



Healthy Bean

Registered in England: Company Registration Number 12498439 | VAT Number: 345963272
Registered Office: Unit 6 Workstack, 599 Woolwich Road, London, UK, SE77GS

ENVIRONMENTAL & SUSTAINABILITY POLICY

2024

We are committed to sustainable development to ensure that we are meeting the needs of the present without compromising the ability of future generations to meet their own needs. This is a guiding principle within our work. Concern for our society and environment is an integral and fundamental part of this commitment. Our aim is to reduce the impact on the environment from our operations whilst continuing to create value and deliver robust sourcing solutions for our clients. We believe that environmental, social and governance (ESG) factors can positively contribute to business performance, as well as contributing to help build a more stable, sustainable, and inclusive global economy.

In our role as a distributor, we aim to promote an ESG conscious culture in not only Healthy Bean, but also with our manufacturers or logistics partners. Through our work we are in a position to promote the wider sustainability agenda through embedding ESG elements in our screening processes and follow best practices for our employees. Our policies have mainly been defined by the Paris Agreement and the United Nations 2030 Agenda for Sustainable Development, whose objectives are geared towards the transformation of the current economic model towards one that is decarbonised, inclusive and within the limits of the planet.

“Here at Healthy Bean, we are deeply aware of the current economic and social context and the fact that it is unquestionably influenced by such challenges as climate change and the continuous loss of biodiversity. The significant and far-reaching nature of these impacts requires a clear vision of the future and a framework that will allow the private sector, governments, and the rest of society to act swiftly and effectively.”

Cindy Yao, Founder & CEO



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Sustainable Sourcing & Production Practices

Our supply chains have a focus on sustainability and reducing raw material usage and increasing the use of products with recycled content. This is reflected through our supply chain management. As part of our supplier quality assurance program, and in accordance with the requirements ISO 9001 and ISO 14000 certifications, we conduct new and periodic assessments of our suppliers and subcontractors. From an ESG perspective, this includes an analysis of (i) the supplier's environmental policies, breaches, and management systems in place; (ii) ethical sourcing and forward-thinking approach in adding social value (e.g., all employees paid above the Real Living Wage); (iii) details of awarded standards / certifications and accreditations (i.e., ISO 9001; ISO 14001); and (iv) health and safety programmes, procedures, and key performance indicators over last 12 months.

Please see below a selection of practices used by the manufacturers within our supply chain:

- **Eco-Conscious Sustainable Product Range:** Our partnered manufacturers offer extensive sustainability products made from various raw materials which offer great sustainable advantages whilst providing the same technical specifications. Further advancements and investments in technology have also ensured these sustainable alternatives are cost effective. Please see below several product / material examples:
- **Vetting our partnered manufacturer's procurement:** Choosing manufacturers who sustainably procure cotton with accreditations. For example, the Cotton Made in Africa initiative (CMIA) whereby sustainable cotton from Africa is used within products. 1kg of cotton through CMIA uses 2l of water, whereas the global average is 1,563l.
- **Working with manufacturers who participate / membership under plastic related organisations / initiatives** such as the British Plastic Federation or the UK Plastics Act – a bold initiative bringing together the entire plastics packaging value chain behind a common vision and committing to a set of ambitious targets. Targets are to be met by 2025: Eliminating single use plastic; 100% of plastic packaging is recyclable, reusable, or compostable; 70% of plastic packaging is recycled or composted; and 30% recycled content used in all packaging.
- **Commitments to continuously improve:** Ongoing commitments to source 100% recycled or sustainability sourced materials through new annual product innovations. Throughout the contract period, Healthy Bean will present new versions of products which are increasingly sustainable and higher performing.

Healthy Bean's understanding and approach to energy consumption

As an ISO 14001 certified organization, Healthy Bean deep dive into its supply chain to ensure our chosen manufacturers have in place meaningful targets to reduce their carbon footprint. For example, the most common power source for factory machinery, cooling and temperature control systems, lighting and office equipment is energy. Oil on the other hand "is used to fuel boilers to generate steam, as well as liquified petroleum, gas, coal and city gas". Not to mention oil is the base of certain synthetic fibers like polyester



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which dominate of 65% of fabrics used. Therefore, Healthy Bean prioritise those manufacturers who source renewable electricity, sustainable raw materials and annually review their environmental systems.

