

25. Water (material indicator)

- Water use per person

Objective: The water use per person should decrease by 5% in 2022 compared to 2019 (last pre-COVID19 year).



Results: In 2022, the water consumption per person working for Arion was 5.71m³ (compared to 7.38 m³ in 2021), which is much lower compared to the objective of 9.6 m³ per person. The objective is based on a 5% decrease in water consumption per person with 2019 as base year because this was the last pre-COVID year and therefore the best comparator for 2022 in which we returned to the office. A new objective for the year or years ahead, still need to be determined.

26. Biodiversity

- Engage in clean-up projects

Objective: Each year, Arion will organize and/or participate in clean-up project.

Results: In 2022, Arion participated in a clean-up project to clean the surroundings of the Arion headquarters at the Avantis industrial site. Because of the success of this clean-up project in terms of waste collected and participants' enthusiasm, we decided to have the objective to organize and/or participate such an event every year.

27. Emissions, waste water and waste (material indicator)

- Waste productivity (revenues / residual waste in kg)

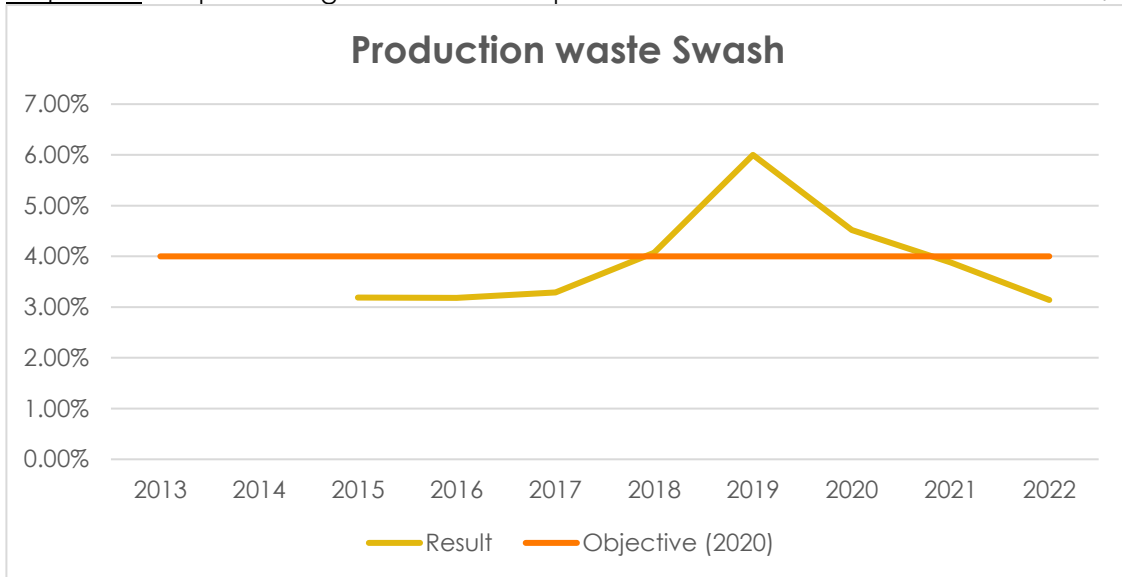
Objective: The waste productivity should increase by 25% based on the preceding year.



Results: The (residual) waste productivity shows how much value is produced per residual waste unit and therefore the higher the value, the better (the more value is created per residual waste unit). The (residual) waste productivity was €118.77 in 2021 and the objective (which will be reviewed each year) is set on an increase of 25% in 2022 compared to 2021. Unfortunately, the result in 2022 is a drop to €112.38.

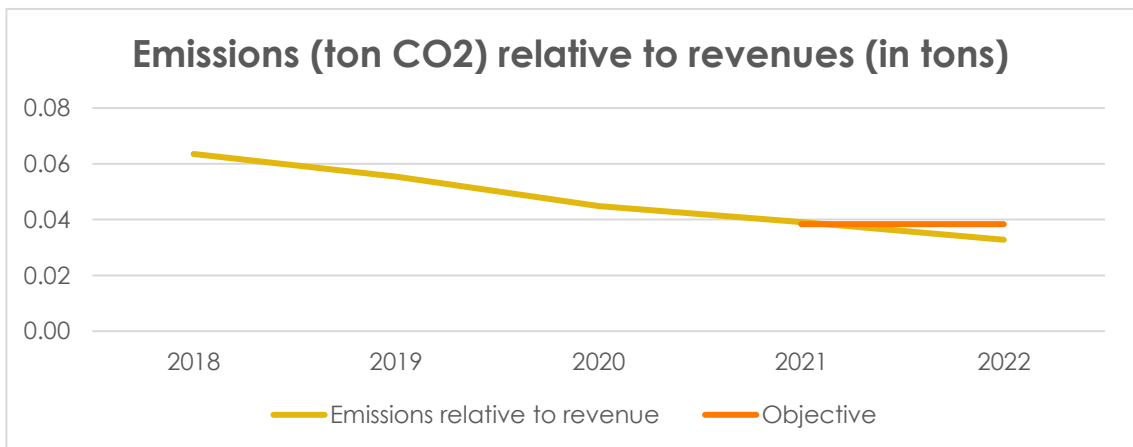
We decided to determine a new KPI and objective that will be introduced in 2023 (reported from 2024 on). It is likely that this KPI and objective will be related to the amount of waste expressed in terms of revenues (total residual waste / revenues).

