

LUITEN FOOD

THOMAS FOODS[®] INTERNATIONAL



AUSTRALIA | EUROPE | UK | CHINA | USA | JAPAN

BEEF LAMB GAME POULTRY SEAFOOD VEGETARIAN

Sustainability Report 2023



Contents



- 3 Overview of 2023
- 4 Our Company
- 5 Our Structure
- 6 Our Footprint
- 7 Our People
- 8 Our Stakeholders
- 9 Employee wellbeing
- 10 Emissions
- 11 QA management
- 12 Waste management
- 13 Animal welfare
- 14 Financials
- 15 Management Structure
- 16 Our Policy
- 17-20 GRI index

Overview of 2023

Lennert Luiten—Managing Director

First of all, I would like to briefly look back at 2023. It was a year with a lot of headwinds but also many positive developments. The volume we sold increased by 33%. This is largely due to the increase in the volumes of frozen chicken, and also due to sales increases in other products, such as seafood. The market prices were, unfortunately, lower than the years before. This put pressure on our margins as is evident from our financial data on page 14. Coupled with increasing costs, it was a challenging year. However, we have handled 20% more orders and were able to reach many new customers. We have created a good foundation for 2024.

2023 was also a year of major sustainability milestones. In July we have been audited against the CSR performance ladder on level 4. We have successfully closed this audit with only 3 non-compliances which have since been resolved. This means that we are recognized as frontrunners in our industry. Something we are extremely proud of. On the other hand this means that we cannot afford to sit still and we need to continuously improve to keep performing at this level.

We also notice that our sustainability efforts are paying off commercially. Our customers are increasingly asking for more sustainability data. Something which we are often able to provide instantaneously due to our previous efforts. Also our vegetarian and vegan assortment ensures that we can keep serving the ever changing consumer base, now and in the future.

When I look forward to 2024, our sustainability efforts will mostly be focused on working on compliance with the new EU regulations. The EUDR, for example, requires us to delve deep into our supply chain to assess deforestation risks and gather geodata. The data collection will have to happen at a scale which has never been done before in the meat industry. Together with our partners we hope to ensure compliance as soon as possible.



From left to right: Jan Kunz, Lennert Luiten, Roald Heinsbroek

Our Company

The History

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 specialty stores.

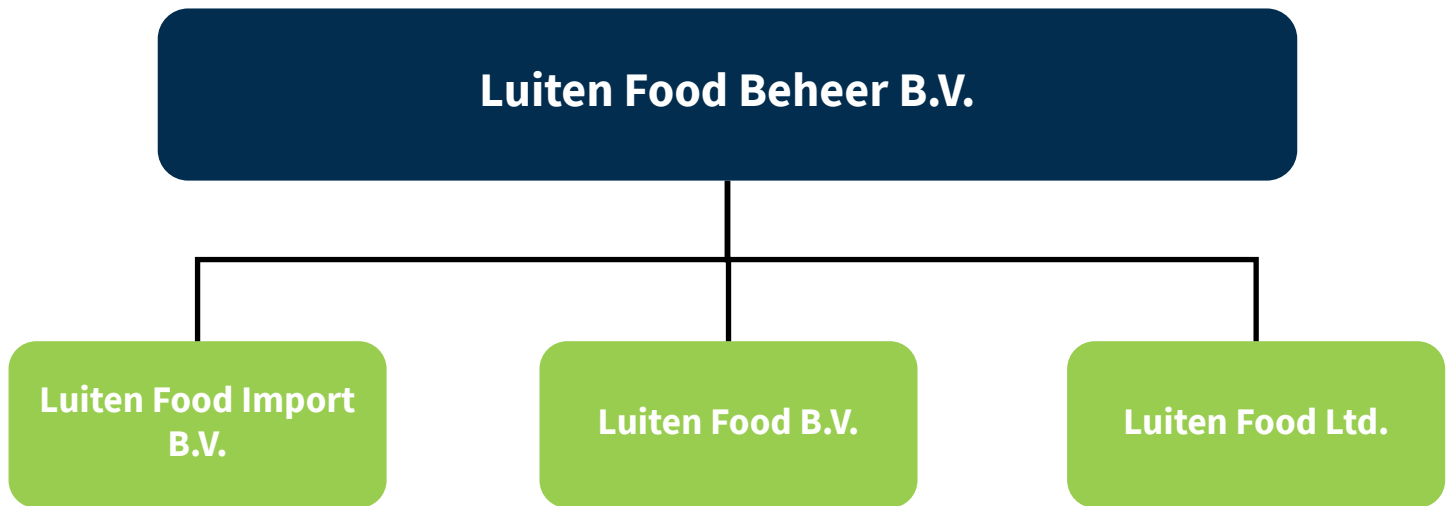
The Luiten Food team has been working together for years and attaches great importance to personal contact with its customers and suppliers. Therefore, loyalty and trust are among the key principles. This ensures high-quality products and a good relationship with customers.

