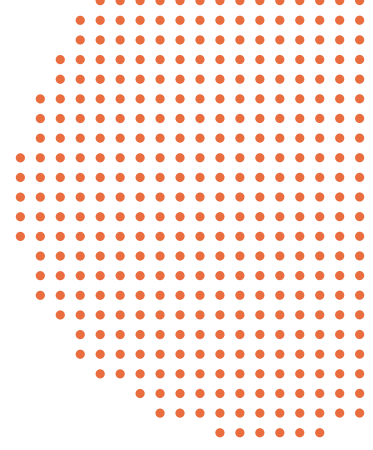


LIONEL
HITCHEN
Flavour Ingredients

SUSTAINABILITY REPORT 2021

Our Social Responsibility Progress





CONTENTS

CEO Message	1
About Us	3
Activities and Employees	4
Governance and Policies	7
Stakeholder Engagement	9
Environmental Impact	11
Social Impact	16
Sustainable Development Goals	21
Reporting Practices	23
GRI Index	24

Message from Eva Agnew, CEO



Sustainability has been on our minds for many years, but this is the first time that we are reporting on our activities and commitments. It is a subject that we have been growing increasingly passionate about and it is now at the forefront of everything we do, our values and our decisions. We are a family-owned business, and we want to ensure we will be securing a sustainable business for all future generations of the Hitchen family.

Although there have always been various activities within the business in all aspects of Social Responsibility, we decided to formalise these 3 years ago with a clear Social Responsibility policy to develop a cohesive strategy working on 4 key areas: human rights, environment, supply chain and business ethics.

Human Rights – It is really important to us to be an ‘employer of choice’. We continually review our employee policies and benefits and have been improving them year on year. Employee surveys measure our employee’s satisfaction and we have gained external validation with Best Companies awards (One To Watch) and Solent 250 ‘Employee Engagement’ award and nomination for Business Culture. Good Health and Safety practices and measurements are in place, and we invest heavily in HSE systems and culture and have a goal to achieve ISO45001 by 2023. Investment in training and personal development of our staff is critical and these are tracked through Personal Development Reviews and Personal Development Plans. It is a personal goal of mine that everyone who works at LH enjoys their job and is happy in their work.

Environment – We are very conscious of the immediate environment around both our sites; Andover is next to a nature reserve and so we have made a considerable investment in bunding the whole site to mitigate any leakage of any of hazardous material into the lake in case of a catastrophic occurrence. Our Barton Stacey manufacturing site is in a residential area, so we do a great deal to reduce any nuisance to the local community. Our Energy Reduction programme was introduced in 2020 with the full engagement of all employees through a series of briefings and engagement sessions. They participated by collating over 100 ideas for energy reduction. We created our Green Pathway as an implementation plan. Formal management meetings track progress and there is an informal group of enthusiastic employees called the Green Dream Team who keep up momentum with employee ‘green’ activities and communication. We have used the services of an energy consultant to survey the energy use across both our sites and have already implemented many of the recommendations.

Supply Chain – For a number of years we have been encouraging our supply base to participate in Sedex self-assessments to drive activity within their own organisations. We ask all our suppliers to confirm they comply to the Ethical Trading Initiative. More recently we have been asking key citrus suppliers to work with growers to implement good agricultural practices by working in compliance to and gaining certification for GlobalGAP or Sustainable Agriculture Initiative. We have developed a Supplier Code of Conduct which we are discussing with key suppliers to understand how they manage Social Responsibility. We work hard on maintaining excellent relationships with our suppliers and have been delighted in their responsiveness to our Social Responsibility requests.

Business Ethics - We have built our reputation with our customers on high standards of integrity and trust. We are committed to ensure key employees are trained on Anti-corruption and Bribery, and on Competition Law. Supporting our local community has always been important to us and last year we introduced volunteering paid days off for our staff to do even more.

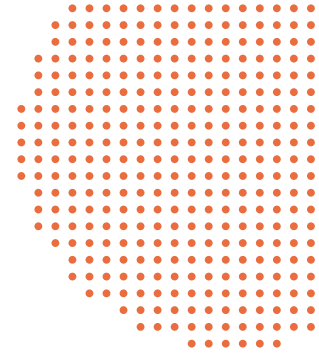
We value the external validation of our systems which we get by being members of Sedex for 10 years. We've had 3 successful SMETA audits so far. In 2021 we joined Ecovadis and were granted a silver award. We are using that platform to direct continuous improvement in this area. We are participating in the FDF climate change agreement, and this has so far resulted in many energy reduction successes. We are signatories of IFRA-IOFI Sustainability Charter, and our Technical Director is a member of the IFRA-IOFI Sustainability Committee.

Our Social Responsibility journey has well and truly begun, and we are not short of ideas to continue to improve. Our World Class Manufacturing continuous improvement programme is an excellent framework enabling all employees to engage with this goal and contribute on a daily basis. We are a passionate company and as such are also totally engaged in playing our part in improving the future for all.

Enjoy reading!

A handwritten signature in black ink, appearing to read 'Eva Agnew', written in a cursive style.

Eva Agnew
Chief Executive Officer (CEO)



ABOUT US

Lionel Hitchen is a privately owned limited liability company manufacturing and supplying natural flavours and flavour ingredients to the food and beverage industry in over 50 countries globally. Our head office is in Andover, Hampshire in the United Kingdom, and we operate from two sites in Hampshire - Barton Stacey and Virginia Works. We also have a subsidiary in the USA.

Founded in 1965, Lionel Hitchen has grown from producing a few speciality oils to now having distributors in different parts of the world. We have over 57 years of expert knowledge in the creation and manufacture of flavours and speciality ingredients, using in-house manufactured raw materials to meet consumer demand for great-tasting natural products.

We pride ourselves on our extensive range of flavour ingredients, following the highest quality practices at all stages of production, from raw material sourcing, processing & production consistency, through to delivery to customer.

We are proud members of :



OUR ACTIVITIES

As part of our extensive range of ingredients, we have categorized our products into three: Citrus Specialties, Herb and Spice Extracts and Flavourings.



Citrus Specialties

As a specialist citrus oils manufacturer, our expertise in a variety of distillation and extraction techniques has been developed over more than half a century.

We pride ourselves on producing the world's finest speciality citrus oils for food and beverage applications.



Herbs & Spice Extracts

We source herbs, spices, chillies and botanicals with a focus on quality, availability and originality.

From these fabulous, natural materials, we manufacture herb and spice extracts in various formats suitable for a broad range of food & beverage applications, savoury and sweet.



Flavourings

The authenticity of our flavours has earned us a reputation as a world-class supplier to the food and beverage industry.