- Production waste Swash®
Objective: The percentage of waste in the production of Swash® should not exceed 4%.



Results: The weighted average percentage of production waste in 2022 was 3.14% which is below the objective of 4% and lower compared to 2021 (3.88%). We managed to reduce the production waste, even with an increasing number of different products. With the continued investments in industry 4.0 we expect that we can stay below the 4% objective in the coming years. This will be challenging though because of the expected increase in new products. Therefore, we will keep the objective of 4% for 2023.

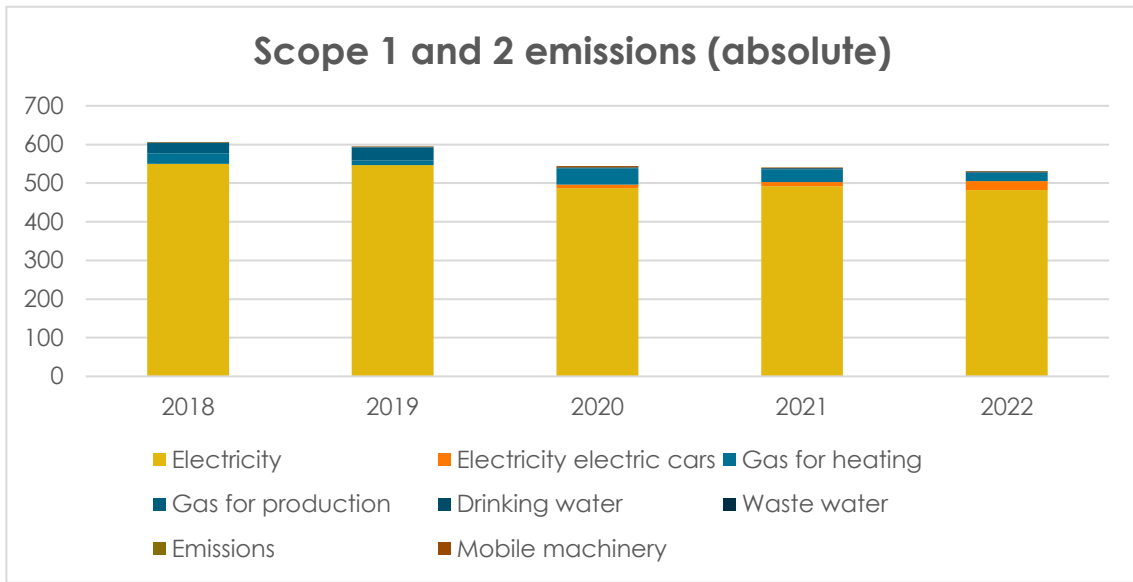
- Greenhouse gas emissions in terms of net sales (emissions per Kg / revenues)
Objective: The greenhouse gas emissions per ton of net sales should decrease every year by 2%.



