



# SUSTAINABILITY

## REPORT

***We Create Sustainable Value for the World***

*Non-financial Report on ESG (Environmental, Social and Governance) Criteria*





## We Are Grupo Lucci

We are a professionalized family business group with over 60 years of experience, strongly attached to our roots and committed to the growth of the northwestern Argentina region. We are leaders in the production and industrialization of agricultural raw materials meant for food production to the world.



# Mission, Vision and Purpose

**Our Mission:**

With enthusiasm and innovation, we manufacture top-quality agricultural and agro-industrial products based on sustainable processes, state-of-the-art technology and environmental care, and commercialize them in the world.

**Our Vision:**

To be a sustainable agro-industrial group which leads the industry, is known for the reliability of its products and services, and operates in Argentina and in the world.

**Our Purpose:**

To contribute in a sustainable way to improving people’s quality of life in the world by offering natural and healthy food in a responsible manner.

# Our Values

We believe our values are the basis for building a virtuous system of growing, orderly and productive work.

**RELIABILITY**

We build effective and long-lasting relations for everyone’s benefit.

**SUSTAINABILITY**

We aim at growing in a stable and responsible manner, managing the economic, social and environmental impact of our businesses.

**EXCELLENCE**

We aim at reaching the highest standards in everything we do.

**ENTHUSIASM**

We have a positive attitude and show enthusiasm and dedication in each of our actions.

**COMMITMENT**

We use our greatest skills to achieve the set goals.

**INTEGRITY**

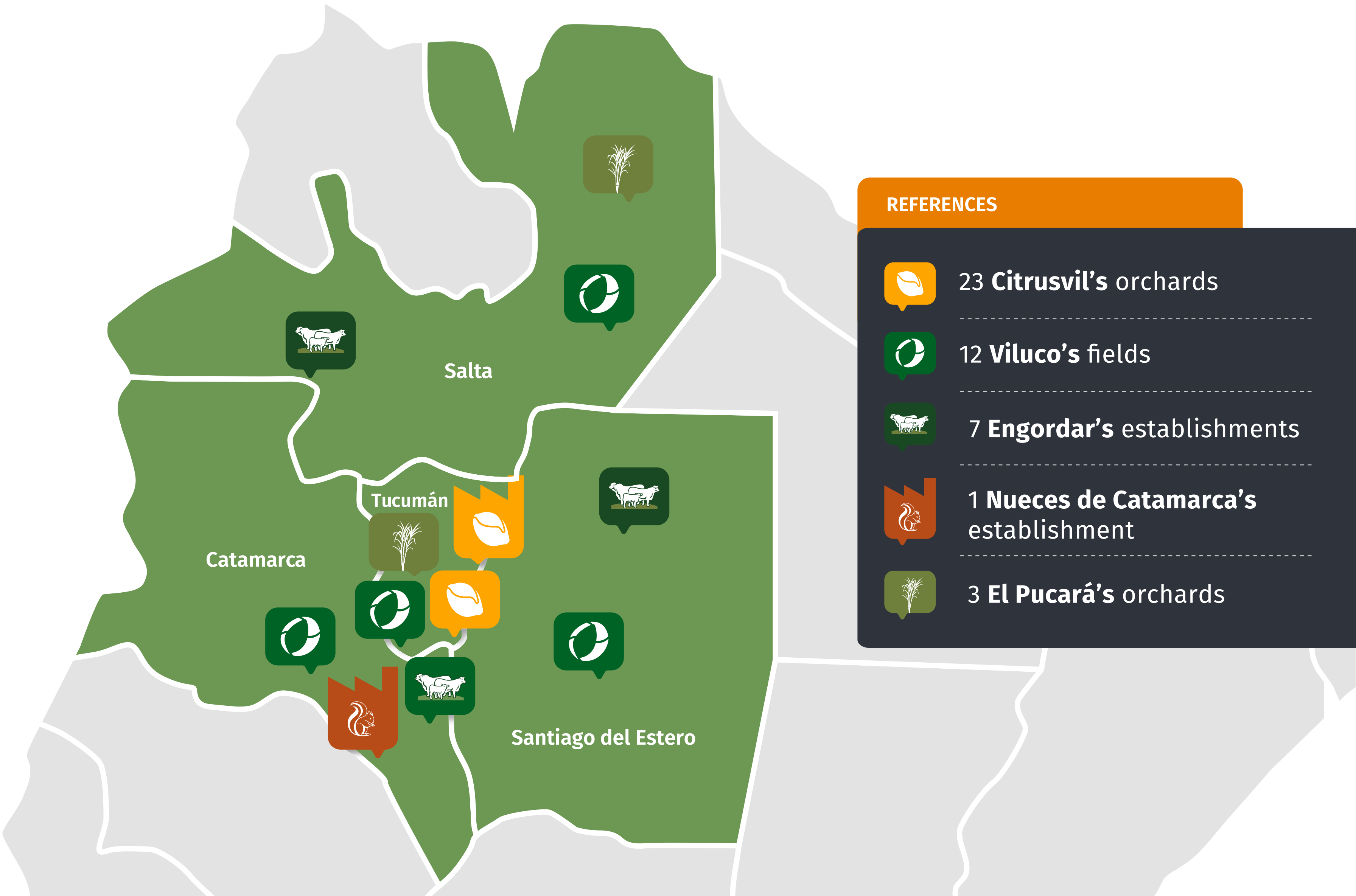
There is always consistency in what we say, think and do.