Our team of highly experienced flavourists work from a palette of over 3,000 raw materials. Many of these are manufactured in-house giving us the ability to create complex, unique and highly individual flavours.

Lionel Hitchen sells goods to customers around the globe through distributors in Europe, Asia, Africa, Australasia and a subsidiary in the USA.

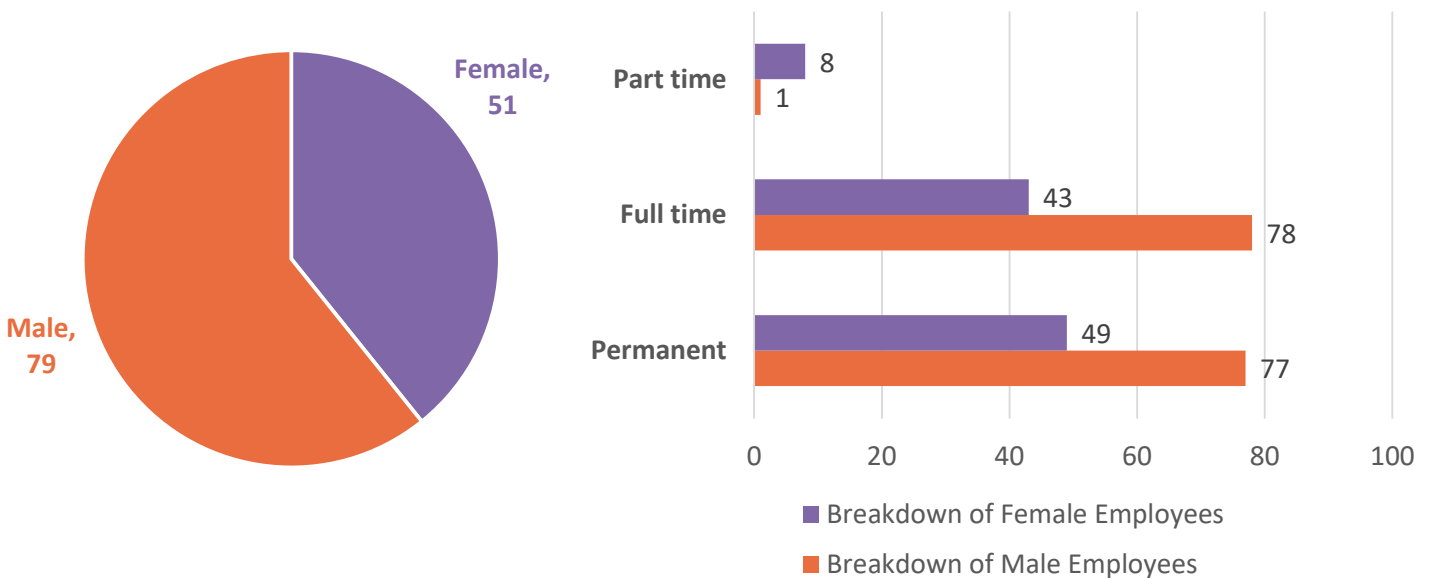
OUR EMPLOYEES



We currently have 130 employees with 51 females and 79 males. We are happy to say that the majority of our employees are permanent and work on a full time basis. None of our workers are on a non-guaranteed hours contract. Out of this, 91 work at the Barton Stacey whereas 39 work at Andover.



Employees By Gender



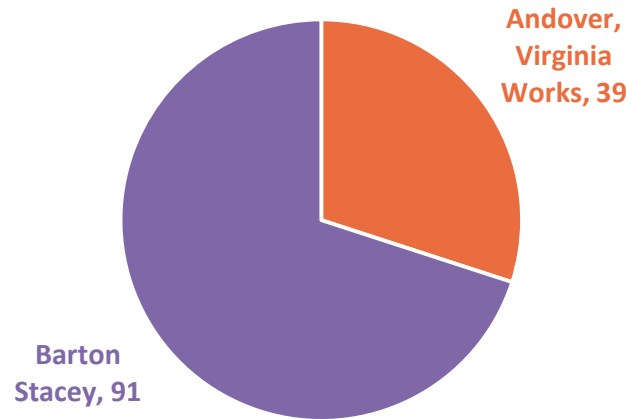
OUR EMPLOYEES

Salary increases for all employees are according to individual PDR performance grade given each year. The increase is set for each performance grade. Salary levels for roles are benchmarked regularly against external companies to ensure we remain competitive for recruitment.

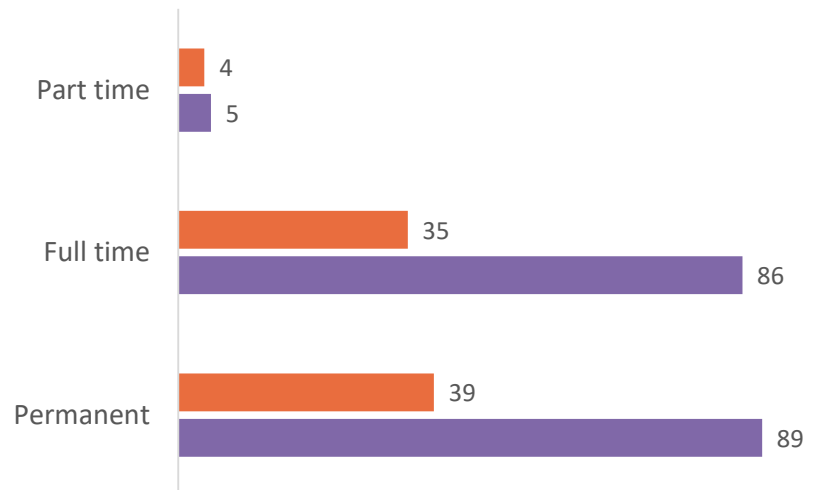
We also have a grievance procedure which applies to all employees and other stakeholders regardless of length of service. If informal discussion is unsuccessful at resolving issues, then the employee can submit a written grievance to their line manager, and/or Human Resources. A hearing is held, and appeals are allowed if an employee is not satisfied.

Further to this is a whistleblowing mechanism which is in place if someone wants to raise a critical concern with a helpline number to contact.

