



LIONEL
HITCHEN
Flavour Ingredients

SUSTAINABILITY

REPORT 2022/23

Our Social Responsibility Progress

Naturally Fabulous



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Letter From The CEO

I'm delighted to introduce this, our 3rd sustainability report. Sustainability has become part of our culture and the way we work and is embedded in our values and behaviours, driving our decisions. We are a proud family-owned business and we want to ensure we will be securing a sustainable business for all the future generations of the Hitchen family.

Our business is healthy and continues to grow and in 2022/23 we achieved, yet again, record sales and profit figures. It is therefore even more rewarding to receive external validation of our growth success in the form of awards for 'Large Business of the year' and overall 'Company of the year' in the Central South Business awards and to become a finalist for the FDF's Exporter of the Year award.

The company celebrated a great performance in 2022/23 by sharing a portion of the profit with all employees. We have another ambitious budget for 2023/24 and many challenges to overcome, but we have plenty of enthusiasm and desire to overcome these with our fantastic, committed, motivated and enthusiastic #TeamHitchen.



We have further defined our business growth plans and continue to invest in our people, plant, facilities and equipment in line with these plans. In addition to the 3 new distributors appointed in 2022/23, we plan to further expand geographically with distributors in new territories; as well as in new market segments and organically through innovation. We are already a significant exporter with over 79% of our sales made outside the UK. Our growth in this area was recognised by being shortlisted as a finalist for the Business Growth award in the Solent 250 region.

Whilst acknowledging the devastating human tragedies incurred as a result of the Russian invasion of Ukraine, we are pleased to have successfully substituted all materials previously sourced from Russia, from other regions. We continue to have supply challenges due to natural disasters and geopolitical issues, but we work very hard on maintaining excellent relationships with our partners. Treating all fairly and with respect was one of Lionel's principles which has carried on in our business to this date and enables us to overcome any challenges with the support of our valued suppliers and customers.

Upholding and continually improving our standards is vital and we were delighted to achieve an AA* grade in our first unannounced BRCGS audit with no non-conformances which was also the case for our SMETA audit. We maintained our silver EcoVadis award and are going for gold in 2023/24!

Our Social Responsibility journey is well underway, and we are not short of ideas to continue to improve. Our World Class Manufacturing continuous improvement programme continues to be 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!



Eva Agnew
Chief Executive Officer (CEO)

About Lionel Hitchen Ltd

Our business

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 since 1965.

Our head office is in Andover, Hampshire in the United Kingdom, and we operate from two sites in Hampshire - Barton Stacey (manufacturing site) and Virginia Works (Andover site, warehouse, offices and development labs). We also have a subsidiary in the USA.

Our Operations

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

Our Employees

We credit our continued success on our great employees; 30% of whom have worked for us for over 10 years.

Our continuous improvement programme

World Class Manufacturing (WCM) is another factor in our sustained growth over the last 10 years. It is a programme that is implemented across the whole business, to drive improvements, large and small.

All employees are encouraged to participate in improving our business to be more efficient, effective, safe and comfortable.

Our Quality and Food Management System

Being certified to BRCGS standards, ensures that our products are manufactured to high standards of quality which our customers can depend on.



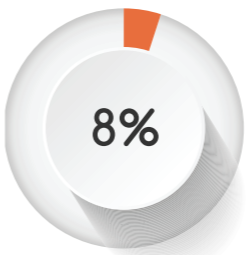
Our Distributors



Our Product capabilities

Include citrus specialities, herb and spice extracts and flavourings; selling them as ingredients for flavour and seasoning houses, and for direct use in food and beverage products. Our Creative Solutions Team are constantly crafting new formulations and processes to meet the changing needs of our growing customer base.

Our New Product Development



Our success is measured using a Vitality Index. Approximately 8% of our revenue comes from products that we have launched in the last two years.

Our financial performance has continued to improve significantly year on year and the profits generated have enabled us to continue to invest in people and plant; to increase production capacity, skills, and extending market penetration through new product development and regional reach.

We do not receive any financial assistance from the government.

We are proud and active members of:



The business is managed by the CEO and 3 executive directors and the CEO reports to a shareholder board which consists of the 3 family shareholders, one non-executive director and one consultant.

The executive board are held to account for delivering against key performance indicators (KPIs) and report regularly to the Shareholder Board.

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.

She also represents the company on:

- IFRA-IOFI Sustainability committee, representative for UKFA
- FDF Sustainability Strategy Advisory board
- Seasoning and Spice Association Sustainability working group

The other directors have also taken measures to advance their knowledge on sustainable development issues.

Remuneration:

Executive 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.

Our Business Strategy

Our business strategy reflects our product positioning in the market, our approach to NPD, our appreciation of our customers by providing the highest levels of service, advice and support with the upmost flexibility and agility.

We regularly communicate our strategy to all employees.



In the picture we have from left to right Helen McNair - Technical Director, Tim Brown - Sales and Marketing Director, Eva Agnew - Chief Executive Officer, Hazel Toner - Human Resources Manager and Tim Metcalfe - Operations Director.