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 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.



Our Structure



The reporting company for this sustainability report is Luiten Food Beheer B.V., unlike previous reports. This change has been made due to the increasing staff size at Luiten Food Ltd., as well as the upcoming EU Corporate Sustainability Reporting Directive (CSRD). This change will enable Luiten Food to better comply with the auditing requirements of the CSRD.

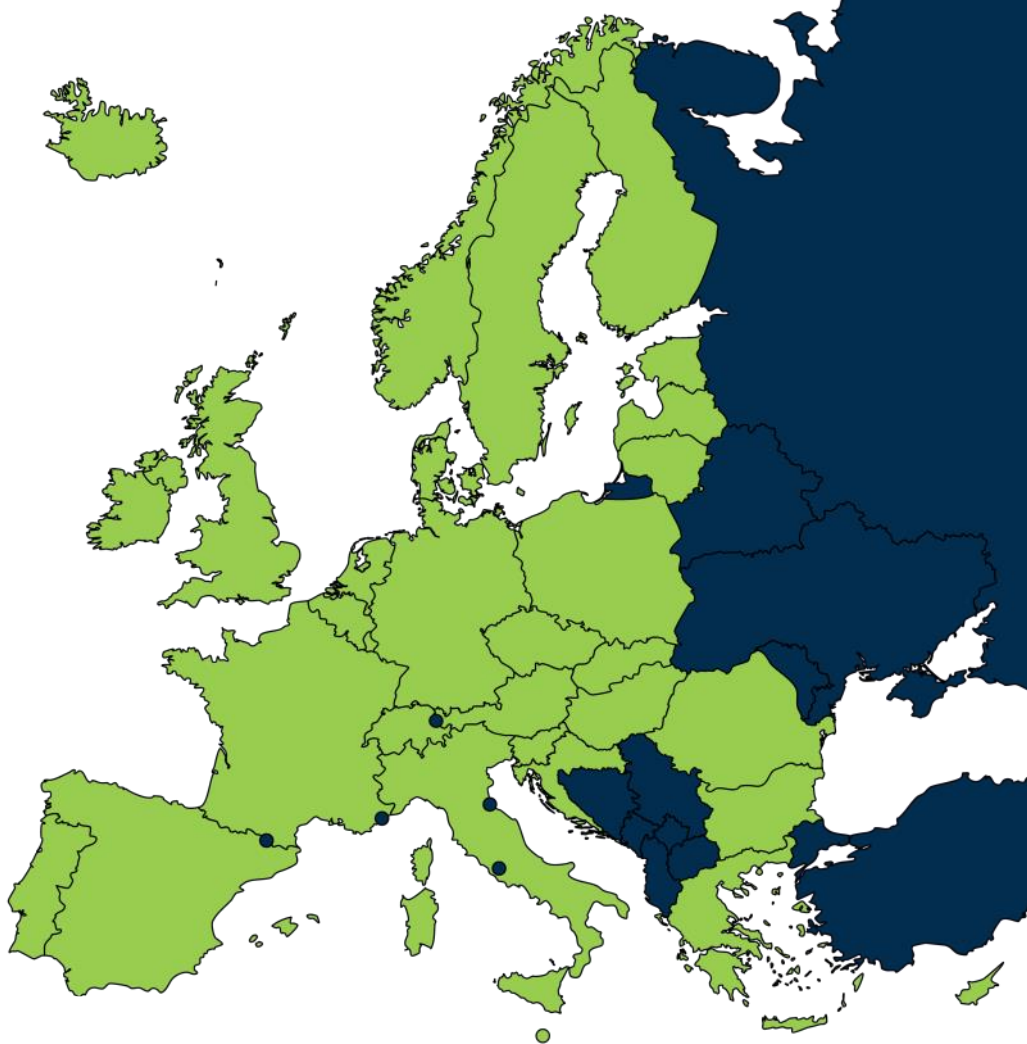
The reporting period remains linked to the financial statements due to future integration. This annual report contains information about Luiten Food's sustainability performance in the period 1 January 2023 until 31 December 2023