Employees by Region



■ Breakdown of Virginia Works Employees
■ Breakdown of Barton Stacey Employees



GOVERNANCE & POLICIES



Mohammed Khan



Top Row Left to Right: Tim Metcalfe, Alastair Hitchen, Peter Hitchen, Tim Brown
Bottom Row Left to Right: Helen McNair, Alison Barnes, Eva Agnew

The board comprises of 8 directors. There are 3 family members on the board who are not actively involved in the day-to-day running. There is 1 Non-Executive Director and a consultant who sits on the Shareholder Board, whereas the remaining 4 directors are Executive Directors: 2 women and 2 men. The breakdown of their roles is as follows:

Name	Board role	Gender	Age range
Louise Hitchen	Director	Female	80+
Alison Barnes (nee Hitchen)	Shareholder (Chairperson)	Female	65-70
Alastair Hitchen	Shareholder	Male	65-70
Peter Hitchen	Shareholder	Male	65-70
David Walton	Consultant	Male	70 - 75
Mohammed Khan	Non-Executive Director	Male	45-50
Eva Agnew	Chief Executive Officer	Female	55-60
Tim Metcalfe	Operations Director	Male	55-60
Tim Brown	Sales and Marketing Director	Male	55-60
Helen McNair	Technical Director	Female	55-60

The shareholders, the NED and the Consultant are reported to on a regular basis from the operational board who are held to account for delivering against key performance indicators (KPIs).

GOVERNANCE & POLICIES

CONFLICT OF INTEREST

There is an informal disclosure principle of trust and honesty which has to date prevented and mitigated any form of conflict of interest.

NOMINATION AND FOCUS ON SUSTAINABLE DEVELOPMENT

All directors were assessed based on their competencies prior to their nomination and appointments. The board is involved in developing and approving key organisational strategies, values, policies and goals in relation to sustainable development. Helen McNair, the Technical Director is mainly responsible for directing the Social Responsibility strategy of the company and progress is reported to the board every 2 months. The other directors have also taken measures to advance their knowledge on sustainable development issues.

SUSTAINABILITY POLICY

We are members of Sedex and Ecovadis to independently report our status and track continuous improvement. These platforms are shared with customers. We have developed a 'Green Pathway' to track the implementation of activities to improve performance, especially around energy and greenhouse gas (GHG) reduction.

We have also developed strong supplier relationships by visiting them regularly to ensure they are operating with social accountability in mind. Our suppliers are based all over the world. Approximately 80% of our raw material spend comes from 20 suppliers, most of whom we have been sourcing from for over 20 years. We have regular performance meetings with our key suppliers and aim to visit most of them every 2-3 years (Covid years being the exception!).

All of our raw material suppliers have confirmed that they comply with the Ethical Trading Initiative (ETI) principles. We have developed a Supplier Code of Conduct in 2022 which includes key principles of Business Ethics, Labour and Human Rights, Health and Safety and Environmental Sustainability. In order to gain genuine commitment to the Code we plan to meet (virtually, where necessary) with key suppliers to roll this out and discuss the extent of compliance and the implementation of their policies.

Further to this, we operate in accordance with the Modern Slavery Act and ensure suppliers do the same. Employee briefings have been held to communicate the sustainability policy and modern slavery in 2020 and 2021.

To ensure that we continuously adhere to all these ethical principles, we have subscribed to use the Ecovadis assessment to provide external validation of our systems and track progress.

REMUNERATION

Operational Directors are on fixed pay with incentive bonus directly related to operational profit achieved. Salary increases are transparently related to achievement of personal performance against objectives set annually through Personal Development Review (PDR) process.

STAKEHOLDER ENGAGEMENT

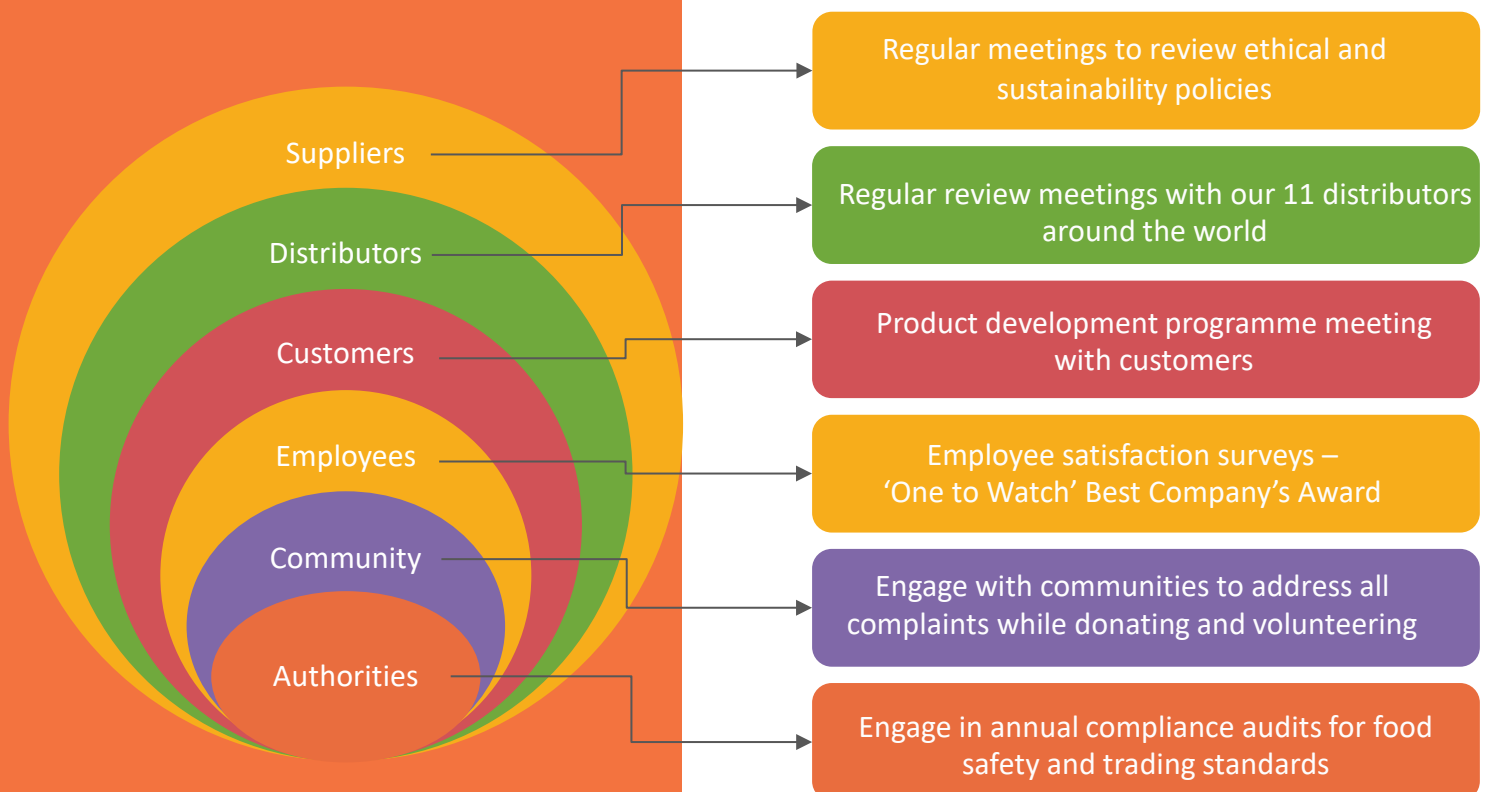
We are always keen and committed to engaging with our different groups of stakeholders including employees, customers, distributors, communities, suppliers and the local authorities.