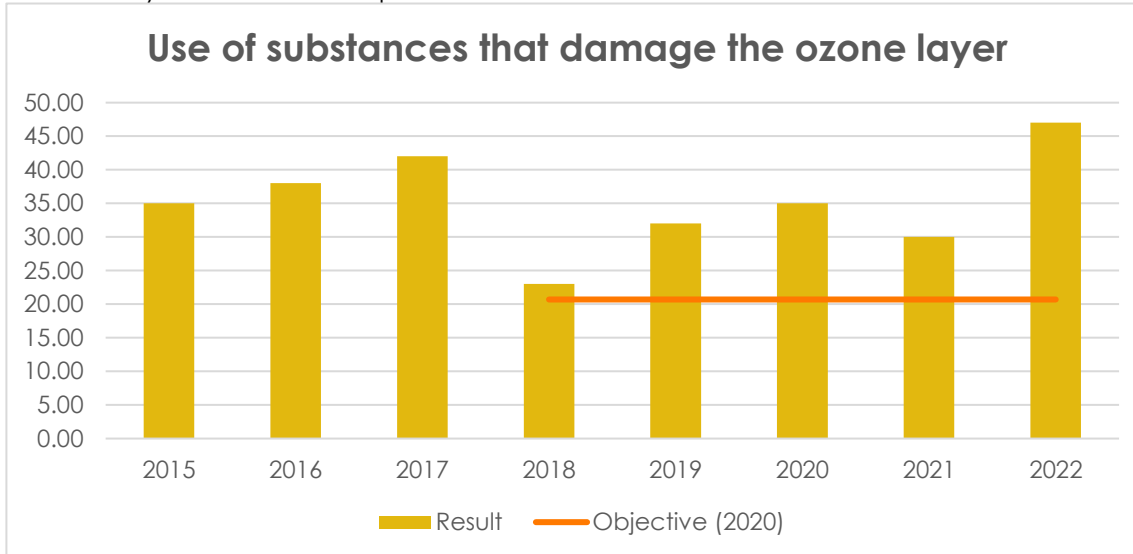
Results: In the previous sustainability report (of 2022) the greenhouse gas emissions productivity was reported, which shows how much value is produced per greenhouse gas emission unit (revenues / greenhouse gas emissions). In 2022, we decided to focus on our scope 1 and 2 emissions in the short-term¹ and to measure these emissions both absolutely and relative to revenues (net sales). The absolute total of our scope 1 and 2 emissions decreased from 539.34 tons in 2021 to 530.08 tons in 2022 (reduction of 1.72%). Relative to sales (scope 1 and 2 emissions /

¹ Because we still need to determine a reliable measurement method for some parts of our scope 3 emissions, we decided to report only scope 1 and 2 emissions in this report.

revenues), our total of scope 1 and 2 emissions reduced by 48.40% between 2018 and 2022, and by 16.28% between 2021 and 2022.



- Use of substances (in Kg) that damage the ozone layer
Objective: The use of substances that are known to damage the ozone layer should be reduced by 10% in 2022 compared to 2018.



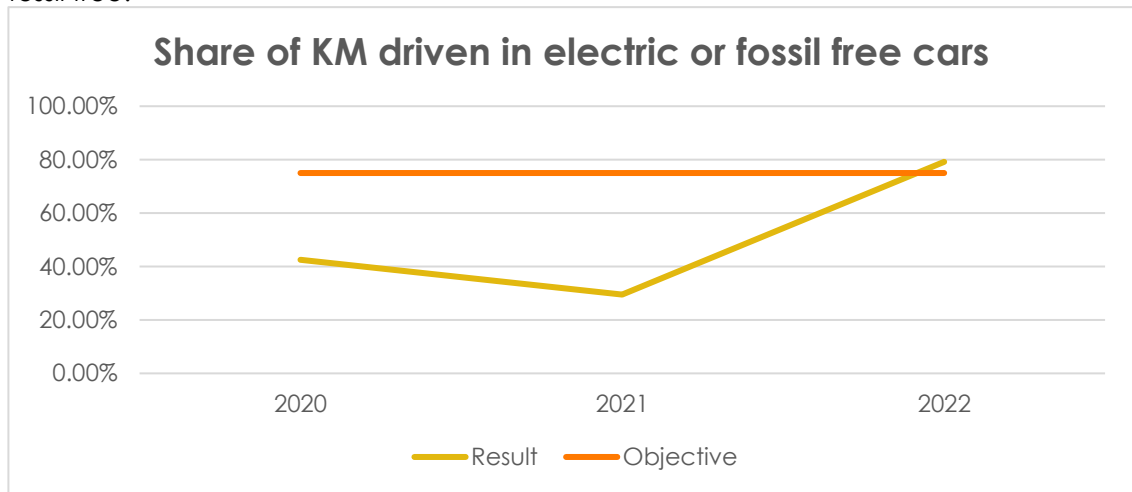
Results: In 2022, the use of substances that damage the ozone layer increased to 47, which is still above the objective of 20.7 (-10% compared to 2018). However, if we relate the use of these substances to the number of Swash® products produced, the use of these substances per 1.000.000 products produced for sale decreased by 13.72% between 2020 and 2022. Derived from this calculation, we decided to determine a new KPI and objective related to the use of substances that damage the ozone layer per ton (Kg) of Swash® products produced for sale. The new objective for 2025 is a decrease of 15% compared to 2022.