# Our Companies

Grupo Lucci's companies perform their activities in northwestern Argentina.

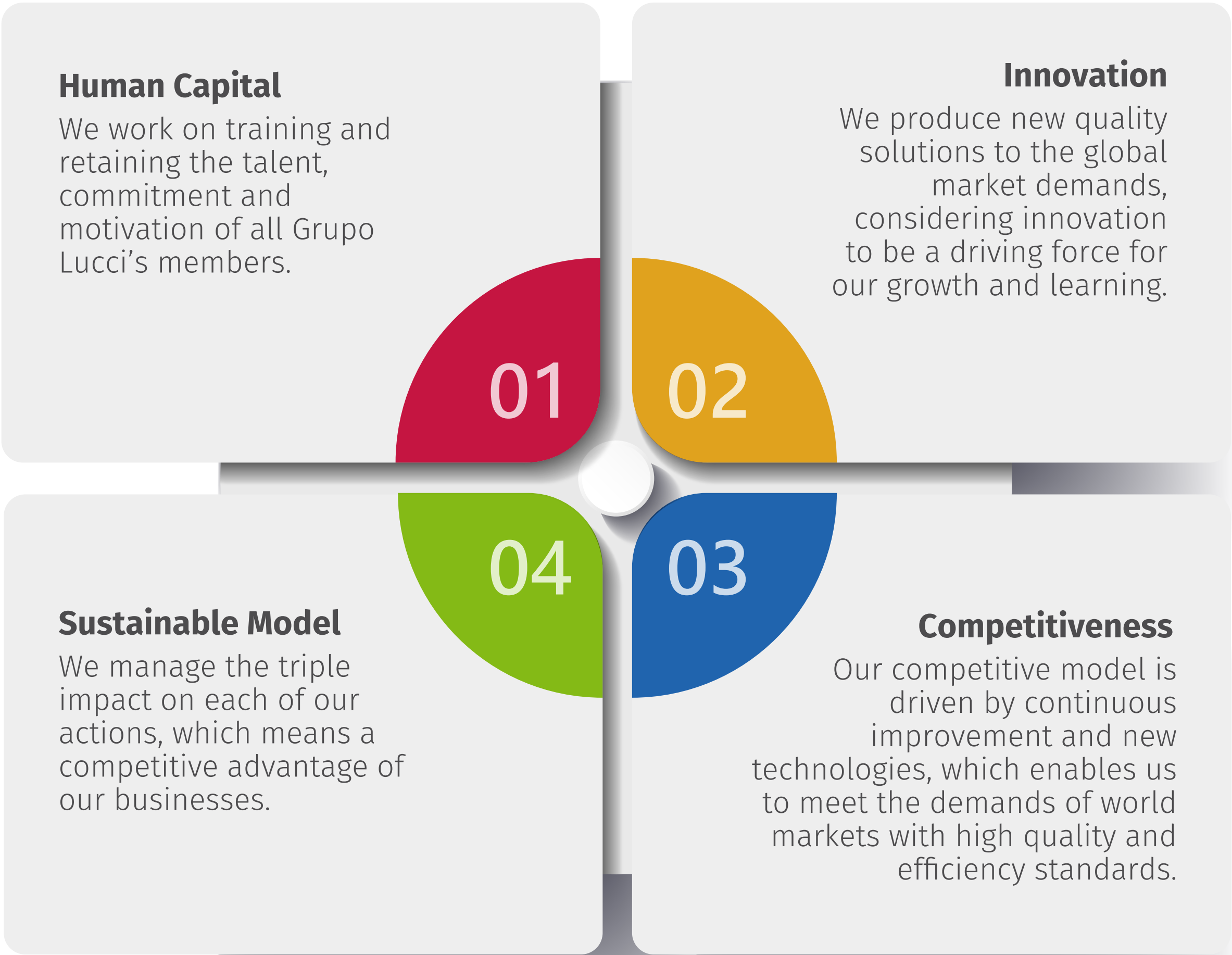




# How We Create Value

At Grupo Lucci, we have a business model based on **competitiveness, sustainability** and **innovation**. We promote sustainable development in order to improve people's quality of life in the world by offering natural, healthy and quality-certified food products in a responsible manner. We meet our stakeholders' demands, integrating the social, economic, environmental and governance performance.

## Priority Areas





# Our Commitment to Sustainable Development and the 2030 Agenda

Strategic Principle	Commitment to Sustainable Development	2030 Agenda
Food Safety in our Products	We manufacture healthy and safe products which meet international quality and safety standards, balancing short-term and long-term interests while we integrate economic, environmental and social aspects for decision making.	<div><div>2ZERO HUNGER</div><div>3GOOD HEALTH AND WELL-BEING</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>17PARTNERSHIPS FOR THE GOALS</div></div>
Rational Use of Water	Water is an essential natural resource for life in our planet, as well as a crucial resource for food production. Thus, we commit to managing it efficiently and responsibly.	<div><div>6CLEAN WATER AND SANITATION</div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
Energy Efficiency	Energy efficiency is essential to make our products more sustainable and reduce the emissions of CO2 and other harmful gases in the atmosphere. Therefore, an efficient use of energy enables us to develop our activities in keeping with a global trend towards low-carbon manufacturing and cleaner energy sources.	<div><div>7AFFORDABLE AND CLEAN ENERGY</div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div></div>
Circular Economy	By means of circular economy practices, we reduce the use of resources in production, maximize their use and ensure their final disposal, prioritising material recovery and reuse. We generate renewable electric energy from our effluents and manage our waste. We are Zero Effluent. We process plastics at our Plastic Waste Recycling Plant in order to obtain other products that are incorporated into new production systems.	<div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div><div>15LIFE ON LAND</div></div>