Name	Board role	Gender	Age range
Alison Barnes (nee Hitchen)	Shareholder (Chairperson)	Female	70-75
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	60-65
Tim Metcalfe	Operations Director	Male	55-60
Tim Brown	Sales and Marketing Director	Male	55-60
Helen McNair	Technical Director	Female	55-60

Our Social Responsibility Policy

We have developed an overarching policy to cover our sustainability principles and commitments covering:



Human Rights and our Employees



Environment



Community



Sustainability in our supply chain



Business Ethics

In order to obtain independent assessment of our policies, activities and our results we are members of EcoVadis.

We use the feedback from the EcoVadis assessment to develop our continuous improvement activity on sustainability.

We have been members of Sedex for a number of years to support our own continuous development, and use it for supplier risk assessment.

This year we have had our 3-yearly SMETA audit.

Our SMETA Audit in 2023

- 3-yearly 4-Pillar SMETA audit held in September 2023
- Shared with customers through the Sedex platform
- Proud to receive no non-conformances
- The auditor noted a number of 'Good Examples' including our wages and benefits; our proactive approach to environmental improvement and sustainability; our 'very good' management system and Health & Safety systems

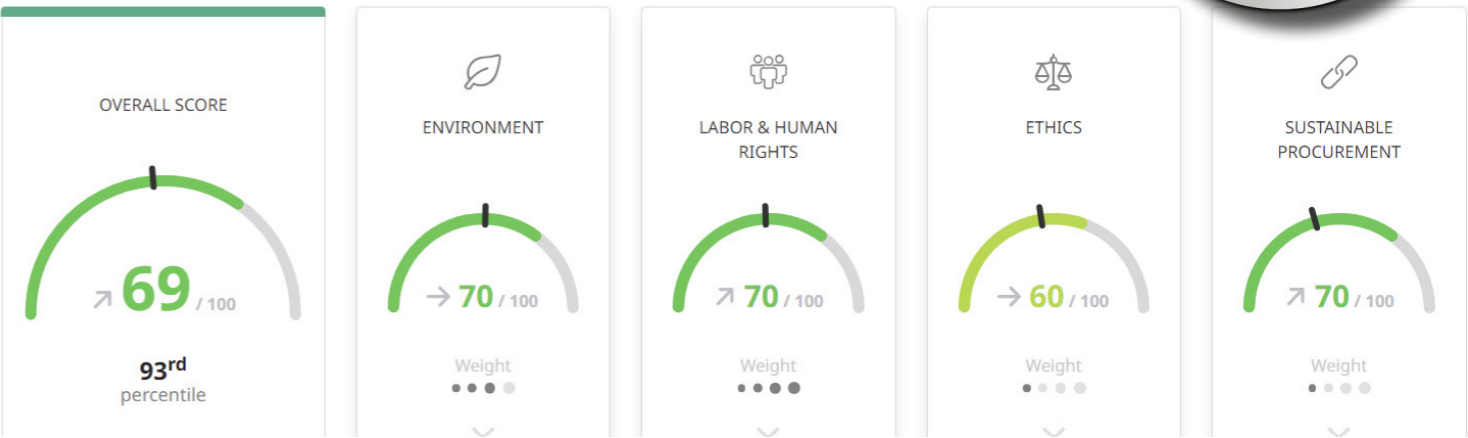


The Sedex platform has data which is regularly updated on global indices of countries' status on Environmental Performance, human rights and business ethic factors. This is used to inform the potential sustainability risks at our raw material suppliers.

We share our scores from EcoVadis and Sedex with our customers for transparency.



Sustainability performance Insufficient Partial Good Advanced Outstanding



Our Business Awards



Central South Business 2023



Large Business of the Year
Company of the Year



Food & Drink Federation Awards 2023
Finalist for Exporter of the Year

Our Material Impacts

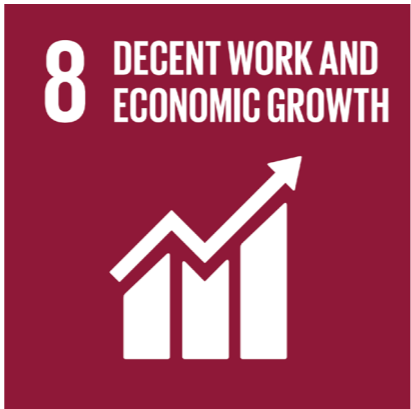
We use the Global Reporting Initiative framework to report on our sustainability measures and activities. We have identified the following as the main areas where we have material impacts on the people, the environment and economy.

We have aligned them with the United Nations Sustainable Development Goals (UNSDGs). These material impacts are where we have identified that there is potential for negative impact that we have to prevent or mitigate and also where we are currently making a positive contribution and will continue to do so and improve further.



Ensure healthy lives and promote well-being for all

- We have trained our HR and HSE teams in mental health first aid to support our employees.
- We have rolled out mental health awareness training to all employees and management.
- We organise regular occupational health surveillance for staff.
- We offer a health cash plan including an employee assistance programme and counselling as part of our employee benefits package.