- Discharges of chemical substances in water
Objective: We should have 0 discharges in water (of chemical substances).
Results: Also in 2022, we did not have any discharge of chemical substances in water, neither did we had such discharges in the preceding years.

28. Transport

- Percentage of KM driven in electric or fossil free cars

Objective: At least 75% of the KM driven in Arion company cars should be electric or fossil free.



Results: In 2022, we reached our objective, which means that more than 75% (actual result was 79.18%) of the kilometers driven in Arion company cars were driven in electric and/or fossil free cars.

PROFIT

29. Direct economic value generated/distributed

- Yearly financial reporting

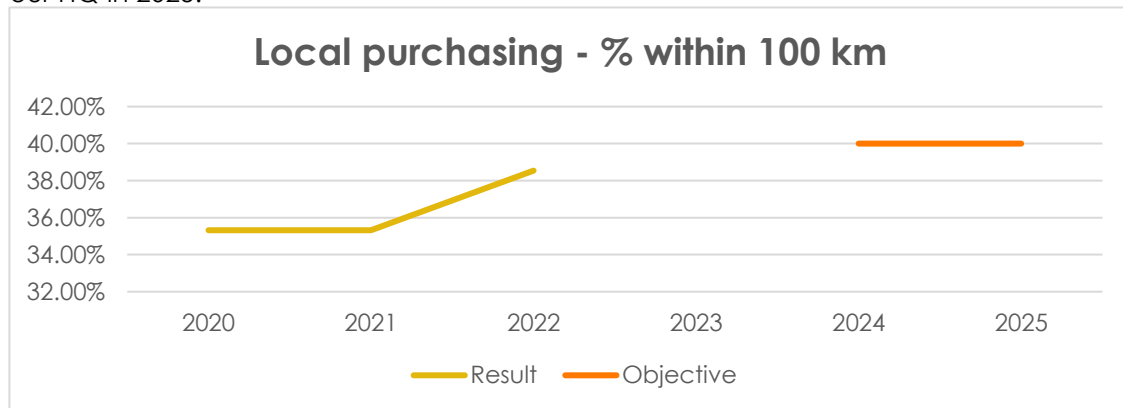
Objective: Every year Arion will set-up financial statements and overviews.

Results: Arion has made financial statements and overviews for 2022.

30. Positive contribution to local economy/community

- Suppliers within radius of 100 km from HQ

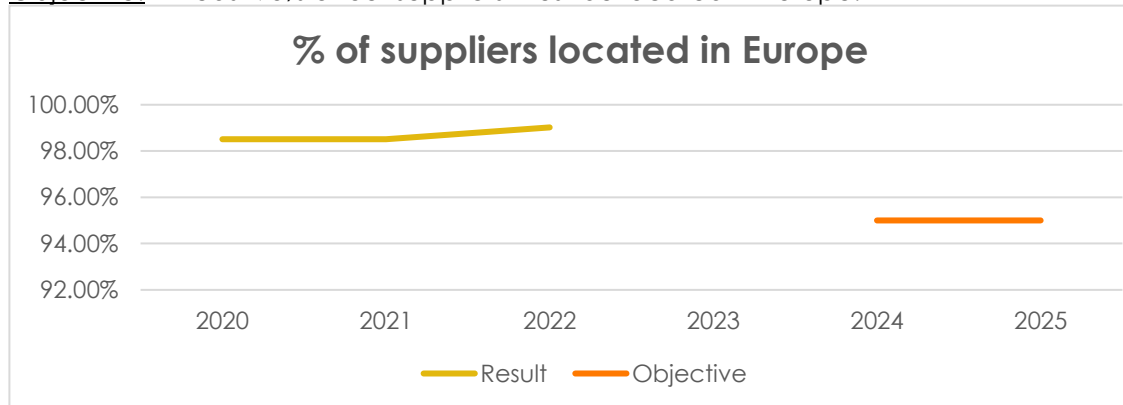
Objective: At least 40% of our suppliers must be located within a radius of 100km from our HQ in 2025.



Results: 38.54% of our suppliers (unweighted) were located within a radius of 100 KM from our headquarters in 2022 (35.32% in 2021). The objective is to have at least 40% of our suppliers coming from within this radius in 2025.

- Suppliers within Europe

Objective: At least 95% of our suppliers must be located in Europe.