Our footprint

Largest markets:

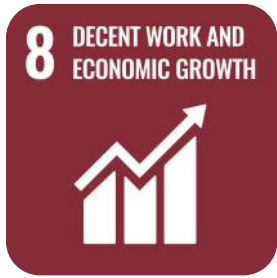
1. The Netherlands
2. Germany
3. United Kingdom
4. Belgium
5. Cruiselines



Our assortment is imported from various regions of the world and shipped to either our warehouse in Leidschendam or external warehousing in the UK. Products are then sold and shipped to wholesale, retail, and foodservice customers across all countries of the EU as well as the United Kingdom, Switzerland, Norway, and Iceland. Additionally, Luiten Food serves a wide variety of cruise liners across European ports. Customers can chose a from an extensive range of beef, lamb, poultry, seafood, vegan, and vegetarian options which can be processed, packaged, and labelled in countless configurations.



Our People



This year has been marked by significant developments and challenges within our organization. This year saw a surge in new hires, reflecting our company's growth and expansion. Simultaneously, employee turnover has been noticeable, prompting us to focus on retention. Most of the vacancies were filled relatively easily. However, with some positions the tight labor market could be felt.

In previous year we put our efforts on mainly promoting employees internally to fill vacant or new positions. Due to the significant growth of the company, increased efforts had to be made to hire experienced people externally. By hiring experienced personnel, we've established a robust platform to continue the internal career advancements. Employees can expect more opportunities for growth.

Unfortunately, our non-Dutch employees faced challenges with language courses this year. The assigned tutor lacked proficiency in Polish, hindering effective communication. In response, we're committed to finding a bilingual tutor who can bridge the language gap next year.

We believe in transparency and open dialogue regarding compensation. Employees are encouraged to express their concerns without fear of reprisal. Our goal is to ensure fair and equitable remuneration for all.

	Total	Male	Female
All employees	86.63	65.30	21.33
Permanent	53.09	42.42	10.67
Temporary	21.00	13.70	7.30
Non-guaranteed hours	12.54	9.18	3.35
Full-Time	59.31	52.40	6.90
Part-Time	14.78	3.72	11.07

* Figures are based average FTEs. Example: If an employee with a full-time contract joined Luiten Food on the 1st of July 2022 they are counted as 0.5 FTE over the whole year.

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. From 2024 onwards, suppliers will be further assessed on multiple CSR topics including deforestation, ethics and environmental policy.

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

8 DECENT WORK AND
ECONOMIC GROWTH



Employee wellbeing

Occupational health and safety are of utmost importance at Luiten Food. Especially our operational employees are subject to cold working environments. As a result, it is crucial that they are provided with good clothing to endure the cold. Furthermore, our production staff works with sharp cutting equipment. Therefore it is crucial to provide the necessary tools for them to safely handle this equipment. Furthermore, yearly food safety training is provided to all employees handling our products. This ensures the safety of the products and gives our employees confidence they have the skills necessary to handle our meat products with great care.

One of the strategic goals of Luiten Food is to grow in turnover. This will also increase the number of future employees. At Luiten Food, we previously worked with very general role descriptions, making it unclear what someone's role exactly is. This makes it difficult for employees to approach the right colleague with questions. The objective of the Works Council (OR) regarding this topic was to make it clearer for all employees what is expected of him/her and who the employee should go to with questions by formalizing and increasing the level of detail of the job descriptions.