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

- In 2022-2023 our revenue and operating profit continued to increase, following the pattern of the last 6 years.
- All employees benefit from our profit-sharing incentive bonus scheme.
- We invest in training for all our employees.
- All our suppliers of raw materials confirm that they comply with the Ethical Trading Initiative principles.



Ensure sustainable consumption and production patterns

- This year we increased our focus on addressing some of our key waste streams.
- We have started to track the weight of waste by the different waste streams generated.
- We have been investigating opportunities to reduce the use of single-use plastic wrapping and other packaging.



Take urgent action to combat climate change and its impacts

- We have continued to raise awareness amongst our employees of this issue and invest in improvements to our plant and buildings to reduce our greenhouse gas emissions.
- Our Supplier Code of Conduct 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.



Stakeholder Engagement

Our Principles

Our Hitchen Way business values encourage trust and respect with all our stakeholders.

Our Social Responsibility Policy ensures we deal with suppliers and customers with integrity.

Conflict of Interest: This year we formally made this principle of trust and honesty a part of our written policy for business ethics; the Anti-Corruption and Bribery Policy.

Our KPIs

Each year we set targets on the KPIs, track them monthly and determine any improvements we need to make to our processes to meet or exceed those targets.

Our Actions and Achievements

Food safety is a 'given' in the UK, but it is only achieved through the strong food safety culture and comprehensive Food Safety and Quality Management System in our operation. This year we achieved AA* grade in our BRCGS audit in our first unannounced audit. We had no non-conformances.

We have expanded our Customer Experience team this year to improve our service even more. New customers are 'on-boarded' through a formal process to ensure we fully understand their needs and they can understand what they need to do for us to give them the best possible introduction to our relationship.

Our Creative Solutions Team are dedicated to inspiring product development and solving any problems our production team and customers might have with our products. Over 85% of our revenue is generated from customers we have worked with for well over 10 years. Some of our customer relationships span many decades.

Confidentiality is taken very seriously in our business, and that integrity and trust is why many customers continue to faithfully do business with us. As a result, we have not had any complaints concerning breaches of customer privacy or data.



Stakeholder Engagement



Our Customers

Customers are at the forefront of what we do, for everyone in the business. We have systems in place to track our key performance indicators of what matters most to our customers; the quality of our products – right first time; deliveries made on time in full; customer complaints on product issues and service standards.

Over the last few years we have been actively looking at increasing our global reach and are delighted that we have taken on 3 new Distributors in 2022/23.
Behn Mayer, Indonesia
ITS, Malaysia
Amcan in France, Portugal and Spain

We have carried out extensive training with their teams to help them understand the technical aspects of our products and support them in marketing and selling our products. The training included an intensive week at our sites in Hampshire.



Our Suppliers

80%

- Approximately 80% of our spend on raw materials comes from 13 suppliers, most of whom we have been sourcing from for over 20 years. This year we have visited some key Suppliers to reinforce our relationship with them and to discuss their sustainability programmes and see them for ourselves.
- LH operates in accordance with the [Modern Slavery Act](#) and ensures suppliers do the same.
 - We now regularly have discussions with our suppliers about their sustainability programmes, and they proactively communicate their progress to us.

Our Local Community

We will consider our operational impact on residential neighbours. Our production and warehouse facilities are in close proximity to residential homes, so we strive to minimise any impact through noise, traffic and smells. We respond seriously to local resident complaints.

We participate in local schools and educational programmes engaging interest in our business. We make financial donations to several local charities.

We have a volunteering scheme, which allows every employee to take a whole day each year to volunteer within our local community or with a charity of their choice.

Our business has close ties with the Enham Trust - www.enhamtrust.org.uk and the Andover Food Bank <https://andover.foodbank.org.uk/>.

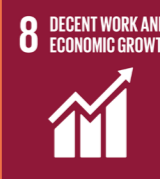
As part of our growing relationship with the Enham Trust and expanding on our well-established corporate volunteering scheme, this year we offered an 8-week work experience placement for one of Enham’s residents. This provided an invaluable insight into the world of Lionel Hitchen and our operations, thus providing essential skills and experience that could be included within a CV, tying in with the charity’s supported employment programme.

In addition to our work with the Enham Trust, we also organised two collections for the Andover Food Bank as well as taking part in the Wear it Green Day, raising money for the Mental Health Foundation as part of Mental Health Awareness Week.

As part of our community engagement initiatives, in 2023 we also attended two local EBP South events which included the Get Inspired Careers Fair which was attended by 443 Secondary School students as well as a STEM Fair for Primary School students. Furthermore, we offered work experience to 3 secondary school students this year.



Our Employees



Our Principles

- UN guiding principles of ‘Protect, Respect and Remedy’
- To be The Employer of Choice, through our progressive pay, benefits and working environment
- Following our values of The Hitchen Way

Our Policies

We have a comprehensive and transparent collection of policies and procedures regarding human rights, employment, expectations and remediation.