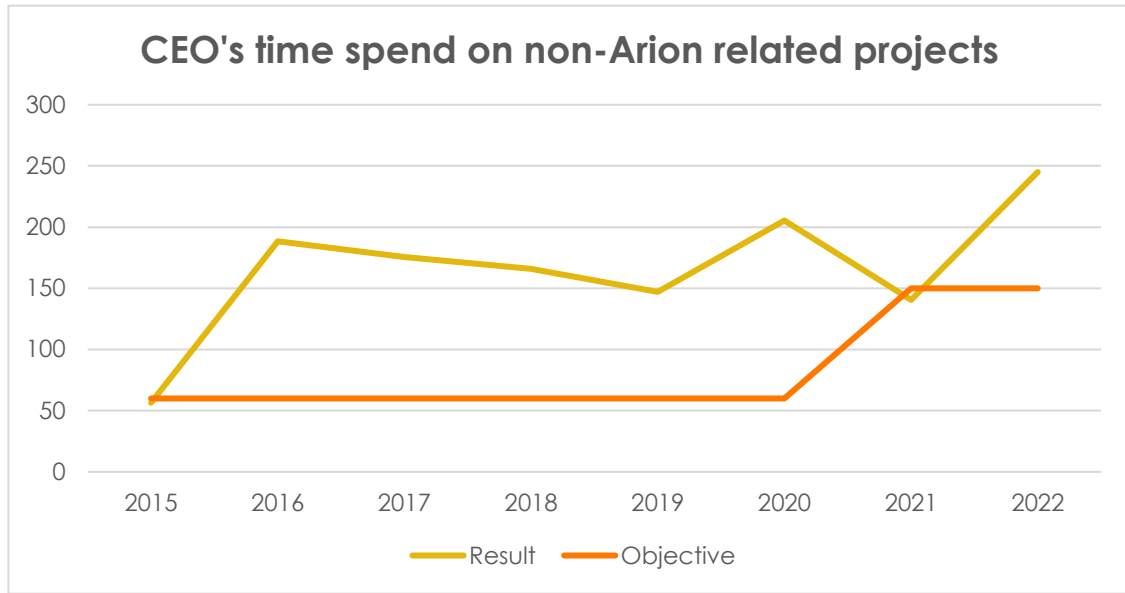


Results: 99.02% of our suppliers (unweighted) were located in Europe in 2022 (98.51% in 2021). The objective is to have at least 95% of our suppliers being located in Europe in 2025, which we reached already but must maintain in the years ahead.

31. Contribution to economic system

- CEO's time on non-Arion related projects

Objective: The CEO will spend at least 150 hours per year on projects that will not directly contribute to the success of Arion pro bono.



Results: Our CEO spent 245 hours on “non-Arion related projects” in 2022, which is above the new objective of 150 hours (which was set higher because the objective was exceeded much in the preceding years). Such projects include lectures to knowledge institutions and coaching start-ups.

Appendix IV – Indicator/stakeholder overview

	Less relevant CSR themes							Most relevant CSR themes													
	Board/shareholders	Employees	Suppliers	Customers	Financial institutions	Branche organization	Owner of the building	Distributors													
Very relevant stakeholders	Employment	x	x																		
	Relation between employer and employees	x	x																		
	Training and education		x																		
	Diversity and opportunities	x	x																		
	Flexible employment contracts		x																		
	Equal treatment	x	x																		
	Freedom of collaborative negotiations	x	x																		
	Child labour	x	x																		
	Forced labour	x	x																		
	Security policy																				
	Rights native inhabitants																				
	Effects on society	x																			
	Corruption	x		x	x	x	x	x	x												
	Public policy	x																			
	Unfair competitive behaviour	x			x	x	x	x	x												
	Product information				x	x	x	x	x												
	Marketing and communication	x			x	x	x	x	x												
	Privacy of customers				x																
	Biodiversity				x	x	x	x	x												
	Transport				x	x	x	x	x												
	Direct economic value generated/distributed	x	x	x	x	x	x	x	x												
	Positive contribution to local economy																				
	Contribution to economical system	x																			
Less relevant stakeholders	Employment	x																			
	Relation between employer and employees																				
	Training and education																				
	Diversity and opportunities																				
	Flexible employment contracts																				
	Equal treatment	x	x																		
	Freedom of collaborative negotiations																				
	Child labour	x	x																		
	Forced labour	x	x																		
	Security policy																				
	Rights native inhabitants																				
	Effects on society	x	x	x																	
	Corruption	x	x																		
	Public policy	x	x																		
	Unfair competitive behaviour	x	x																		
	Product information	x																			
	Marketing and communication	x	x	x																	
	Privacy of customers	x																			
	Biodiversity	x																			
	Transport	x																			
	Direct economic value generated/distributed	x	x	x	x	x	x	x	x												
	Positive contribution to local economy	x																			
	Contribution to economical system	x																			