<b>Biodiversity Conservation</b>	<p>Biodiversity is the diversity of life, that is to say, the variety of living beings we can find in our planet and the relations they establish with each other and with their environment. Thus, we aim at striking a balance between the conservation of biodiversity and its habitat and agricultural production in territories of high environmental value.</p>	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>13 CLIMATE ACTION</div><div>15 LIFE ON LAND</div></div>
<b>Human Rights Protection and Respect</b>	<p>We promote and respect universally recognized human rights. We comply with applicable laws, guaranteeing decent work conditions, professional development, knowledge development and equal opportunities, and involving our value chain in this commitment.</p>	<div><div>1 NO POVERTY</div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
<b>Accountability and Transparency</b>	<p>We foster a culturally respectful work environment that promotes equality, is sensitive to the needs of every collaborator and respects diversity. Our commitment consists in establishing healthy relationships among collaborators but also good business relations with our suppliers, customers, consultants, competitors and the general public. Every time one of them chooses us, they are choosing our attributes and they are relying on our products and the way we conduct our business.</p>	<div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
<b>Private Social Investment</b>	<p>Since 2003, through Fundación Vicente Lucci, we have channeled our social capital actions, based on three strategic pillars that have an impact on Grupo Lucci's rural communities of influence: education, labour inclusion and entrepreneurship, and citizen engagement.</p>	<div><div>1 NO POVERTY</div><div>2 ZERO HUNGER</div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>



