

LUITEN FOOD



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Sustainability report 2021

Luiten Food



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Our overview

If I would call 2021 a normal year, I would be telling far from the truth. Navigating our way through all the different COVID measures and closures of the gastronomy sector proved to be a challenge. A challenge which I think we have successfully managed.

Like last year, the gastronomy sector has had a difficult year with the closures all over Europe. This also caused fluctuations in the supply to these sectors. Luckily our solidified and growing position in the retail sector compensated for these variations. As a result, our production and packaging facilities have seen an increase in utilization.

Just like every company in the Netherlands it has been difficult to match these increased volumes with enough personnel. However, despite this, we have still managed to end 2021 with 29 more colleagues than we started the year.

On the sustainability side, this year has been a year of determining our long-term goals and material themes. By asking our colleagues and external stakeholders which themes they deem important for Luiten Food to tackle, we can create a more structured and effective sustainability strategy. I am happy that stakeholders recognize the importance of sustainable energy and carbon reduction but also see that food safety, animal welfare, and traceability are also part of a sustainable future.

When looking at our emissions, we have also taken steps in the right direction. Our solar panels now have the capacity to cover 30% of our electricity needs. Also, a pilot with sustainable fuel has been concluded successfully and we are now looking into how and if further implementation is possible. Converting our complete fuel consumption to HVO100 would mean a reduction in CO2 emissions from transport of roughly 85% by just switching fuels.

- Lennert Luiten, CEO



Our company

Luiten Food has been active in the trade of game and poultry since 1938. In its current form, the company has grown into one of the biggest European players in the import of beef, lamb, game, poultry, Iberico, fish & seafood. Luiten Food is proud to be the supplier of various companies active in food service, food processing, wholesale, catering, retail, and speciality stores.

The Luiten Food team has been working together for years and attaches great importance to personal contact with its customers and suppliers. Therefore, loyalty and trust are among the key principles. This ensures high-quality products and a good relationship with customers.

Luiten Food is a modern and professional company. Outstanding quality control and service are our main priorities. The customer can be assured that we will do everything in our power to tailor a custom solution for every request. We try to find a solution for every technological issue and are happy to take on any challenge for product and chain optimization or innovation. Service and flexibility are of paramount importance at Luiten Food.

Luiten Food recognizes the rising importance of corporate social responsibility. Based on a sense of social commitment and a clear vision, we are constantly looking for the perfect balance between social, environmental, and economic interests. By doing this, we do everything in our power to take care of people and the environment, in the short-, but also in the long term. Our CSR policy is divided into social (people), environmental (planet), and economic (profit) aspects. The overview of the policy can be found in the policy section of this document.

In a bid to give direction to its corporate social responsibility, Luiten Food uses the ISO 26000 standard as guidance. To measure its performance, Luiten Food is audited yearly against the “MVO prestatieladder” (Literal translation: CSR performance ladder). This certification is the ideal way to push the company forward in the field of sustainability as the main drive behind the standard is ‘continuous improvement’.

About us

- Over 80 years of experience.
- Modern and professional.
- Remarkable quality standard
- Exclusive meat products from all over the world.
- Serving a wide variety of customers.
- Striving for carbon neutrality by 2030