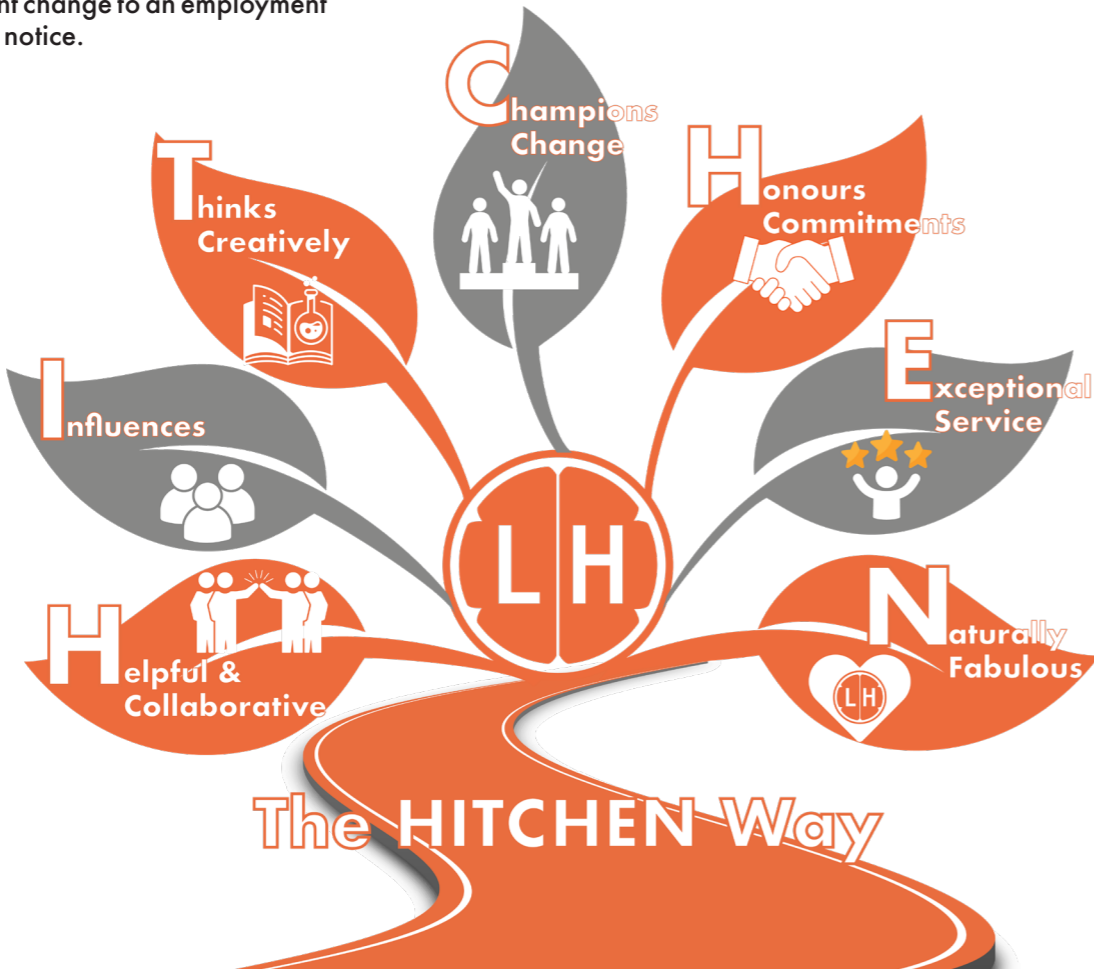
This year we issued a specific Human Rights policy to communicate to our employees and stakeholders the high standards of ethics and behaviours we expect.

Further to this we operate in accordance with the Modern Slavery Act. Employees are provided training on this as part of our employee induction programme for new employees, and we display posters around site to remind employees of the policy.

Where we make a significant change to an employment contract we give 4 weeks’ notice.

For changes to shift patterns at least 2 weeks’ notice is given. This year we introduced a new shift pattern to support our increased production volumes. This was done in consultation with the employees impacted.

We do not operate any non-guaranteed hours employment.



Salary increases for all employees are according to individual Performance Development Review (PDR) performance grades 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 and this year, in particular we took the cost of living increases into consideration.

The 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; and reviewed at least at 6 and 12 months to determine individual performance grades. Regular one-to-ones are strongly encouraged.

We also have a grievance procedure which applies to all employees and other stakeholders regardless of length of service. This year we updated the policy to emphasise the importance of using informal discussion for resolving issues. 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, there is a helpline number to contact, as well as training provided through our online training provider.

Our Measures



136
employees

81
at our manufacturing
site in Barton Stacey

55
at our site in Andover

Our Employees

41%

Female

In management positions

16

(29% of total number of female employees)

59%

Male

25

(31% of total number of male employees)



0%

Median Gender pay gap at September 2023

128

full time

8

part time

Temp employees are only used for specific projects or as intermediate cover for absence while we recruit or for maternity cover.