At Luiten Food, occupational safety is embedded in policy as required by the IFS food standards in addition to national and European law. This policy includes all workers working at and for Luiten Food and is based on a yearly risk assessment carried out by the quality department.

Sick leave percentage 2023:

1.88% (2022: 2.06%)

Number of serious*
occupational injuries 2023:

0 (2022: 0)

*Serious injuries include fatalities, high-consequence and recordable injuries.



Emissions

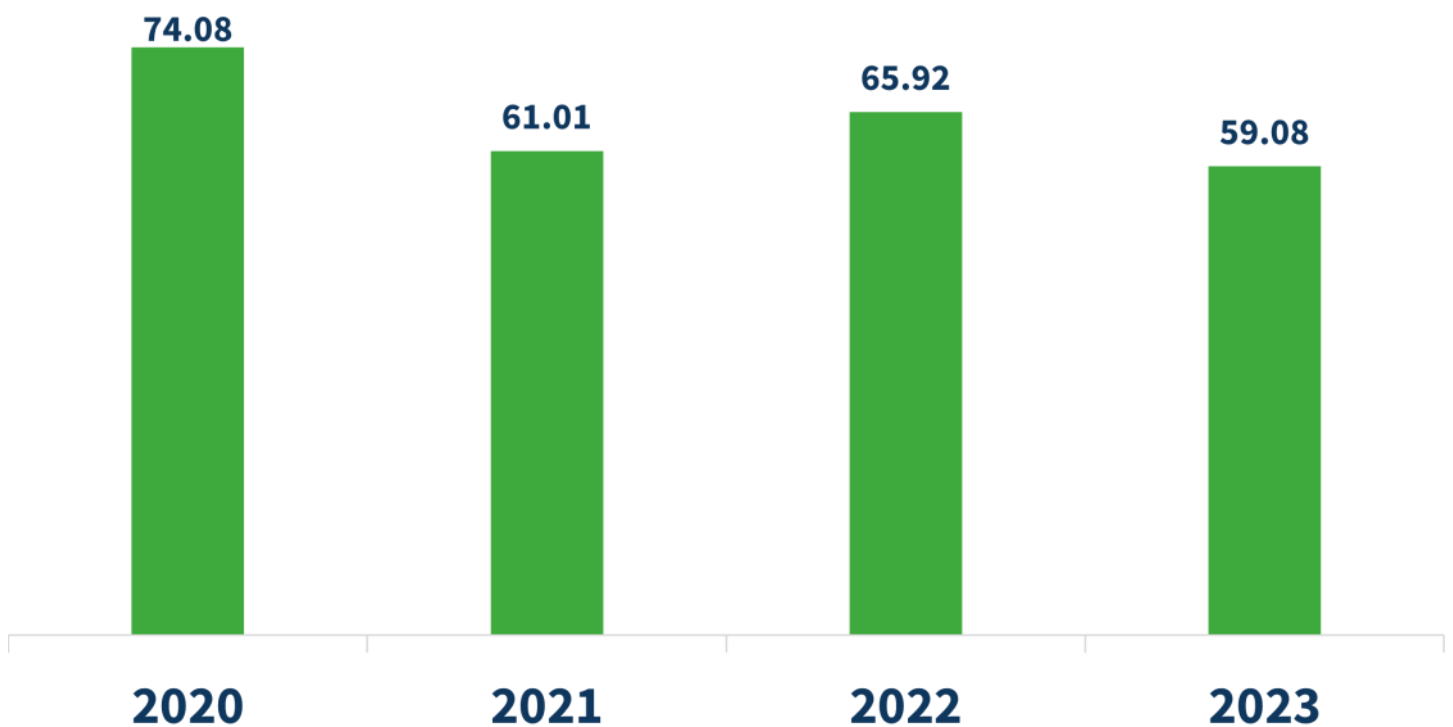


CO₂ and other greenhouse gasses contribute significantly to global warming, which is one of the most pressing environmental issues of our time. By monitoring our CO₂ emissions, Luiten Food can identify areas where they can reduce their carbon footprint and take steps to become more sustainable. In short, tracking CO₂ emissions is crucial to maintain a strong commitment to sustainability, reducing our environmental impact, and maintaining our competitiveness in an increasingly environmentally conscious market.