In the last 5 years, we have carried out a number of independently assessed employee satisfaction surveys and achieved a 'One to Watch' award in the Best Companies Award 2 years running. We have won the Solent 250 award for Employee Engagement; and have been shortlisted for the Solent 250 Business Culture Award in 2021/22.

Our sales team meet regularly with our key customers, to discuss our business performance. We also have an active product development programme in place to engage with customers and support their business development as well.

There are regular meetings with suppliers to review their overall performance and ensure all our ethical and sustainability policies are being adhered to strictly.

Our production facility is based in a small village surrounded by homes, so we respond very seriously to neighbour complaints and have made investments to reduce noise, lighting, parking and smell nuisance. We support a number of local charitable organisations through donation and volunteering.



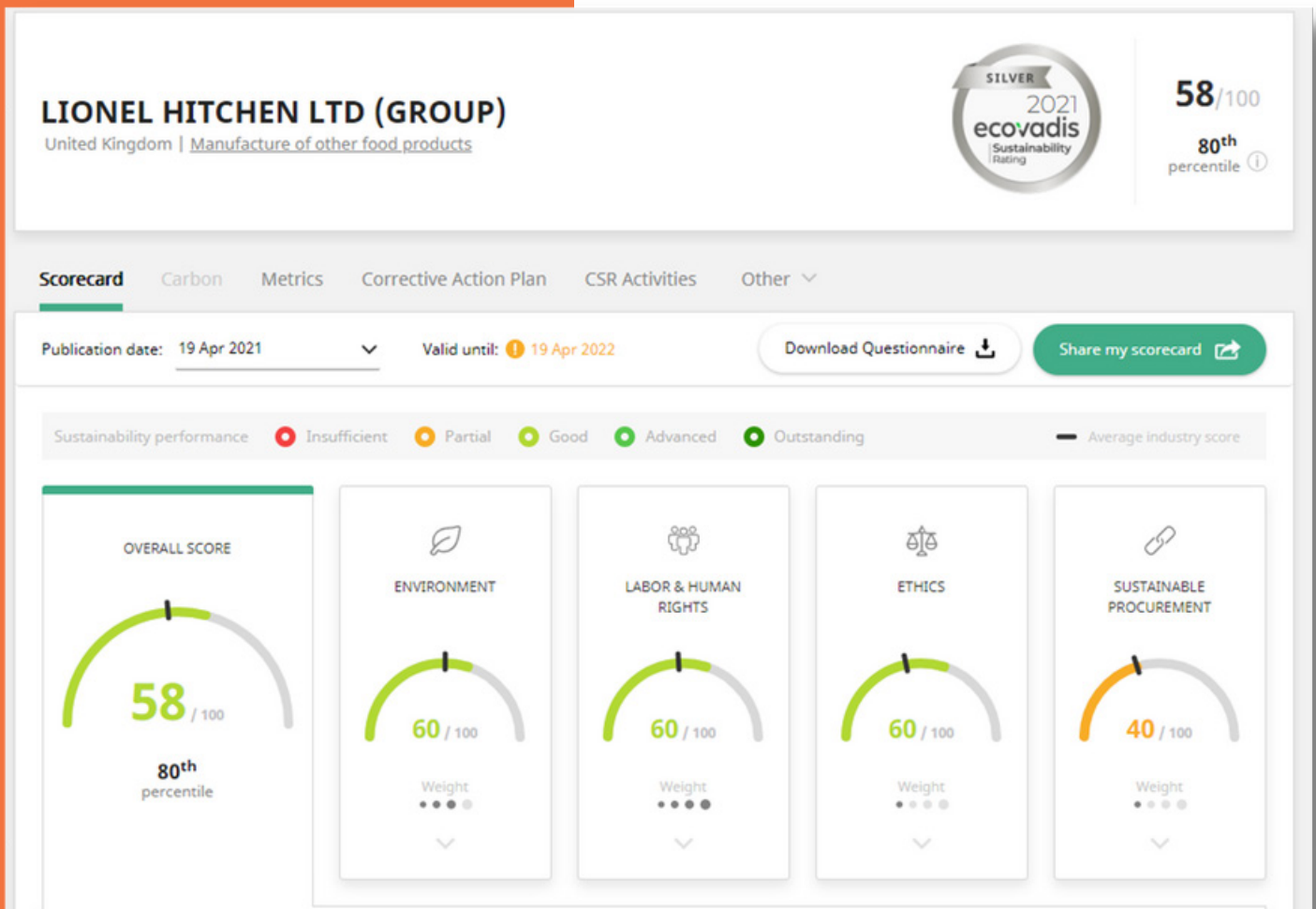
STAKEHOLDER ENGAGEMENT

We currently have 11 distributors around the world, with which our sales team have regular review meetings. Prior to Covid19 we held annual on-site training to inform our distributors about the technical aspects of our products and how to effectively promote them to support their business growth.

As a food production company, we have annual compliance audits for food safety and trading standards from local enforcement authorities. The environment agency also visits regularly to ensure compliance to COMAH regulations

Further to this, we have signed up to Ecovadis sustainability rating platform which demonstrates our commitment to be transparent and accountable to our various stakeholders through the publication of our Social Responsibility report annually.

Our Ecovadis rating was given in April 2021





ENVIRONMENTAL IMPACT

Our over-arching principles are:

- To minimise and manage any impact on the environment through a robust environmental management system
- We operate with consideration to resources to 'Reduce, Reuse, Recycle'
- Our policies cover aspects of energy and water usage, emissions and waste

We have chosen Environmental Impact, specifically energy, GHG emissions and supplier assessment as our key material topics that our business wants to focus on. We believe it is essential that all businesses do what they can to reduce the impact they have on global warming. As many of our raw materials are sourced from around the world, our supply chain and the people who support that may well suffer disruption due to climate change; indeed, there have been a few occasions in the last few years when that happened. In the reporting year, we made considerable investments to reduce our energy consumption. We employed a consultant to carry out energy usage surveys at both our sites and make recommendations about how we can reduce energy use. As a result of this consultation, we have been able to quantify our GHG emissions in addition to the energy usage.