We have a diverse employee population and in the last 12 months we have recruited employees from Hungary, Poland, Ireland, South Africa, Malaysia, and we also have employees from Lithuania, Slovenia, Spain, Portugal, the US, Latvia, Malaysia and Turkey.



4.5%

Turnover of employees (unexpected leavers) in 2022-23

21

New employees during the 2022-23 financial year



We supported 4 female employees through maternity leave



We have not had any reported incidents of discrimination in the last 13 years.

Our Actions and Achievements

We recognise that our employees are our most valuable asset and that our business would not be sustainable without a happy and a healthy workforce. Unemployment is low in our location so having attractive cultural values and a competitive benefits package is key to attracting and retaining the best people.

We consider training of our employees to be fundamental to our success and a key part of our business strategy is to be 'Trusted Advisor' for our customers and to produce high quality products.

We use a variety of training tools and platforms to support individuals' learning at their own pace at a time in the day that suits them.

Between 1st October 2022 and 30 September 2023, 1,328 e-learning courses and assessments were completed in HR, HSE, IT and Food Safety. These enable employees to carry out the training at a time that suits them.

- A programme of HR training was rolled out for managers and supervisors, as follows: mental health awareness for managers; absence management; recruitment and selection; bullying and harassment; investigations and disciplinarys; performance management; whistleblowing; equality, diversity and inclusion; GPDR; modern slavery; anti-bribery and leadership introduction workshops.
- Our employee pension scheme is with Scottish Widows and is a defined pension contribution scheme. This year we organised several financial education sessions to help employees plan for their retirement and manage their current finances.
- We held 2 career development workshops to support employees on their individual personal development journeys; to help them understand how to develop themselves within their current roles.

We provide a comprehensive set of benefits for our employees. New ones introduced this year are:

- This year we made a one-off payment in April 2023 to employees to support with the cost of living crisis.
- A free mortgage advice service.

We organised a Family Fun Day in the Summer of 2023 which was attended by over 50% of employees and their families. The day included a BBQ, ice cream van, a live band and charity raffle.

Our Goals

To introduce a new benefit of a Salary Sacrifice electric car lease scheme for employees.

To roll out leadership skills training to our middle-grade employees.





Our Principles

- 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.
- We provide a good working environment.
- Training is given at all levels.
- Risk assessments form the basis for identifying hazards and ensuring control measures are in place to minimise the risk.

Our Policies

- As a manufacturer of flavourings we handle very concentrated materials, a large number of which are hazardous. As a manufacturing site with large plant and machinery and movement of materials we have many hazards that need to be controlled and managed.
- Our Health and Safety policies cover the full breadth of our business to keep our employees and any visitors or contractors working on our sites safe and healthy.
- Employee health screening is carried out regularly.