Location:
Stompwijk, The Netherlands



Our operations

Cold Storage

- 7000 Pallet places
- Chilled
- Frozen

Production facilities

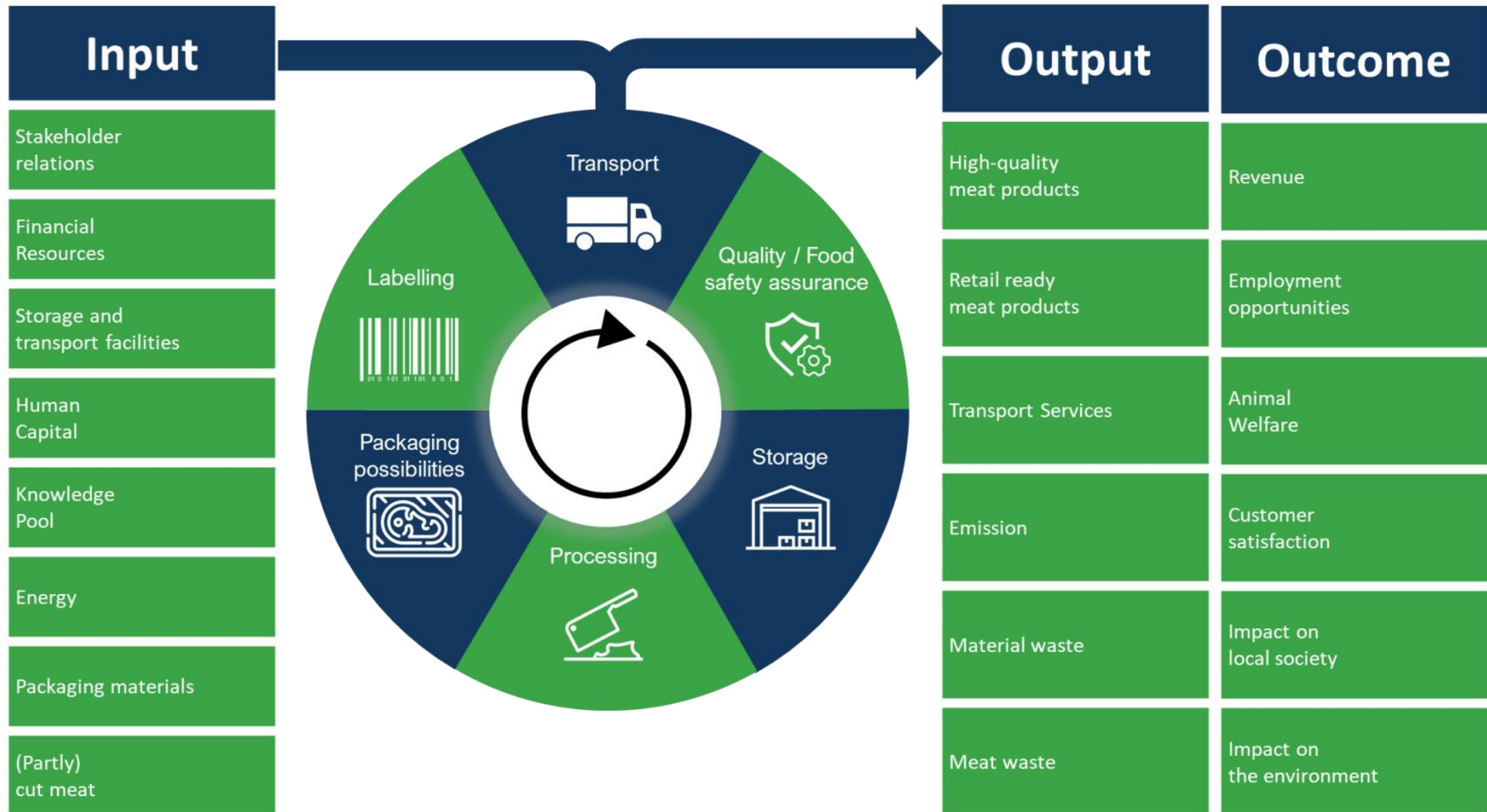
- Packaging
- 2D labelling
- QR labelling
- Cutting room

Transportation

- Delivery within 24 hours in Northern/Western Europe
- Mixed pallets



Our added-value



Our reach in Europe

2021: 2.26%

2020: 2.77%

2019: 3.49%

France



2021: 16.8%

2020: 14.4%

2019: 13.3%

Germany



2021: 14.5%

2020: 14.5%

2019: 10.8%

United Kingdom

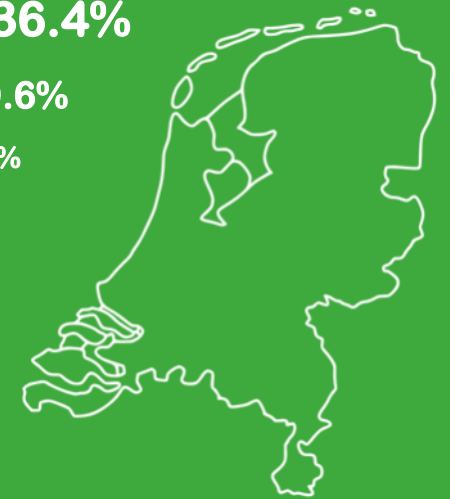


2021: 36.4%

2020: 39.6%

2019: 39.6%

The Netherlands



2021: 2.94%

2020: 4.75%

2019: 3.79%

Switzerland



2021: 9.91%

2020: 9.73%

2019: 11.6%

Belgium



Markets served: 36

The Netherlands remains our biggest market segment by a large margin. Its percentual decrease is caused by accelerated growth in other markets like Germany and Belgium. With the opening of our U.K. office, we expect to solidify our position in the U.K. market in the near future as well.