As part of our management approach, we have primarily focused on investments to reduce our energy consumption and emissions in all activities. We are committed to ensuring that our electricity is purchased from only sustainable sources. The basis of our business relies on ingredients which we source from all over the world, many of which are in areas that will suffer from the impacts of global warming. Our focus in the past has been mainly on the Ethical Trading aspects of supply, and we have confidence that our suppliers have addressed this. Therefore, we now need to build on that to look at the environmental aspects of their operations; to understand how we can support them in developing their own strategies for environmental management and reduction in CO2 emissions.

ENVIRONMENTAL IMPACT

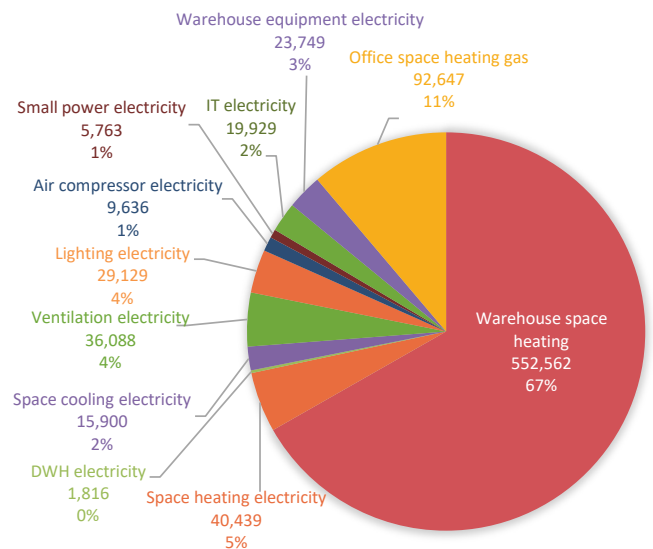
ENERGY

As a production company, we at Lionel Hitchen are aware of the energy consumption that accompanies production. As such, during the year, we carried out formal employee briefings about energy reduction and efficiency and collected over 100 ideas from the teams. Many of these ideas were implemented in addition to those given us by our external Energy Consultants.

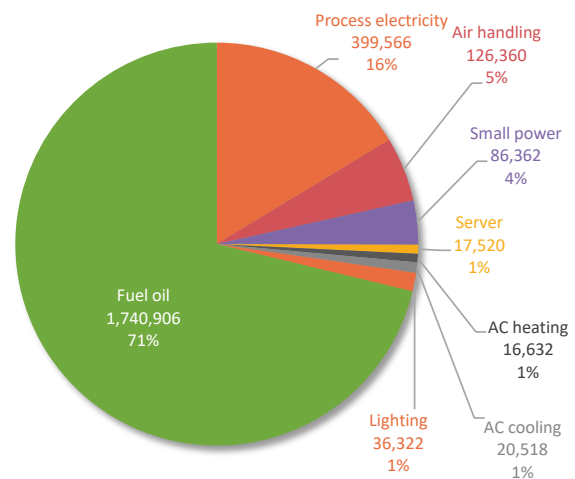
Following these briefings, a small team of employees have formed an informal 'Green Dream Team' who meet regularly to share and implement ideas to supplement the engineering improvements for energy reduction; they also discuss other environmental impacts of our business, such as waste management, community volunteering activities, etc.

Our Electricity consumption for the reporting period from October 2020 to September 2021 was 740,128kWh and Fuel Oil stood at 1,673,697KWh.

Distribution of Estimated Energy Usage at our Andover, Virginia Works site (kW/h)



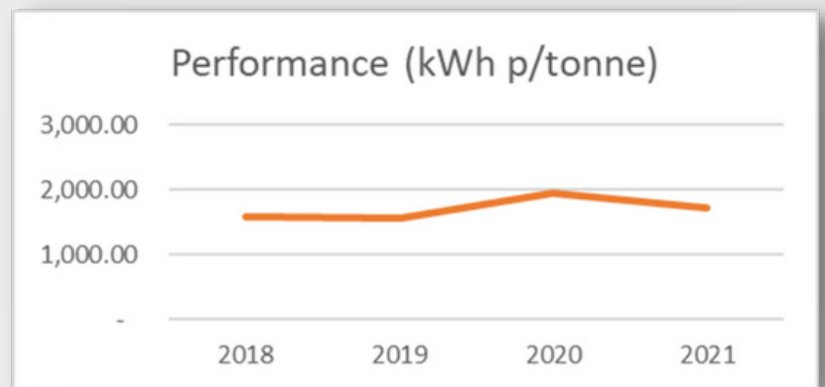
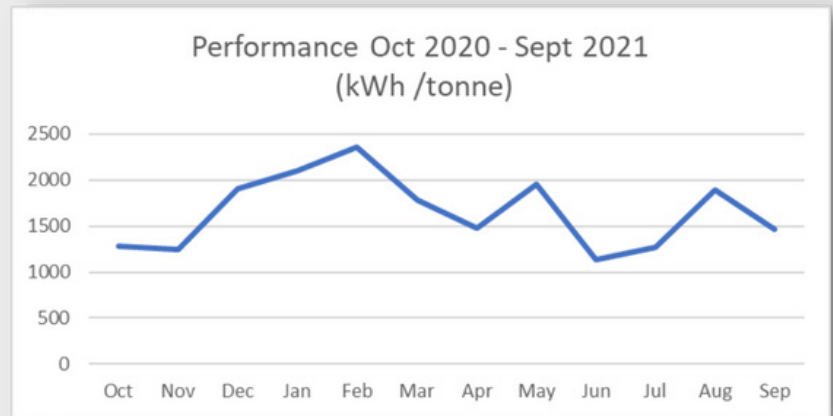
Distribution of Estimated Energy Usage at our Barton Stacey site (kW/h)



ENVIRONMENTAL IMPACT

Our electricity used at our Barton Stacey site during 2020-21 was sourced from a provider who solely supplies from sustainable sources. On the other hand, electricity used at the Andover site was purchased through a different provider which buys from the general grid – there is no information available about how much is from sustainable sources.

Due to the different mix of processes in our production, our Energy Intensity changes every month depending on the volumes being produced with each process.



To demonstrate our strong commitment to reduce energy consumption, we have developed a programme to implement the recommendations from the energy consultant including:

- Changing the old burners on our two main boilers to be more efficient
- Insulating the boilers to reduce heat loss
- Improving insulation across our steam network
- Reviewing and improving the space heating in our warehouses
- Installing fuel metering systems to assess energy/fuel usage in different areas of the facility

Recently, we installed an electric vehicle charging point for employees and customers to access and are replacing our diesel company vehicles for an electric van. We are also exploring the opportunity to install solar panels to supply a proportion of our electricity.