Currently, our reduction efforts are focused on our internal processes and consequent emissions. Within our new traceability project we will also focus on gathering relevant emissions data from our suppliers to be able to accurately measure our scope 3 emissions, as this is where most of the environmental impact is being made.

Our scope 1 and 2 emission reductions are on target to hit net-zero by 2030. The goal is to achieve this by energy reduction, production of green energy, and switching to biofuels as much as possible without compensating large portions of our emissions.

KG of CO₂ emitted per tonne of sold product (Scope 1 & 2)



MWh of non-renewable energy used in 2023:
1743 MWh (+25% 2022)



Liters of diesel used for own fleet:
52963 litres (+1.2% 2022)



QA management

At Luiten Food, the main tasks of the quality department include: monitoring production processes, inspecting products, and implementing quality control measures to prevent contamination and ensure that products meet European and national standards. In addition, Luiten Food ensures that its QA management system is certified against various IFS standards as well as other certifications for animal welfare such as “Better Life Label”, MSC and ASC.

Despite the ongoing challenges with employee shortages, Luiten Food has managed to uphold a high standard of customer satisfaction. In fact, the number of complaints and food safety issues has decreased in recent years, indicating that the efforts of the quality department are paying off. Further improvements and actions will ensure that the quality system of Luiten Food will be continuously improving.

In order for Luiten Food to continue this success it is important keep innovating in technology to further streamline QA processes. A more in-depth traceability system will be implemented in the coming two years to enforce tighter control on product quality, as well as being able to ensure suppliers comply with international ethics and environmental standards. Other projects focus on improving efficiency and reducing waste, while also ensuring that all products meet the necessary quality and safety standards.

	2020	2021	2022	2023
Total number of complaints to suppliers	939	930	951	1106
Number of complaints per tonne of product sold	0.075	0.063	0.064	0.056
Total number of complaints from customers	566	606	673	791
Total number of food safety complaints from customers	196	217	218	185