♂ Male

Total male employees (end of the year): 82

New hires (male): 38

Resignations (male): 13

Average age (male): 33

Average years employed (male): 6

Fulltime (male): 55

Parttime (male): 2

On-call (male): 38

♀ Female

Total female employees (end of the year): 22

New hires (female): 10

Resignations (female): 4

Average age (female): 39

Average years employed (female): 4

Fulltime (female): 5

Parttime (female): 9

On-call (female): 13



Illness percentage: 2.2%



% of employees with a permanent contract: 82.6%



Average hours of training per employee: 6.4

Our people

New hires

Employee shortages are present in every sector in the Netherlands, also at Luiten Food. Over the past year, it has been a challenge to match the company's growth with an equal growth in employees. All in all, we were still able to attain 31 new colleagues spread over different departments.

Installation of the first works council

Due to the interest of colleagues in a works council, as well as fulfilling compliance obligations by setting one up, 2021 was the year that saw our first council elections. Five employees from various departments have started, with the help of a counselor, to support the board of directors in decision-making as well as to offer a dissenting voice when necessary.

Training:

2021 has seen various different pieces of training and courses offered to our colleagues. Some new colleagues followed language courses or other courses to prepare them for their new job. Others have followed the periodic ERO courses. All colleagues follow the yearly quality and food safety e-learning.

A CSR workshop has been provided to a few employees by Sustainalize back in March 2021. In this workshop, trends were discussed and the basics of CSR were repeated. Afterward, we discussed the material themes as a preparation for the materiality survey held in April 2021

Educational opportunities:

Starting in 2022, Luiten Food will offer its employee from production and order-picking the opportunities to follow vocational education in combination with employment at Luiten Food. This will mean that they work for four days and go back to school for one day a week. In this way, the employee is rewarded with a MBO diploma whilst being employed full-time at Luiten Food. Luiten Food ensures in this way that its employees stay up-to-date with the relevant knowledge.

Our responsibility in the supply chain

Our role in the supply chain

Luiten Food, in essence, is a distribution company that focuses on the import, storage, processing, marketing, and transport of chilled and frozen meat products from all over the world. During the last few years, Luiten Food has focused on expanding its plant to facilitate the growing demand for our production facilities. Our cutting, packaging, and, labelling facilities have been expanded to provide the customer with an extensive range of possibilities with regard to the preparation of their meat products.

Our extensive partnership with Thomas Foods international from Australia extends our control over the supply chain even further. The shared vision of Luiten Food and Thomas Foods ensures that food safety, employee wellbeing, and animal welfare are controlled within the biggest portion of the supply chain. In this way, the customer is ensured of an ethical and high-quality product.

Traceability: Increasing food safety and reducing food fraud.

Luiten Food prioritizes traceability for all of its products. Within society, the call for transparency within the meat industry is becoming louder. Therefore, Luiten Food has made sure that all of its products are traceable back to their origin. This is a trend within the industry that a lot of other companies also follow. Within the next years, we expect blockchain technology to become increasingly important for sector-wide traceability. At this moment, implementation is slow and still in the very early research phase. Luiten Food believes that blockchain technology will only work if it is implemented and regulated by a governing body like the E.U. This will enable the platform to be carried by the industry as a whole.



Our Stakeholders

We see our stakeholders in the broadest sense of the word as a crucial part of the organization. Stakeholders are selected and assessed on their power on, and interest in Luiten Food. The influence of stakeholders differs and the interest they have in Luiten Food is not always equal. By making a distinction here, we hope to gain insight into how we should approach and/or involve the various stakeholders.

In addition, some stakeholder groups are monitored to a further extent for various reasons. For example, suppliers are assessed on the professionalism and origin of products and/or services to exclude any corruption or malpractice. In this way, we provide insight into whether its stakeholders are already engaged in socially responsible practices.

Stakeholders are selected on their interest in Luiten Food as well as the power they can exert on the company. This is interpreted in the broadest way possible. A power-interest matrix is then created to identify the most important stakeholders. The list on the right contains the most important stakeholders as well as the stakeholders the CSR performance ladder identifies as obligatory.

Management	Certification institutions
Employees of Luiten Food	NGOs
Foodservice customers	Retail customers
Employment agencies	Residents in the vicinity
Suppliers of meats	Shareholders
Competitors	National and European government
Bank	Suppliers of misc. services
Municipality	Branch organisation

Our Material topics

In 2020 we had difficulty defining our material topics because little stakeholder input was gathered. In order to resolve this issue, a materiality survey has been sent out to various stakeholders. The amount of responses has been satisfactory. With the gathered information we were able to identify six material topics to focus on in our long-term CSR strategy which will run until 2030.