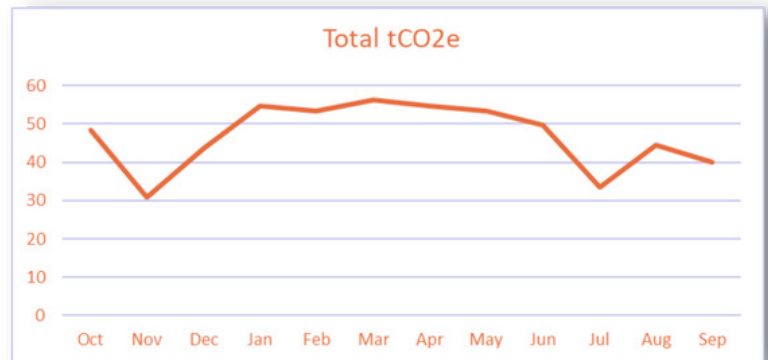
Our immediate goal is to reduce our energy usage by 8.5% from 2018 baseline data to 2022, in line with climate change levy targets given to us by the Food and Drink Federation.

ENVIRONMENTAL IMPACT

GHG EMISSIONS

Our GHG emissions from fuel oil were 126.87 tCO₂e and electricity was 40.41 tCO₂e for 2021.

The average emissions stood at 0.26 tCO₂e/tonne production. Energy and CO₂ emissions intensities vary considerably depending on the product mix and processes used. For instance, heating processes are more energy intensive than just mixing and compounding our raw materials. We have reduced our energy intensity (kWh/Tonne production) by 29% compared to the previous year, as a result of activities through our Green Pathway action plan.



The graph illustrates Scope 1 emissions from fuel oil use and liquid N₂, Scope 2 emissions from electricity

Scope 1 includes the fuel oil used at our Barton Stacey site and liquid N₂.

Similar to our energy usage, we use 2018 as our base year, in line with the Food and Drink Federation targets. GHG conversion factors used in calculating CO₂ emissions are those relating to the reporting period collected from the UK government, Dept for Business, Energy & industrial Strategy (BEIS) to convert from volume used to CO₂ equivalent.

Scope 2 includes electricity purchased from the grid and natural gas used at our Andover, Virginia Works site.

To calculate emission intensity, we only consider energy used at our Barton Stacey site, which is our Manufacturing site and convert all energy to kWh used per tonne of production. The computation takes into consideration the fuel oil, electricity purchased and liquid N₂ purchased.

SUPPLIER ENVIRONMENTAL ASSESSMENT

Our plans for the future are to have further discussions with our suppliers who have been rated 'high risk' on environmental factors to understand any actual risks for the products we are sourcing.

We screen all suppliers against environmental criteria; Environmental Performance Index, Food Security Index and CITES list taking into account where the materials are processed as well as the country where they are grown. We had 3 new suppliers last year who were all assessed against these criteria.

As part of our vulnerability and threat assessments (Vulnerability/Threat Critical Control Points - VACCP/TACCP) we score the supplier and the products that they supply according to the country of manufacture against a number of indices: Global Slavery, Environmental Performance Index, Global Food Security Index and the CITES list.

We also track the sustainable source of any palm oil derived products, e.g. RSPO (Roundtable on Sustainable Palm Oil certification). We have 3 natural chemicals that remain derived from palm oil which is not RSPO certified.

We currently have 6 suppliers who are supplying materials which are deemed to be from potentially high risk countries for environmental factors. After thorough assessment, we are happy to say that all suppliers meet our environmental screening factors and therefore none has been terminated.

We have set a goal in this aspect to roll out our Supplier Code of Conduct to 20 of our key suppliers in 2022.

SOCIAL IMPACT

Our over-arching principles are:

- UN guiding principles of 'Protect, Respect and Remedy'
- To be The Employer of Choice
- The Hitchen Way

We have chosen this area as a material impact because we recognise that our employees are our most important asset and without a happy and healthy workforce, we do not have a sustainable business.

We are in an area where unemployment is very low, and being rural, it can be hard to attract candidates to relocate. As part of our management approach, we have developed a strategy to be the 'Employer of Choice' by continuously assessing our employee engagement and the benefits we provide.

Our work culture is a very important aspect of this, and so in collaboration with the teams we developed The Hitchen Way Values and Behaviours.

The inspiration for this came out of Leadership Workshops we ran with the management group. The communication diagram of this represents the 'tree' of the Hitchen family values; the leaves illustrate the botanical ingredients that most of our raw materials are derived from. The 'pathway' shows that we are on a continuous journey of improvement and growth, and the 'horizon' is derived from the McKinsey Innovation model of the 3 horizons.

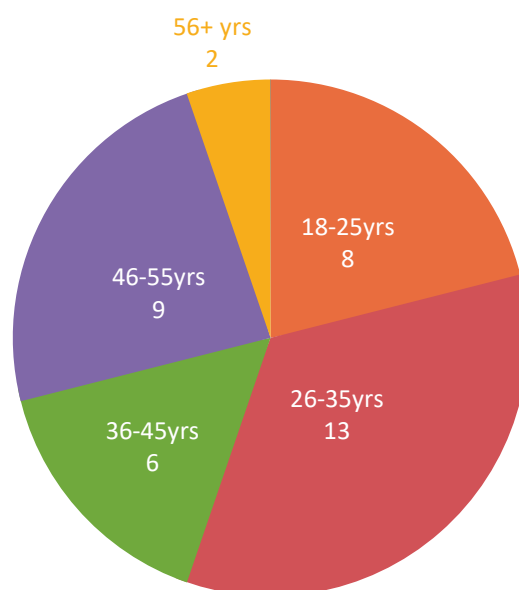
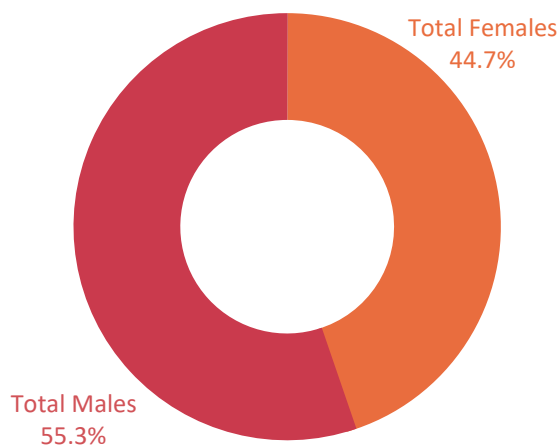


SOCIAL IMPACT

EMPLOYMENT

In 2020-2021 our employee turnover for unexpected leavers was unusually high at 16.3%. The circumstances behind this are numerous but Covid19 and Brexit played their part, with leavers citing fatigue, focus on family, career change (which may have been delayed in the previous year due to Covid19).