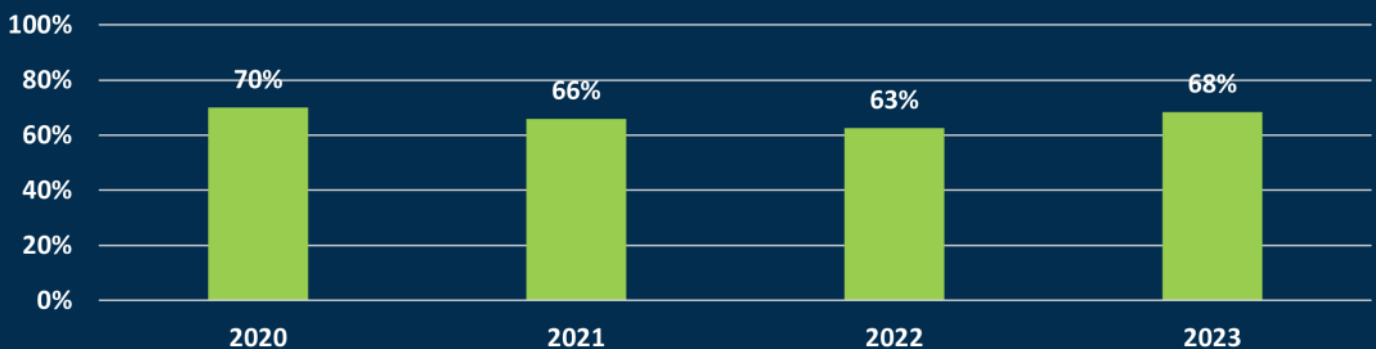
Waste management



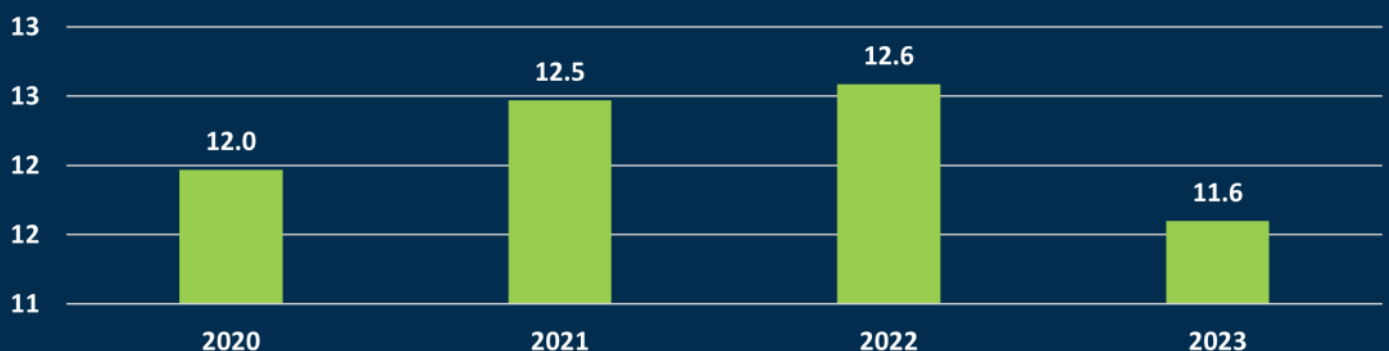
Packaging and in-company waste contribute significantly to our indirect emissions and to the unsustainable usage of resources. Luiten Food is bound by a large number of regulations mandating the use of virgin plastics when the packaging is in direct contact with meats. This makes the use of fully recycled plastics quite difficult.

However, Luiten Food has been looking at ways to make its own packaging more easily recyclable whilst also focusing on in-house waste streams. One of these ways is fully transitioning to mono-plastics for our own packaging products. We notice that a lot of packaging solutions can already be made from mono-plastics. With some of the mono foils and trays, however, we are not able to guarantee the same shelf-life as their poly-plastic alternatives. In discussions with customers, these dilemmas are taken into account and decided upon.

Percentage of waste recycled



KG of waste per tonne of sold product





Animal welfare

Strengthening supply

In previous years we have worked with our French suppliers and the Dutch animal welfare foundation to approve the French Label Rouge standard as being equal to the Beter Leven standard. For some of the assortment we relied on one supplier. This makes the supply chain vulnerable to disruption. This is why we helped an additional French supplier with setting up the Beter Leven system. This process was successfully finished in 2023.

Supplier visits

The QA and sustainability managers visited our two largest suppliers in Australia and New Zealand to take a look at their quality, sustainability and animal welfare initiatives. With a deep dive into the farm-assurance programs of both companies we learned a lot about the approaches to animal welfare at the other side of the world. In Australia and New Zealand adequate space for grazing is much less of an issue than in most European countries. With these farm-assurance programs both of the companies we visited are up to date with the latest EU regulations.

Yearly volumes of products with animal welfare certifications (tonnes)

	2020	2021	2022	2023
Better Life Label	1395	1288	1114	1268
Organic	81	94	62	86
Vegetarian / Vegan	-	-	26	85

Financials

8 DECENT WORK AND ECONOMIC GROWTH



In 2023, we saw a growth in net sales of 3.5%, reaching a total of €182.55 million. The quantity of goods sold increased significantly by 33.1% to roughly 20 kilotons. The growth in the volume of products sold can be mainly attributed to the growth in the wholesale of chicken and the increase in fish and seafood sales.

In 2023, the total equity rose by roughly 2 million. In terms of debt, our long-term debt decreased from €2.69 million in 2022 to €2.41 million in 2023. Our short-term debt increased with 15.3%, however, this is attributed to the increased stock levels and related credit.

Overall, Luiten Food had a stable financial year in 2023, with significant growth in sales volumes, and an increase in total equity.