All long-term goals have been formulated and worked out. In 2021 an assessment has taken place to determine the starting point and short-term goals to achieve the main goal. Now it is time to focus on the medium-term goals in order to ensure there is a structured path to achieve success in 2030 with all six goals.

Sustainable energy and transport

Reduction of packaging and waste

Transparent reporting

Wellbeing of employees

Quality Management

Animal Welfare

Traceability

Our quantitative performance

With the COVID-19 pandemic having a reduced impact on our operations, 2021 turned out to be our best year yet, mainly because of a significant increase in revenue and profit margin. An increase in total costs of 2.7 million euros dampens the profit somewhat but is not proportional to the increase in gross margin.

Over the last three years, we have seen a steady increase in total equity as well as a decrease in long term debt. This results in a healthier financial position. Of course, it must be noted that significant investments have not been made in the past three years which explains a steady decrease in long-term debt due to depreciation.

In 2022, we expect a steady increase in revenue whilst maintaining a healthy financial position.

	2019	2020	2021
Net sales (revenue)	€119.587.068	€107.464.319	€140.285.256
Quantity of products sold	15 kiloton	13 kiloton	16 kiloton
Profit before taxes	€2.041.982	€3.086.339	€10.788.661
Total Equity	€10.513.700	€12.849.493	€15.862.803
Total Debt (long-term)	€3.586.072	€3.184.210	€3.052.319
Total Debt (short-term)	€31.054.827	€32.460.464	€32.285.063



Our electricity consumption

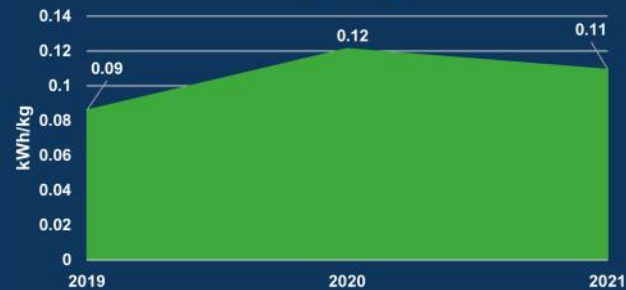
Overall, in 2021, energy consumption has increased when compared to 2020. This is mainly explained by increased meat processing and the installation of new machinery in those facilities. When excluding 2020 due to influences of COVID-19 on the sold volumes, the total energy per kg of product sold has also increased over the years. This can also be attributed to the increased levels of processing which are more energy-intensive compared to our logistical operations.

The energy mix is making the expected shift towards a higher percentage of renewable energy due to the newly installed solar panels. This helps us in reducing our scope 2 emissions to 0 and keeps us on track to achieve this in 2030.

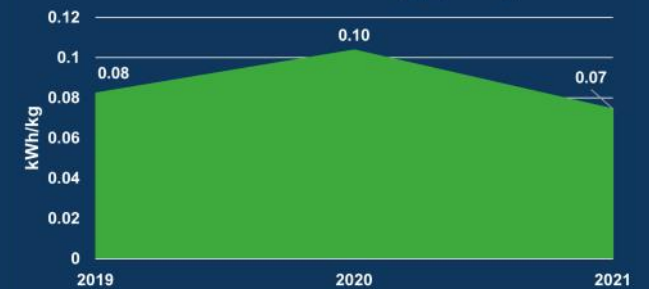
The goal of 2022 is to find new opportunities for the greenification of the energy mix.