Please see below a list of low energy / utility utilization production practices which are being utilized within production processes (including office space):

Production practices:

- Water Reduction:
 - Recycle and re-use effluent water from processing
 - Working with industry partners to reduce and remove water use from dyeing, stonewashing, and finishing processes.
- EMS: New energy management system for processing water and heating systems, with use of the most energy-efficient carrier networks
- Energy Usage:
 - Product sites are fitted with high frequency TS light fittings, and they are on sensors, so the energy used changes to the presence of people in that area. Lighting sensors are also used throughout the offices.
 - Energy efficient compressed air systems across manufacturing sites with soft start inverter controls on all pump and electric motors
 - Insulation: Insulation of roofs, doors, and shutter doors on sites to reduce amount of energy used for heating
 - Energy sourcing: We are constantly working with our manufacturers on optimising energy consumption, e.g., by completely converting our lighting to LED technology.
- Building Technology: Our manufacturers modernise their buildings in accordance with the currently valid energy recommendations, and new buildings are constructed accordingly. For example, the photovoltaic system on one of our partnered logistics centres saves about 59 tonnes of CO2 per year.

Healthy Bean's understanding and approach to energy consumption within our offices

- Our offices are highly energy efficient and are rated as Building Research Establishment Environmental Assessment Method ("**BREEAM**") **Excellent and EPC A rated**. This means our premises rank within the top 10% of UK new non-domestic buildings (best practice).
- Ensure roll out of **electronic records document management system** and online services initiatives to reduce need for paper.
- **Promote a circular economy regime** whereby product use is avoided / minimised, e.g., ensuring all employees have reusable water bottles and reducing single use plastic (e.g., using recyclable cutlery vs. plastic).
- We have **eliminated the use of single use plastics and use recyclable options** as an alternative.



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- Type of waste recycled: office paper - white high-grade paper; mixed paper - coloured paper, leaflets, envelopes; cardboard packaging; printer cartridges; plastic bottles; food and drink cans; and electrical equipment.
- **Ensure use of high energy efficiency and HVAC in our offices through LED lighting, automated sensors and procuring electricity through renewable sources.**
- Ensure use of lights is minimized by maximizing natural sunlight in the office and ensure all employees switch off their electronic devices overnight.

Healthy Bean's approach to a sustainable transport network

Healthy Bean partners with logistics partners who have in place a real focus on delivering greenhouse gas emission savings. In addition, partnering with organisations which have a net-zero ambition. For example, DPD is a pioneer in its sector, the company is taking decisive action to achieve net-zero emissions by 2040 and commits to reduce its scope 1, 2 and 3 greenhouse gas (GHG) emissions by 43% by 2030 and 90% by 2040 from a 2020 baseline – 10 years ahead of the Paris Agreement.

Healthy Bean works with our logistics providers to ensure deliveries are optimised to be prioritised, economic, and efficient. We will achieve this by:

- Consolidation of orders: Where possible, Healthy Bean recommends consolidating orders of the same day or week, going to the same address provided that this is preferred by the Customer in order to provide carbon savings. For example, if we note numerous non-urgent deliveries to a single site over the course of a week, we will seek confirmation for the deliveries to be delivered on one specific day (reducing the number of trips completed by the fleet).
- Proximity to the Council: We will ensure the number of trips and distance travelled from manufacturing to final delivery are minimised by working directly with world class manufacturers, prioritising those of whom are UK headquartered or manufacture products within Europe, and store contract items within our warehouse.
- Dynamic route planning: Made possible by a large fleet of vehicles and drivers. Drivers are designated certain jurisdictions to make them the familiar within an area and leverage their experience. Each vehicle will target a full delivery load to reduce wasted space / unnecessary trips to create the smartest possible delivery system and reduce our overall miles per parcel.
- Electric Vehicles: DPD are building the largest all-electric delivery fleet in the UK to deliver a real saving in greenhouse gas emissions. To-date, DPD has invested over £90m on all-electric vehicles in the UK, including the most recent order of 1,000 Ford E-Transit vans in May 2022, which will take DPD's electric vehicle fleet to over 2,500 in total. By targeting major town and city centres with electric vehicles, logistics providers can make a significant difference to emissions in those locations and help improve air quality where it is most needed.



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Our Commitments

We will assess the ESG impacts of our operations and set objectives and SMART (specific, measurable, achievable, reviewable, time limited) targets in order to improve our performance. We will regularly review these targets.