	2021	2022	2023
Net sales (revenue)	€ 140.285.256	€ 176.305.477	€ 182.545.103
Quantity of products sold	15 kiloton	15 kiloton	20 kiloton
Profit before taxes	€ 10.788.661	€ 12.132.650	€ 2.267.340
Total Equity	€ 15.862.803	€ 18.950.080	€ 20.661.122
Total Debt (long-term)	€ 3.052.319	€ 2.689.287	€ 2.407.613
Total Debt (short-term)	€ 32.285.063	€ 38.896.964	€ 44.848.156

Management structure

Currently, with a flat corporate structure, the board of directors delegates responsibility and authority to all employees separately without appointing formal senior management positions. C-level positions are mutually exchangeable with the board positions. This keeps the decision making process agile and flexible, adhering to the key fundamentals of Luiten Food's strategy.

3 executive members and 1 non-executive member.
None of the 4 members of the board are considered to be fully independent in their decision-making according to the ICGN Global Governance Principles
2 board members receive a management fee and 1 board member receives remuneration.
One board member holds another significant position as a board member and shareholder at a supplier, which creates a conflict of interest. This conflict of interest is mitigated by removing the executive rights of that member. Thomas Foods International is the relevant party involved in this conflict of interest
The board consists of 4 male members.
Two of the board members have formal responsibilities within the CSR management system and have

Three of the board members are also shareholders of Luiten Food and, together, hold a majority share. Therefore the board of directors also represents a majority of the shareholders of Luiten Food. This also resolves conflicts of interest because shareholder goals are automatically aligned with the goals of the executive board.

The fourth board member receives fixed pay and variable pay linked to general company performance. No specific CSR performance indicators are considered in determining the variable pay.

If deemed necessary, additional board members are chosen on the basis of relevant experience, expertise and affiliation with Luiten Food. The support base amongst employees will also be considered when onboarding a new or additional board member.

The board is represented by Lennert Luiten within the sustainability team. The daily operations regarding sustainability are delegated to Jim Pardon and to other employees if necessary. The total board oversees the progress in biannual sustainability meetings. The information published in this report has been reviewed and approved by both Lennert Luiten and Roald Heinsbroek. Responsibility for sustainability due diligence processes is shared equally among the board members and are made in consultation with the relevant employees.

Critical concerns can be directly sent to or shared with the board of directors. For employees, an external, independent grievance mechanism is available if the critical concern involves the behavior or actions of one of the board members. Neither of the two options has been used in 2023 to voice critical concerns.

The performance of the board of directors is not evaluated by an independent party.

Our policy

- 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 involvement of child labour or other types of human right violations Insofar knowledge of this is available.
- Motivate and involve employees in the decision-making process to improve 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, microbiological checks and other verifications to ensure the quality of the products.
- Comply with the requirements and obligations prescribed by national and European 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 continuously 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?
2-1	Organizational details	Luiten Food B.V. Klaverblad 11 2266JK Stompwijk Netherlands	No
2-2	Entities included in the organization's sustainability reporting	Luiten Food Beheer B.V. This includes Luiten Food B.V., Luiten Food Ltd, and Luiten Food import B.V.	No
2-3	Reporting Period, frequency and contact point	CSR report is published annually with information from the previous year. This report contains information on 2023 and was completed on 10-05-2024. For contact: csr@luitenfood.com	No
2-4	Restatements of information	In the 2022 report, the short-term debt of 2022 was said to be € 39.063.841. In the 2023 report, the short-term debt of 2022 has been adapted to € 38.896.964 as per the 2023 financial statements. The volumes of products with an animal welfare certification were incorrectly stated in the 2022 report due to an error in the BI tool. The correct values have been implemented in the 2023 report. The energy usage data in the 2022 report were incorrect due to the usage of the wrong information source. Furthermore, due to the use of new emission factors, the total emissions also vary slightly.	No
2-5	External Assurance	No external assurance is sought for the CSR report of 2023. The presence of a CSR report is, however, required by the CSR performance ladder. Financial Statements are audited as required per Dutch law.	CSR Performance ladder (partial) Dutch Law
2-6	Activities, value chain and other business relationships	Page 5	No
2-7	Employees	Page 6	No
2-8	Workers who are not employees	The number of workers who are not employees fluctuates significantly during the year. The most common type are workers employed by an employment agency. Other workers include cleaning services, technicians and consultants. These are all contracted by other companies who sell their services to Luiten Food.	No
2-9	Governance structure and composition	Page 14	No