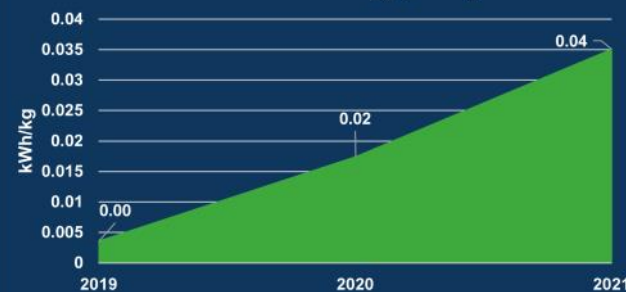
Total Energy per kg sold



Total non-renewable Energy per kg sold



Total renewable Energy per kg sold



% Renewable energy of total



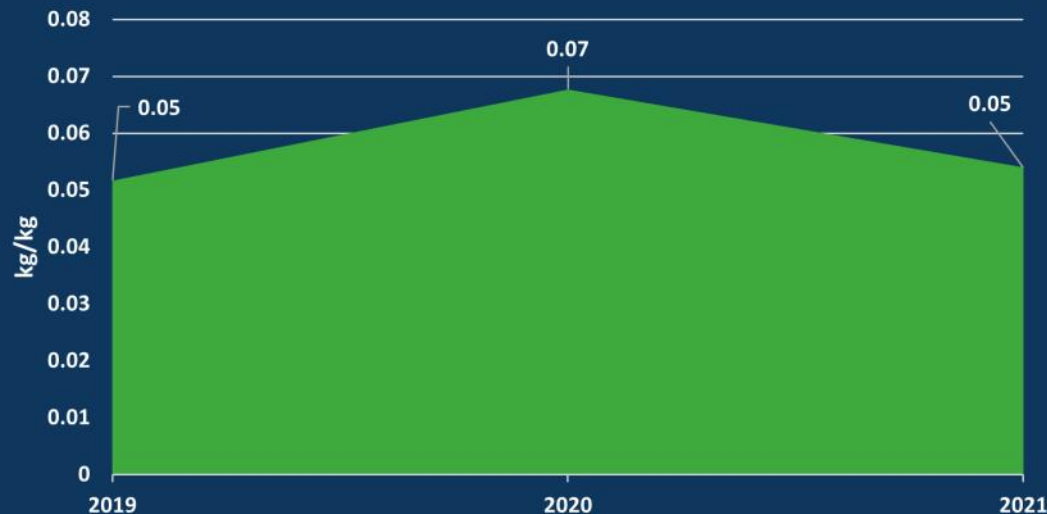
Our emission statistics

In 2021, our emissions remained fairly stable when compared to 2019. In 2020 the emissions per kg sold were higher due to a decrease in sales volume. Although emissions from our energy mix are decreasing, the increased utilization of our trucks resulted in higher fuel usage and thus more emissions. When looking at the percentual share of fuel emissions within the total CO2 emissions, this share has increased from 11% in 2019 to 17% in 2021.

To tackle this, Luiten Food is considering the use of HVO100, a sustainable fuel made from vegetable oils and animal fats. By using HVO100, Luiten Food would cut total emissions by roughly 13%. This would reduce the percentual share of fuel usage to 3%, enabling Luiten Food to solely focus on reducing its non-renewable energy usage.



Total CO2 emissions per kg sold (Scope 1&2)



Percentual share of CO2 emissions of our transport and energy usage:



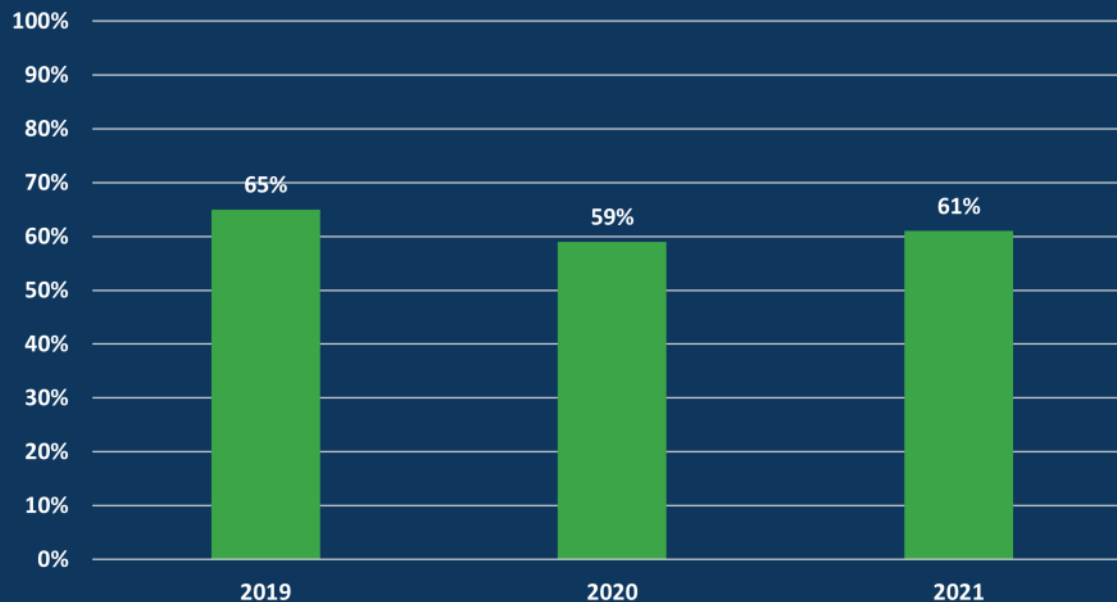
Our waste management system

Products that we process are packaged in plastic. Plastic is one of our largest waste streams, but it also offers benefits. Meat and fish in particular are perishable products. By using plastic packaging, our products have a longer shelf life and protect against physical contamination. Although plastic helps reduce food waste, we are looking for solutions for reducing plastic materials and recycling options.