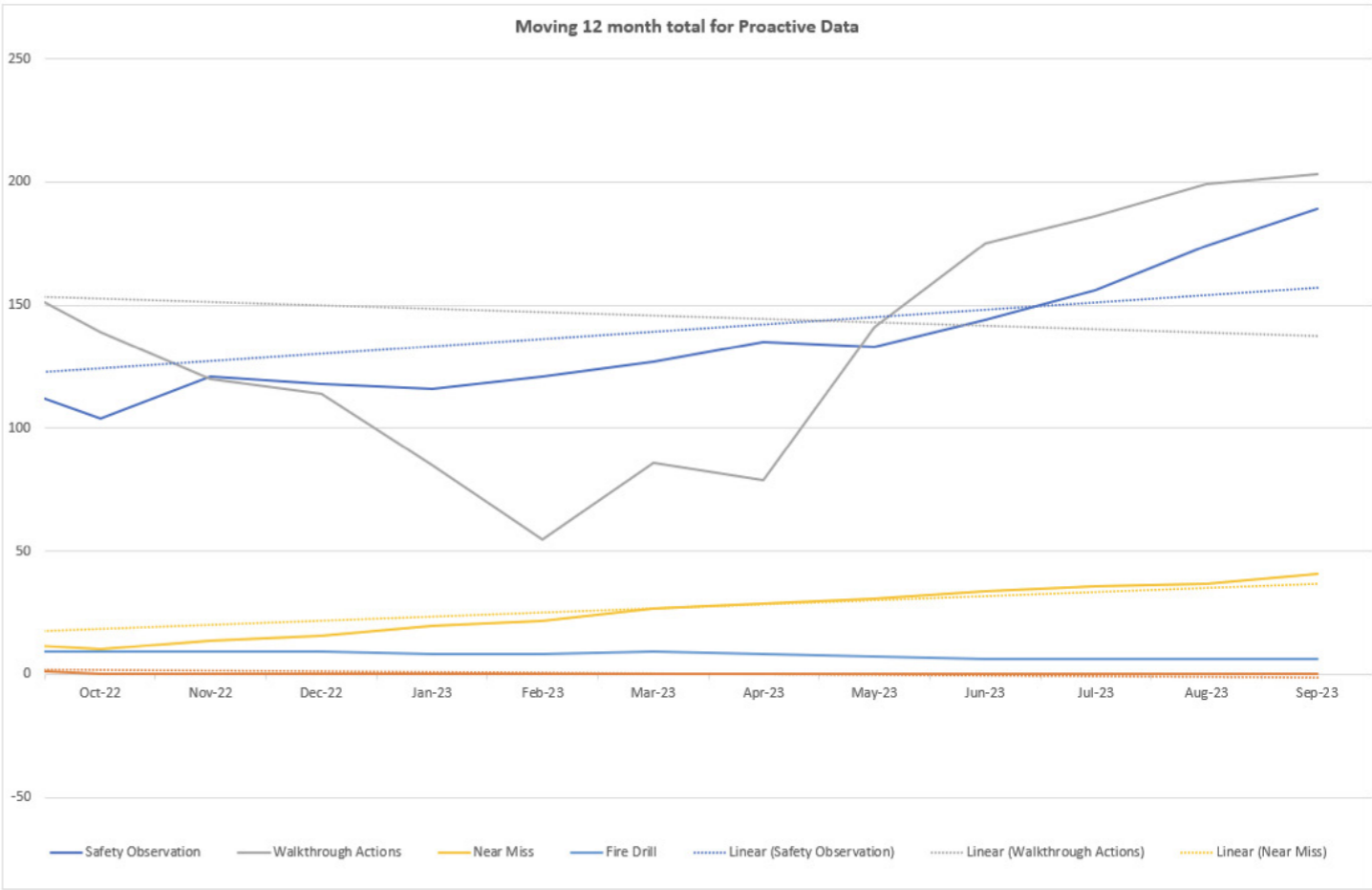


Our KPIs

- 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.

Proactive Measures

- Safety observation cards form the foundation of the safety culture within Lionel Hitchen. These cards are quick and easy to complete, available in all work areas and are reviewed at the daily site management meeting, where actions are tracked to completion and feedback given to the person raising the card. There were 208 observation cards submitted within the financial year.
- Departmental Manager walkthroughs remain at the heart of the safety culture not only in highlighting safety improvements but utilised as a coaching session with the area teams, a further 160 improvement opportunities have been acted upon. Near miss reports are submitted, analysed, from which an action plan is developed and tracked by the HSE Department.
- Our extensive health and safety training used a variety of methods including web-based training which can be carried out at a time which suits the individual.
- Training sessions are organised and issued in line with current legislation, and progress of completion monitored.



Occupational Health and Safety

Reactive Measures

We track and report a number of health and safety measures:

0 Lost time incidents

0.38 2021 / 2022
Accident frequency rate

0 2022 / 2023
Accident frequency rate

0.007 2021 / 2022
Accident severity rate

0 2022 / 2023
Accident severity rate

We also report product spills and property damages, potential security issues, neighbour complaints and other environmental issues.

Our Actions and Achievements

We have a dedicated Health and Safety Manager, and an employee Health and Safety Committee which meets six-weekly; and bi-monthly manager H&S meetings.

Each department has H&S risk assessments for the activities in their area and reviews of the risk assessments are tracked. There are further risk assessment programmes in place with regards to chemicals, manual handling, and equipment (PUWER 1998).

We produce Safety Data sheets (SDS) in accordance with CLP (Classification, Labelling and Packaging Regulations) (Globally 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 are developing a new COSHH System to ensure that the information is easily and quickly accessible.

We commissioned an external company specialising in air monitoring for the production area and laboratory, and we are updating our air treatment and ventilation in various areas of the unit.

In March, we have received a visit by the Competent Authority (combined forces of the Environment Agency and the Health and Safety Executive) to assess our Compliance with the Control of Major Accident Hazards Regulations 2015. They were pleased with our current controls and noted an improvement opportunity with regards to our hazardous waste storage cage.

In July, we have received our new Environmental Permit and Variation Notice from Test Valley Borough Council, as a result of our successful collaboration with them.

In September, we held familiarisation events at both of our sites with the local (Andover and Sutton Scotney) Fire and Rescue Services, to further strengthen our emergency response programme.



Our Goals



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



Our Principles

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

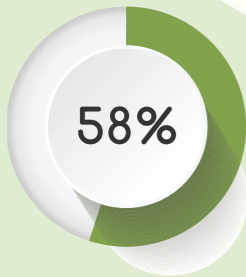
We have a number of policies for environmental protection.

These consider waste management, water management, Major Accident Prevention, Energy management.