GRI Index 2/4

2-10	Nomination and selection of the highest governance body	Members of the body are selected by shareholders based on time at the company and whether the candidate has a complementary skillset to the current board members.	No
2-11	Chair of the highest governance body	2 of the board members are also shareholders in the company. This is not viewed as a conflict of interest and considered normal in the Dutch B.V. structure.	No
2-12	Role of the highest governance body in overseeing the management of impacts	C-level develops and approves the purpose, values, mission statements, strategies, policies, and goals of Luiten Food together with the relevant employee(s). Top management is always ultimately responsible for all decisions.	No
2-13	Delegation of responsibility for managing impacts	All senior executives are confronted with some aspects of sustainability in their responsibilities. One of the senior executives has ultimate responsibility over the CSR practices of Luiten Food. He takes part in the CSR meetings which are held quarterly.	No
2-14	Role of the highest governance body in sustainability reporting	CEO is responsible for the material topics included in the report. CFO is responsible for the correctness and approval of information. The CSR manager designs and writes the report after which both the CEO and CFO review and approve the report after one has added an introductory page.	No
2-15	Conflicts of interest	Due to the size of Luiten Food B.V. there are no signs of internal conflicts of interest. One of the shareholders is cross-shareholding in both Luiten Food B.V. and a supplier. As this strengthens the cooperation between this company and Luiten Food B.V. it is not deemed a conflict of interest. Furthermore, this board member is non-executive.	No

GRI index 3/4

2-16	Communication of critical concerns	External whistle-blower policy is in place and operational. Not used in 2023. Tested both internally and externally in 2023.	No
2-17	Collective knowledge of the highest governance body	Different workshops and masterclasses have been followed by the highest governance body to increase the knowledge and experience on sustainable development.	No
2-18	Evaluation of the performance of the highest governance body.	The CSR management system and the performance of the highest governance body are externally audited in accordance with the CSR performance ladder. Both are deemed adequate with regards to the requirements of the CSR performance ladder.	Yes – CSR performance ladder level 3 (audited by SGS)
2-19	Remuneration policies	Page 14	No
2-20	Process to determine remuneration	Page 6	No
2-21	Annual total compensation ratio	Due to the size of Luiten Food, information publicised in this disclosure can be traced back to one employee. This is not in accordance with Dutch privacy law and therefore Disclosure 2-21 is omitted.	No
2-22	Statement on sustainable development strategy	Page 3	No
2-23	Policy commitments	Page 15 Due diligence is practiced in accordance with the CSR performance ladder Human rights are upheld in accordance with the convention on human rights.	Due diligence is audited in accordance with the CSR performance ladder.
2-24	Embedding policy commitments	Luiten Food's policy is shared with all employees, they are asked to read and agree with the policy whenever a change to this policy occurs. The policy is also discussed in the food safety course. The policy encompasses the fundamental way of working of Luiten Food and is engrained in all processes. All suppliers are asked to read and comment on our policy and are asked if they agree with the content.	No

GRI Index 4/4

2-25	Processes to remediate negative impacts	Luiten Food has, together with its stakeholders, identified 6 material themes where it can remediate negative impacts. By focusing on continuous improvements on these topics, it is able to guarantee a step-by-step reduction in negative impacts on society and the environment	No
2-26	Mechanisms for seeking advice and raising concerns	Stakeholders are able to voice their opinion about our sustainability policy and material themes. They have also been a fundamental part of the determination of material themes. They can raise concerns with the CSR manager or their respective account managers.	
2-27	Compliance with laws and regulations	No instances of non-compliance have been identified.	
2-28	Membership associations	Luiten Food is part of the Dutch Meat Importers Association.	
2-29	Approach to stakeholder engagement	Page 7	Yes – CSR performance ladder level 3 (audited by SGS)
2-30	Collective bargaining agreements	Luiten Food is not bound to any collective bargaining agreement.	No





THOMASFOODS



Sustainability Report 2023

LUITEN FOOD

BEEF LAMB GAME POULTRY SEAFOOD VEGETARIAN

THOMAS FOODS INTERNATIONAL

AUSTRALIA | EUROPE | UK | CHINA | USA | JAPAN