As is evident from the percentage of waste recycled, Luiten Food is producing more non-recycled waste. This is mainly caused by a substantial increase in residual waste. As currently, we have no alternative for depositing food packaging in the residual waste, this possible recyclable stream goes to waste.

To improve our recycling practices, we are looking for options to start recycling plastic food packaging in addition to “clean plastics”. Once this is achieved, we expect the percentage of recycled waste to increase substantially.

Percentage of waste recycled



Residual waste: 34%

Carton / plastic waste: 61%

Category 2 waste: 5%

Quality management, animal welfare, and traceability

Working with perishable goods requires accurate control of all processes. We work with various quality standards and hygiene codes that contribute to the safe and reliable implementation of our operation.

The control starts at the source. First of all, we select our suppliers based on their performance and their quality system. We regularly visit our suppliers to physically control the processes. By keeping the inventory management and the logistic chain under our own control, our quality team is able to accurately monitor the transit of all goods. With our integrated logistics software, all products are 100% traceable.

Total number of audits in 2021:

15

Animal welfare systems:



Quality management systems:



Sustainability management system:

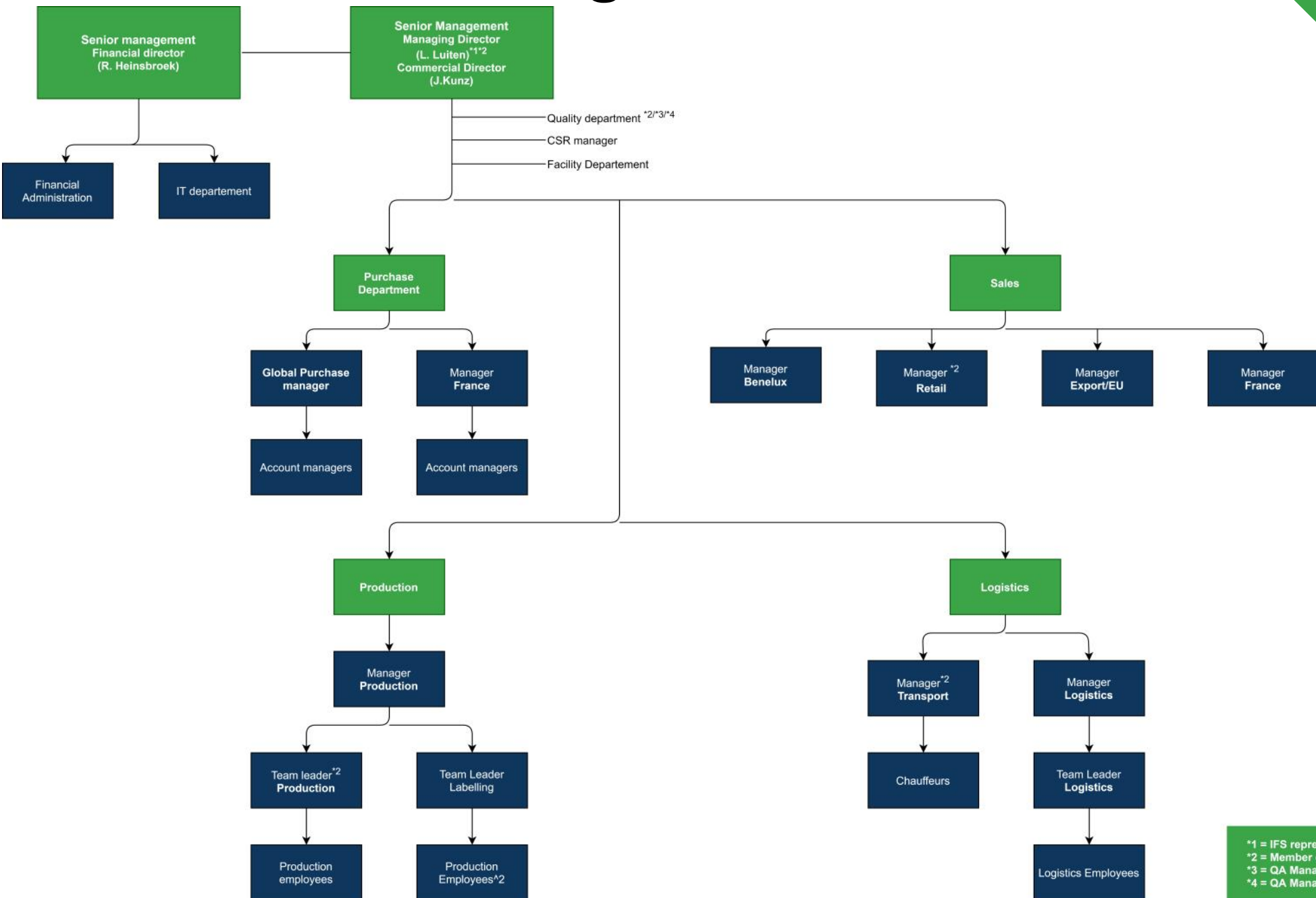


**CSR
Performance Ladder**

Additional Information



Our governance structure



*1 = IFS representative (Managing director)
 *2 = Member of HACCP-team
 *3 = QA Manager = Integritymanager
 *4 = QA Manager = MSC/ASC (CoC) contact

Our policy

We Luiten Food:

- Meet the wishes and demands of customers.
- Take responsibility for the environment, by means of controlling energy, wastewater and waste, e.g. by sorting waste, etc.
- Make use of sustainable raw materials and materials as much as possible.
- Respect all religions and nationalities and try to facilitate religious practices if this has no cost-increasing consequences.
- Do not use products produced with the involvement of child labour or other types of human rights violations insofar knowledge of this is available.
- Motivate and involve employees in the decision-making process to improve the process, product and organizational conditions.
- Maintain a food safety culture, in which 'teamwork', 'commitment', 'responsibility', 'trust' and 'learning' are the central pillars.
- Prevent situations that could endanger food safety. Starting with the purchase and acceptance of the raw materials up until delivery.