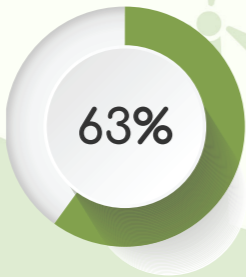


Our KPIs

ecovadis



2021



2022



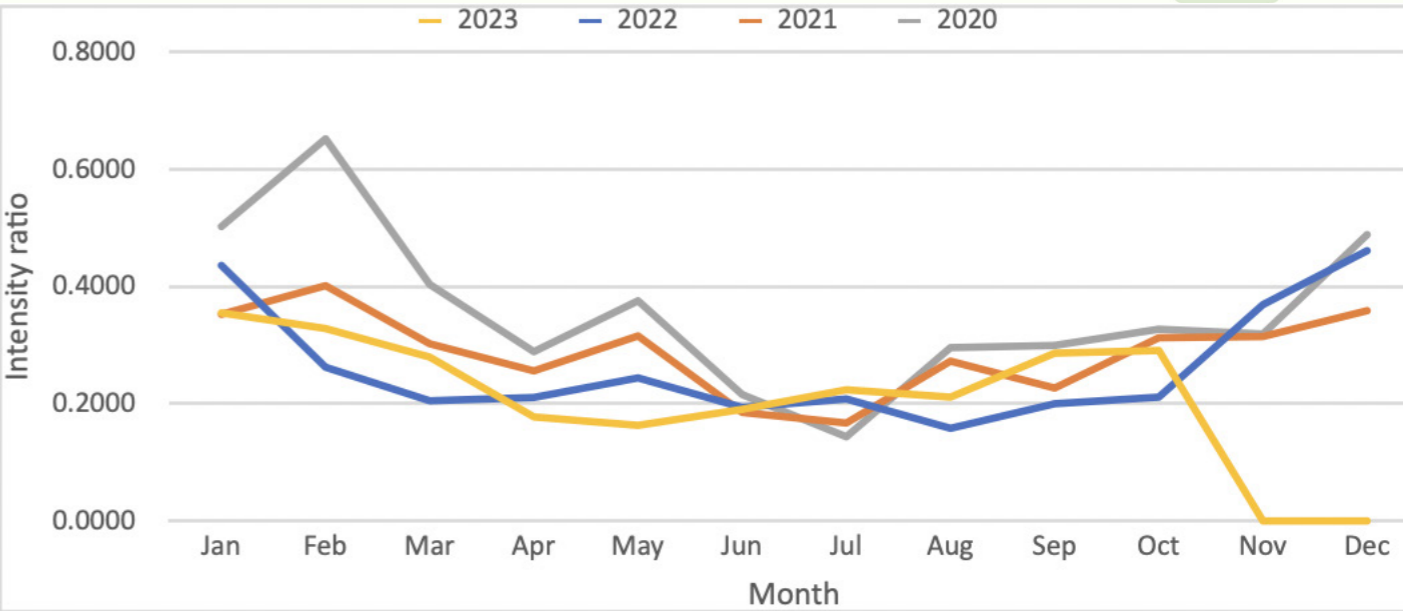
2023

Scope 1 and 2. Actual kWh and CO2 emissions of fuel oil and electricity

	Barton Stacey site only	20/21	21/22	22/23
Scope 1	Fuel Oil, MWh	1,508	1,648	1,665
Scope 2	Electricity, MWh	550	769	809
Scope 1	Scope 1 CO2 emissions	311.39	423.3	431.7
Scope 2	Scope 2 CO2 emissions (electricity only)	128.36	163.38	159.9
	Total CO2e emissions	439.76	590.6	591.7
	Energy intensity, kWh/Tonne monthly average	1,873	1,601	1,869
	CO2e intensity, tonneCO2e/tonne production, monthly average	0.29	0.27	0.29

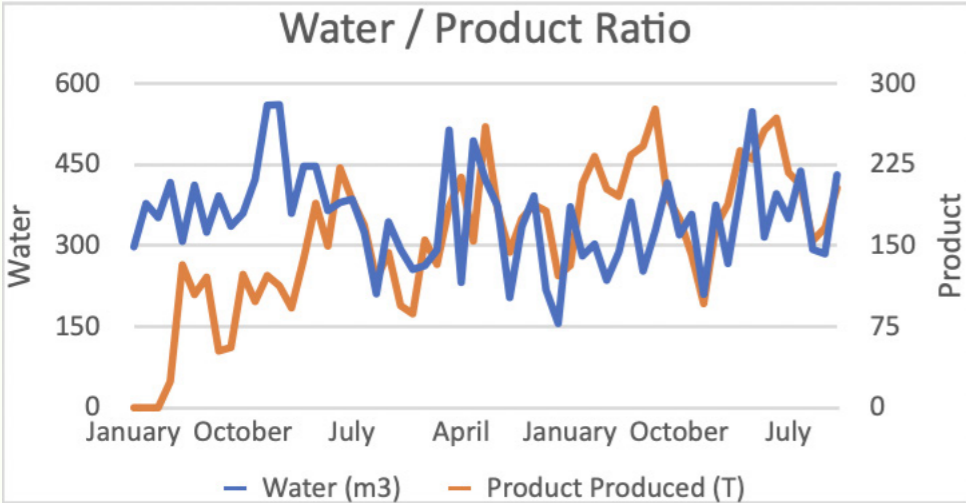
Energy intensity. Because of the diversity of our production operations, the energy intensity can vary considerably depending on the volumes in each type of process.

Intensity ratio: tonnes CO2e/tonnes of product produced



Environmental Impact

We measure the total volume of water consumed and the quality of the water discharged
This graph shows the proportion of water used versus production volumes over the last 4 years, despite volumes increasing our water usage has remained stable.