We successfully recruited 38 new people:



All Lionel Hitchens' permanent employees are entitled to receive all company benefits, some of which usually have a qualifying period of 2 months (pension and life cover) or 6 months (bonus). Additional benefits include:

- Profit-related bonus
- Defined contribution pension scheme where the company contributes up to 10% of salary depending on the employee contribution. More than 90% of our employees contribute to the scheme
- Life insurance of 4 times the salary
- 25 days holiday and employees can purchase up to 5 additional days of holiday per year
- Health cash plan
- Enhanced maternity and paternity pay. For period ending September 2021, all employees are entitled to statutory parental leave entitlements in line with legislation. 4 employees took maternity leave during the reporting period, and all have returned to work or are planning to return to work, and we anticipate that they will remain employed more than 12 months after their return.
- Training and development opportunities – in 2021/22 we have supported 2 employees through professional qualifications
- Volunteering days (one per year)
- We provide hampers to all employees at Christmas, including temporary employees
- Eyewear scheme and flu jabs
- Cycle to work scheme

SOCIAL IMPACT

OCCUPATIONAL HEALTH AND SAFETY

Our over-arching principles are:

- All activities are carried out in such a way as to safeguard everyone who comes into our business and/or is affected by our business.
- We encourage a positive culture of health and safety awareness, ownership, and accountability.
- H&S Training
- Risk assessments carried out for all key tasks
- Maintain a good working environment

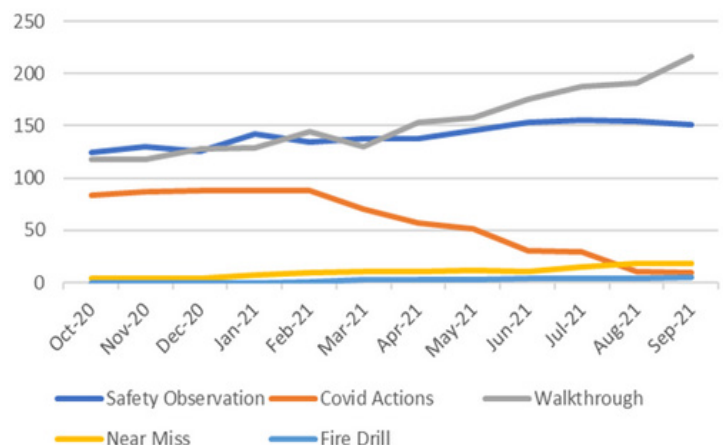
As a manufacturer of flavourings we handle very concentrated materials, a large number of which are hazardous. And as a manufacturing site with large plant and machinery and movement of materials we have many hazards that need to be controlled and managed.

We have a dedicated Health and Safety Manager and an employee health and safety committee which meet monthly, and bi-monthly manager H&S meeting. Each department has H&S risk assessments for the activities in their area and reviews of the risk assessments are tracked. Managers carry out H&S 'walk-arounds' in their area of responsibility to monitor practices.

We have a number of levels of reporting of incidents, including safety observations, hazard reporting cards (for 'near-misses') to develop preventive actions, and accident reporting.

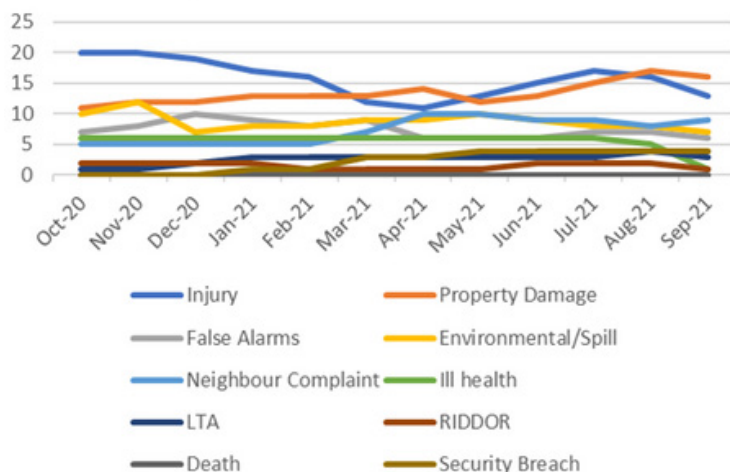
Many of our materials are classified as 'hazardous'. We produce Safety Data sheets in accordance with CLP (Classification, Labelling and Packaging Regulations) (Global Harmonised System of Classification and Labelling of Chemicals) and OSHA (Occupational Safety and Health Administration) formats, depending on the country requirements of the destination country. We also have a COSHH (Control of Substances Hazardous to Health) system in place. Our Covid19 proactive actions have decreased since January 21 as the controls we had in place were proving already very effective in managing cross-infection between employees.

Moving 12 month total for proactive data





Moving 12 month total for reactive data



During 2020-2021 we recorded:

- 11 work related injuries of various types, no trends were identified. Two of which led to lost-time-incidents; one was a RIDDOR
- 2 cases of ill health; skin conditions relating to use of hand sanitiser for Covid19 protection
- 0 fatalities

We subscribe to a Health Cash Plan for all our permanent employees which enables staff to receive cashback on everyday health care. The plan includes an Employee Assistance Programme and counselling sessions. We also run training programmes on managing Mental Health, manual handling and other health-related training.

To continue to improve our Health and Safety we have set a goal to be certified against ISO45001 by the end of 2025.

TRAINING AND EDUCATION

We pride ourselves in constantly providing training for our employees. We have enabled approximately 36 hours of training per person per year which includes e-learning, on the job training, refresher training, health and safety training and qualifications.

Our Performance Development Reviews (PDR) are formally held annually which include a discussion on training and development requirements. We have Personal Development Plans (PDP) with employees who wish to progress their skills and knowledge within our business.

100% of our permanent employees have PDRs which are compiled at the beginning of our financial year, reviewed at least at 6 and 12 months to determine individual performance grades.

SOCIAL IMPACT

SUPPLIER SOCIAL ASSESSMENT

Our over-arching principles are:

- Develop long-term supplier relationships based on trust and integrity.
- Encourage high standards of ethics and sustainability by agreeing to act in accordance with ETI principles and becoming members of SEDEX or equivalent for transparency.
- Select suppliers based on risk assessment against independent indices of sustainability.

All 3 new suppliers of raw materials in 2020-2021 were screened for social criteria and confirmed their compliance to our Ethical Trading Initiative principles. Over 60% of our supply base are members of SEDEX which can support operators in identifying areas of social responsibility factors to prioritise.

We plan to encourage our suppliers to join Ecovadis for transparency of their performance and drive continuous improvement of social responsibility factors in their organisations.