- Perform entry checks, supplier assessments and microbiological checks to ensure the quality of the products.
- Comply with the requirements and obligations prescribed by law and certifications.
- Provide the necessary resources to ensure product safety, legality, integrity, and quality.
- Ensure that this policy is also effectively implemented by means of objectives so that we can constantly evaluate and adjust if necessary.
- Specify the (raw) materials, resources and outsourced work to be ordered so that safety and health risks related to the process and product are reduced.
- Declare that product specifications will be made available containing information about ingredient declaration, allergen information, shelf life and directions for use.

GRI index 1/4:

Disclosure	Description	Elucidation	Externally Assured?
102-1	Name of the organization	Luiten Food B.V.	No
102-2	Activities, brands, products, and services	Page 5	No
102-3	Location of Headquarters	Klaverblad 11 2266JK Stompwijk	No
102-4	Location of operations	European Union	No
102-5	Ownership and legal form	B.V. as per Dutch law.	No
102-6	Markets served	Page 7	No
102-7	Scale of Organization	Page 5 Page 8 Page 12	No
102-8	Information on employees and other workers	<p>Page 8</p> <p>The total number of employees shown is the total on 31-12 -2021.</p> <p>The division of employment type is computed on 31-12 -2021 but also includes in 2021 resigned employees.</p> <p>Production work, especially during the seasonal peaks is carried out by temporary workers. This only occurs when our own employees cannot handle the requested volumes.</p>	No

Disclosure	Description	Elucidation	Externally Assured?
102-9	Supply Chain	Page 9	No
102-10	Significant changes to the organization and its supply chain	No significant changes have taken place in 2021	No
102-11	Precautionary Principle or approach	The organization de facto applies the principle but does this by following the rules as prescribed by IFS and the CSR performance ladder.	Yes – externally audited IFS and CSR performance ladder management systems.
102-12	External Initiatives	Luiten Food B.V. is not subscribed to the MVO Nederland circular economy initiative	No
102-13	Membership of associations	Luiten Food B.V. is a network partner of MVO Nederland	No
102-14	Statement from senior decision maker	Page 3	No
102-16	Values, principles, standards, and norms of behaviour	Page 19	No
102-18	Governance structure	Page 18	No
102-40	List of Stakeholder groups	Page 10	Yes – CSR performance ladder
102-41	Collective bargaining agreements	No employees are covered by collective bargaining agreements as Luiten Food is not bound to one.	No

GRI index 2/4:

Disclosure	Description	Elucidation	Externally Assured?
102-42	Identifying and selecting stakeholders	Stakeholders are identified through brainstorming and sorted by relevance, impact and type of stakeholder.	Yes – CSR performance ladder
102-43	Approach to stakeholder engagement	Page 10	No
102-44	Key topics and concerns raised	Only a few sustainability-related concerns have been communicated. These claims were all related to the products Luiten Food sells and questioned the ethicality of these products. Through elaborating on the vision and reasoning of Luiten Food this problem was deemed to be resolved.	No
102-45	Entities included in the consolidated financial statements	Luiten Food B.V.	Yes
102-46	Defining report content and topic Boundaries	Report content is based on the materiality survey carried out in 2021. In this survey, stakeholders were asked to identify the most material topics for Luiten Food.	The process for defining material topics is externally audited and in accordance with the CSR performance ladder.

Disclosure	Description	Elucidation	Externally Assured?
102-47	List of material topics	Page 11 Report content is based on the materiality survey carried out in 2021. In this survey, stakeholders were asked to identify the most material topics for Luiten Food.	The process for defining material topics is externally audited and in accordance with the CSR performance ladder.
102-48	Restatement of information	No restatements or changes in measurement methodology since 2020	No
102-49	Changes in reporting	The list of material topics has been drastically shortened after conducting the materiality survey.	No
102-50	Reporting period	1 January 2021 – 31 December 2021	No
102-51	Date of most recent report	February 2022	No
102-52	Reporting cycle	Annual	No
102-53	Contact point for questions regarding the report	Jim Pardon – csr@luitenfood.com	No
102-54	Claims of reporting in accordance with the GRI standards	This report has been prepared in accordance with the GRI Standards: Core option	No
102-55	GRI content index	Page 20-23	No

GRI index 3/4:

Disclosure	Description	Elucidation	Externally Assured?
103-1	Explanation of the material topic and its boundary	Discussed for every material topic	Yes – CSR performance ladder external audits (SGS)
103-2	The management approach and its components	Discussed for every material topic	Yes – CSR performance ladder external audits (SGS)
103-3	Evaluation of the management approach	The progress of the goals and effectiveness of the management approach is discussed yearly in the management review as well as quarterly in the CSR meetings.	Yes – CSR performance ladder external audits (SGS)
201-1	Direct economic value generated and distributed	Page 12	
302-1	Energy consumption within the organization	Page 13	
302-3	Energy intensity	Page 13	
302-4	Reduction of energy consumption	Page 13	
305-1	Direct (Scope 1) GHG emissions	Page 14	
305-2	Energy indirect (Scope 2) GHG emissions	Page 14	
305-4	GHG emissions intensity	Page 14	
305-5	Reduction of GHG emissions	Page 14	

Disclosure	Description	Elucidation	Externally Assured?
306-1	Waste generation and significant waste-related impacts	Page 15	
306-2	Management of significant waste-related impacts	Page 15	
306-3	Waste generated	Page 15	
401-1	New employee hires and employee turnover	Page 8 Hires and resignations in 2021 are aggregated.	No
404-1	Average hours of training per year per employee	On average, an employee at Luiten receives 4.6 hours of training per year based on 70 FTE.	No
404-2	Programs for upgrading employee skills and transition assistance programs	Luiten Food will start to offer educational opportunities to production and order-picking personnel. This includes one year of vocational training at the MBO1 level. If possible the employee can also choose a higher level such as MBO3 or MBO4. These degrees will take 3 years to obtain. All degrees will be financially covered by Luiten Food.	No
404-3	Percentage of employees receiving regular performance and career development reviews	Every employee on the payroll receives an annual review to discuss performance, career opportunities and other relevant subjects.	No

GRI index 4/4:

Disclosure	Description	Elucidation	Externally Assured?
405-1	Diversity of governance bodies and employees	<p>Page 8 for information on employees</p> <p>The board of directors exist solely of men, with two of them between the age of 30-50 and one over 50 years old.</p>	No
405-2	Ratio of basic salary and remuneration of women to men	<p>Ratio female/male overall: 0.90</p> <p>The ratio cannot be determined for specific categories since the responsibilities and tasks of employees are not comparable.</p>	No
416-1	Assessment of the health and safety impacts of product and service categories	All products are assessed on their health and safety impacts with regard to food and product safety. This happens according to Dutch and EU law as well as additional requirements by certifications or customers.	No
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food safety complaints have all been adequately dealt with. No incidents of non-compliance have therefore been identified.	No



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INTERNATIONAL

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April 2022

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