We test our water effluent weekly for suspended solids and chemical oxygen demand and it is continually tested for pH.



As an international business, flights to visit suppliers and customers are unavoidable, so this year we subscribed to a Carbon-off-setting platform to compensate for the greenhouse gas emissions that these trips inevitably make.

1,130
trees funded



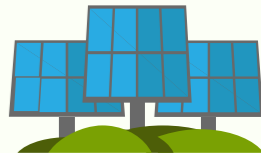
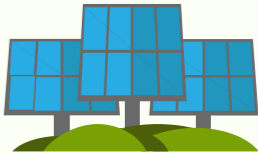
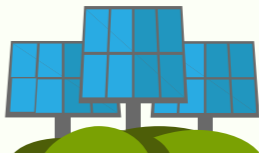
84
tCO2e avoided



Our Actions and Achievements

- We now lease a hybrid pool car to replace one of our old diesel pool cars.
- We have a formal cross-functional team reviewing progress against our 'Green Pathway' which documents improvement activities, especially towards reductions in GHG emissions.
- Energy intensity performance is now reported monthly.
- Solar panels are being installed at our Andover site with a Power Purchase Agreement. This will allow us to supply 43.3 % of the power this site needs from a renewable source. Plus, any excess power we don't need will be fed back into the main grid.
- We have carried out improvements to heating and hot water systems in a number of our production buildings and warehouse areas to improve their efficiency.

We directly support climate projects around the world, such as installing solar panels, protecting rainforests and wind energy projects.



We also have an informal group of enthusiastic employees from across the business who call themselves the 'Green Dream Team' who look at ways we can improve on sustainability aspects. This year, they have supported the business looking at opportunities to reduce our single-use plastic.

Our Goals

- EcoVadis gold by 2024
- To continue to measure GHG emissions and implement improvements to reduce our energy intensity.
- To identify specific processes where there is opportunity to improve energy efficiency and implement actions to deliver GHG reduction.



Supply Chain Sustainability



Our Principles

- 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.

Our KPIs

100% Suppliers agreeing to comply to Ethical Trading Initiative

47% Suppliers agreeing to comply with our code of Conduct as we roll it out from our top suppliers

85% of our raw material suppliers are Sedex members

22% of our raw material suppliers are EcoVadis members

Our Actions and Achievements

- Having introduced 'Qadex' to support our Supplier Approval Process in the previous year, we have now completed it for 90% of our suppliers and have started populating the information on raw material approval and specifications. This will help us manage our risk assessments of suppliers and ingredients and will make information sharing easier for both parties in the future.
- In our previous financial year, we introduced a Supplier Code of Conduct and spent time briefing 20 of our key suppliers. This year we have continued to roll the Code of Conduct out to more of our suppliers.
- Some of the locations where crops are grown to produce our raw materials may be impacted by global warming effects such as drought, flooding and other weather effects. We mitigate these by having sources of key ingredients in other regions where we can.

We had visits to Spain and Sicily to see citrus oil producers and met with the growers to talk about

the good agricultural practices to which they were complying. In Spain, our lemon oil producers work closely with growers on sustainability projects. The area suffers from water scarcity, so water catchment reservoirs have been built incorporating evaporation prevention measures and intelligent sensors to deliver water directly to each tree.

Large insect 'hotels' have been constructed to encourage good insect diversity to reduce the need for chemical inputs. Solar panels are installed at the processors to make use of the year-round sun to generate electricity.

We have been liaising closely with a number of our big citrus suppliers to assess their certification status to SAI/Global GAP and to encourage participation in these schemes which protect the environment and lead to more sustainable growing practices and supply.

We use TACCP principles to assess our suppliers for risks through the supply chain and have 2 suppliers rated as high risk for sustainability factors due to the source country and not being Sedex members.



Our Goals

- This year we completed our goal to ensure that 100% of Palm oil derivatives we buy are from RSPO or equivalent sustainable sources.
- This financial year we assessed our 11 New raw material suppliers for Environmental factors; ETI compliance, Environmental Performance Index, Modern Slavery index, CITES.

- To train the purchasing team members in sustainable procurement.
- To issue a policy on our sourcing of deforestation-risk materials, including palm oil.

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 report on four material topics which relate to environmental and social factors.

Restatements of information

Not applicable.

Changes in reporting

This is the third report to be prepared by Lionel Hitchen Limited. The structure has been adjusted but content has not fundamentally changed.

Reporting period

1 October 2022 to 30 September 2023.

Date of most recent report

This has been prepared by Lionel Hitchen Limited and published in March 2024.

Reporting Cycle

Annually.

Statement of use

Lionel Hitchen Limited has reported in accordance with the GRI Standards for the period 1 October 2022 to 30 September 2023.

External Assurance

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

Reason for Omission

Information on annual compensation ratio is sensitive information.

Further Information

For further information about Lionel Hitchen’s Sustainability Report 2022, please visit our website www.lionelhitchen.com

Contact Person

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