We will:

- promote responsibility for the environment within the organisation and communicate and implement this policy at all levels within the workforce;
- reduce the use of energy, water and other resources;
- minimise waste by reduction, re-use and recycling methods;
- comply with all relevant environmental legislation / regulation;
- ensure that our policies and services are developed in a way that is complimentary to this policy;
- not prioritise profitability ahead of sustainability requirements;
- encourage all employees to partake in philanthropic initiatives through dedicated annual ESG leave;
- identify and provide appropriate training, advice and information for staff and encourage them to develop new ideas and initiatives;
- provide appropriate resources to meet the commitments of this policy; and
- promote and encourage involvement in local environmental initiatives/schemes.
- We will assess the ESG impacts of our operations and set objectives and SMART (specific, measurable, achievable, reviewable, time limited) targets to improve our performance. We will regularly review these targets.



Responsible environmental management



Responsible supply chain



Interest in people



Social commitment



Health and Safety



Integrity and transparency



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Our Targets

1. Optimise Environmental Management System (EMS)
 - a. Target: Continuously review EMS on a semi-annual basis and maintain ISO 14001 accreditation
 - b. Status: On-track
2. Work with Carbon Trust, or other such entity to start quantitatively measuring carbon footprint (Scope 1 and 2)
 - a. Target: Set up a baseline carbon emissions footprint
 - b. Status: On-track
3. Eliminate the use of single use plastics and use recyclable options as an alternative
 - a. Target: Remove all single use plastics within offices and working environments
 - b. Status: On-track
4. Procure electricity which is sourced from renewable means within the Office
 - a. Target: Source 100% renewable electricity
 - b. Status: On-track
5. Ensure roll out of electronic records document management system and online services initiatives to reduce need for paper.
 - a. Target: Eliminate printing of documents unless necessary
 - b. Status: Complete
6. Promote a circular economy regime whereby product use is avoided / minimised, e.g., ensuring all employees have reusable water bottles and reducing single use plastic (e.g., using recyclable cutlery vs. plastic).
 - a. Target: Increase waste diverted from landfill by 5% y-o-y
 - b. Status: On-track
7. Screen and map chosen manufacturers ESG metrics and compliance with all environmental regulations and sustainable work practices
 - a. Target: 100% of partnered manufacturers pass ESG screening tool
 - b. Status: On-track
8. Ensuring all employees are appropriately trained to identify where carbon footprint savings can occur
 - a. Target: Quarterly training courses on ESG for all employees
 - b. Status: On-track



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Carbon Reduction Plan

Commitment to achieving Net Zero

Healthy Bean Ltd is committed to achieving Net Zero emissions by 2050.

Baseline Emissions Footprint

Healthy Bean Ltd will work with 3rd party specialist to calculate our Baseline Emissions Footprint ahead of future reporting. Please note that Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Our calculated baseline emissions will act as the reference point against which emissions reduction can be measured.

Baseline Year: 2024e	
We will work with 3rd party specialists such as Green Small Business to complete the following tasks ahead of establishing our Baseline Emissions Data	
<ol style="list-style-type: none">1. You complete our online carbon scoping assessment, so that we know what needs to be included in your carbon footprint2. We develop a bespoke data collection spreadsheet for your business and in a video call, talk you through all of the data that needs to be gathered3. We will calculate your carbon footprint using the business data you have gathered and upload it to the Green Small Business portal, a single platform for tracking your carbon and environmental performance. We'll also provide a plain-English briefing paper, which explains how we have calculated your footprint and provides recommendations for next steps and links to all of the resources you need.	
Baseline year emissions: TBC	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	[XXX]
Scope 2	[XXX]
Scope 3 (Included Sources)	[XXX]



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Total Emissions	[XXX]
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Once new annual emissions data is available, we will follow the below reporting basis:

Current Emissions Reporting

Reporting Year: 20XX	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	[XXX]
Scope 2	[XXX]
Scope 3 (Included Sources)	[XXX]
Total Emissions	[XXX]

Emissions reduction targets: In order to continue our progress to achieving Net Zero, we will target a linear reduction in carbon reduction targets but expect the rate of decrease to be non-linear given various implementation considerations. Once a baseline is sought and discussions have been held with the 3rd party specialist, we will refresh this Carbon Reduction Plan.

Carbon Reduction Projects

We have outlined earlier in our Environmental Policy of the various measures we currently implement, as well as future initiatives, that will enable Healthy Bean Ltd to actively reduce its carbon emissions. We are ISO 14001 certified and have in-place existing Environmental Management Systems which we will build upon.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.



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Emissions will be reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions will be reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of Healthy Bean Ltd:

Date: 15/01/2024

¹<https://ghgprotocol.org/corporate-standard>

²<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³<https://ghgprotocol.org/standards/scope-3-standard>