We have a goal to attain a Gold Medal Status on our Ecovadis score by 2024 .

SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Lionel Hitchen has seen consistent profit growth over the last 8 years. In 2020-2021 our revenue and operating profit increased significantly compared to the previous year. This has been achieved through diversification of our customer base and innovation in our product portfolio; continuous improvement in our working practices and investment in our technology.

We invest in training for all our employees and regularly employ undergraduate placement students to support their career development and create skilled employees of the future for our industry. We have excellent employee engagement scores in the surveys we carry out and 33 of our employees have worked for Lionel Hitchen for over 10 years.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

Lionel Hitchen has been working with our suppliers for a number of years to ensure that they are complying with Ethical Trading initiative principles, because we recognise that without happy and healthy workforces then our suppliers cannot operate effectively. Our suppliers need to be profitable to have a sustainable business.

The development and roll out of our Supplier Code of Conduct will demonstrate to our suppliers that we take our own sustainability seriously, encourage them to adopt sustainable practices and hopefully will be leading by example to our suppliers in less developed countries.

SUSTAINABLE DEVELOPMENT GOALS

In 2022 Lionel Hitchen is implementing technology to track the progress of our suppliers on ethical and sustainable practices.

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

Managing global warming impacts are critical to ensure global food security and production and we recognize that every business has a role to play in this, especially food manufacturing organisations, however small. We have been implementing a programme to raise awareness amongst our employees of this issue and investing in improvements to our plant to reduce our greenhouse gas emissions.

As we roll out our Supplier Code of Conduct, it will enable us to have constructive discussions with our suppliers about the actions that they are taking and to understand any direct implications from climate change for them such as the impacts of flooding, drought, storms etc. on crop availability and quality, transport disruptions and other factors.



REPORTING PRACTICES

Entities included in the sustainability report

Lionel Hitchen Limited (UK) is the only entity included in the sustainability report.

Defining report content and topic boundary

In this report, we have emphasised our passion and commitment to reducing energy consumption, GHG emissions, promoting ethical supply chain and engage with our employees in all strategies to be the 'Employer of Choice'. Our management approaches demonstrate the motivation behind achieving a sustainable business status under the outlined material topics. Specifically, we have advanced investments in reducing energy consumption and GHG emissions at our sites in the United Kingdom. Further to this, all our suppliers are screened in accordance with ethical principles and environmental guidance. This report is a complete and balanced reflection of our current business activities at Lionel Hitchen.

List of material topics

We have reported about three material topics which are Environment and Social. Specifically, Human Rights Strategy, Energy Reduction and Supply Chain ESG.

Restatements of information

Not applicable.

Changes in reporting

This is the first report to be prepared by Lionel Hitchen Limited.

Reporting period

1 October 2020 to 30 September 2021.

Reason for Omission

Information on annual compensation ratio is unavailable since this is our first report. We are working on accessing the necessary information to include in future report.

Date of most recent report

This is the first report to be prepared by Lionel Hitchen Limited.

Reporting Cycle

Annually.

Statement of use

Lionel Hitchen Limited has reported in accordance with the GRI Standards for the period 1 October 2020 to 30 September 2021.

External Assurance

The contents in this report have not been externally verified and assured.

GRI INDEX

GRI CONTENT INDEX		
Standard	Disclosure	Page
GENERAL DISCLOSURE (GRI 2)		
Organisation and its reporting practices		
2-1	Organisational details	3
2-2	Entities included in the organization’s sustainability reporting	25
2-3	Reporting period, frequency and contact point	25
2-4	Restatements of information	25
2-5	External assurance	25
Activities and workers		
2-6	Activities, value chain and other business relationships	4
2-7	Employees	5
2-8	Workers who are not employees	6
Governance		
2-9	Governance structure and composition	7
2-10	Nomination and selection of the highest governance body	8
2-11	Chair of the highest governance body	7
2-12	Role of the highest governance body in overseeing the management of impacts	8
2-13	Delegation of responsibility for managing impacts	8
2-14	Role of the highest governance body in sustainability reporting	8
2-15	Conflicts of interest	8
2-16	Communication of critical concerns	6
2-17	Collective knowledge of the highest governance body	8
2-18	Evaluation of the performance of the highest governance body	8
2-19	Remuneration policies	8
2-20	Process to determine remuneration	8
2-21	Annual total compensation ratio	25
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	8
2-23	Policy commitments	8
2-24	Embedding policy commitments	8
2-25	Processes to remediate negative impacts	6
2-26	Mechanisms for seeking advice and raising concerns	6
2-27	Compliance with laws and regulations	8
2-28	Membership associations	3
Stakeholder engagement		
2-29	Approach to stakeholder engagement	9
2-30	Collective bargaining agreements	6

GRI INDEX, continued

ENVIRONMENT (GRI 300)		
Energy		
302-1	Energy consumption within the organization	13
302-2	Energy consumption outside of the organization	13
302-3	Energy intensity	13
302-4	Reduction of energy consumption	14
302-5	Reductions in energy requirements of products and services	14
Emissions		
305-1	Direct (Scope 1) GHG emissions	15
305-2	Energy indirect (Scope 2) GHG Emissions	15
308-1	New suppliers that were screened using environmental criteria	16
308-2	Negative environmental impacts in the supply chain and actions taken	16
SOCIAL (GRI 400)		
Employment		
401-1	New employee hires and employee turnover	18
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	18
401-3	Parental leave	18
Occupational Health and Safety		
403-1	Occupational health and safety management system	19
403-2	Hazard identification, risk assessment, and incident investigation	19
403-3	Occupational health services	19
403-4	Worker participation, consultation, and communication on occupational health and safety	19
403-5	Worker training on occupational health and safety	19
403-6	Promotion of worker health	19
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	19
403-8	Workers covered by an occupational health and safety management system	20
403-9	Work-related injuries	20
403-10	Work-related ill health	20
Training and Education		
404-1	Average hours of training per year per employee	20
404-2	Programs for upgrading employee skills and transition assistance programs	20
404-3	Percentage of employees receiving regular performance and career development reviews	20
414-1	New suppliers that were screened using social criteria	21
414-2	Negative social impacts in the supply chain and actions taken	21



Acknowledgements

We wish to thank Professor Ven Tauringana and Dr Renata Konadu from the Southampton Business School based at the University of Southampton for their time and support in compiling this Sustainability Report. Their guidance was invaluable to provide structure in line with the Global Reporting Initiative (GRI) sustainability reporting standards.

Further Information

For further information about Lionel Hitchen's Sustainability Report 2021, please visit our website www.lionelhitchen.com

Contact Person

Helen McNair (Technical Director)
helen.mcnair@lionelhitchen.com