# First Green Bond for Citrusvil

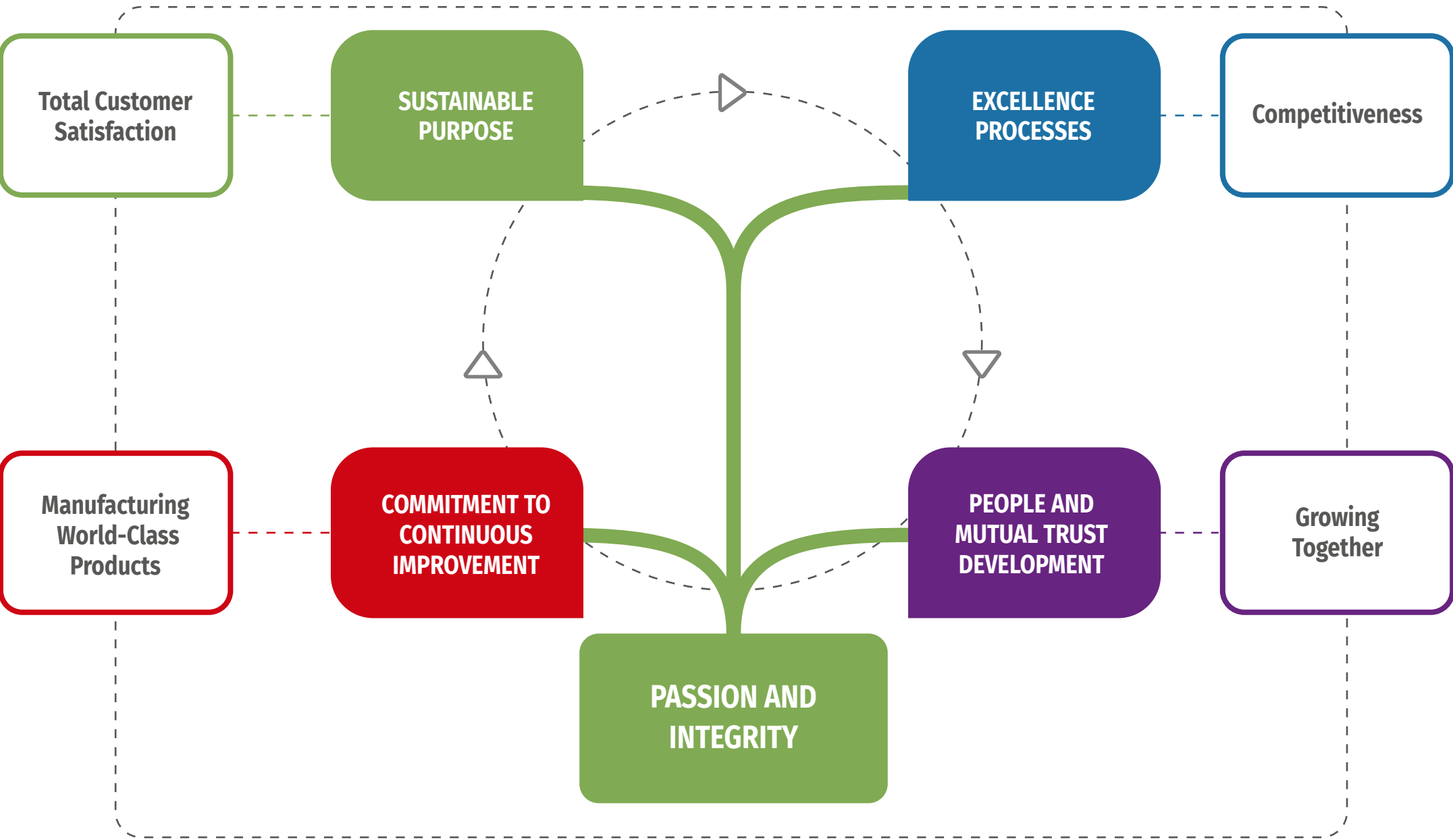
In June 2022, Citrusvil, one of Grupo Lucci's companies, issued its first Class I and Class II secured Corporate Bond for Argentine Securities Commission SMEs (PYME- CNV) and obtained positive results. Such issuance was in keeping with the four main components of the 2021 Green Bond Principles (GBP) by the International Capital Market Association (ICMA).

These bonds constitute a way of investing in sustainable assets; that is to say, **we have benefited from this kind of funding which has a sustainable objective: being used to finance projects that help mitigate climate change consequences or preserve the environment.** Therefore, this kind of debt, which falls within the scope of the ESG criteria (environmental, social and governance) which our company aligns with, benefits the investor with the allocation of funds proportionally to their investment.





# Lucci's Culture, Accelerated by LEAN Philosophy



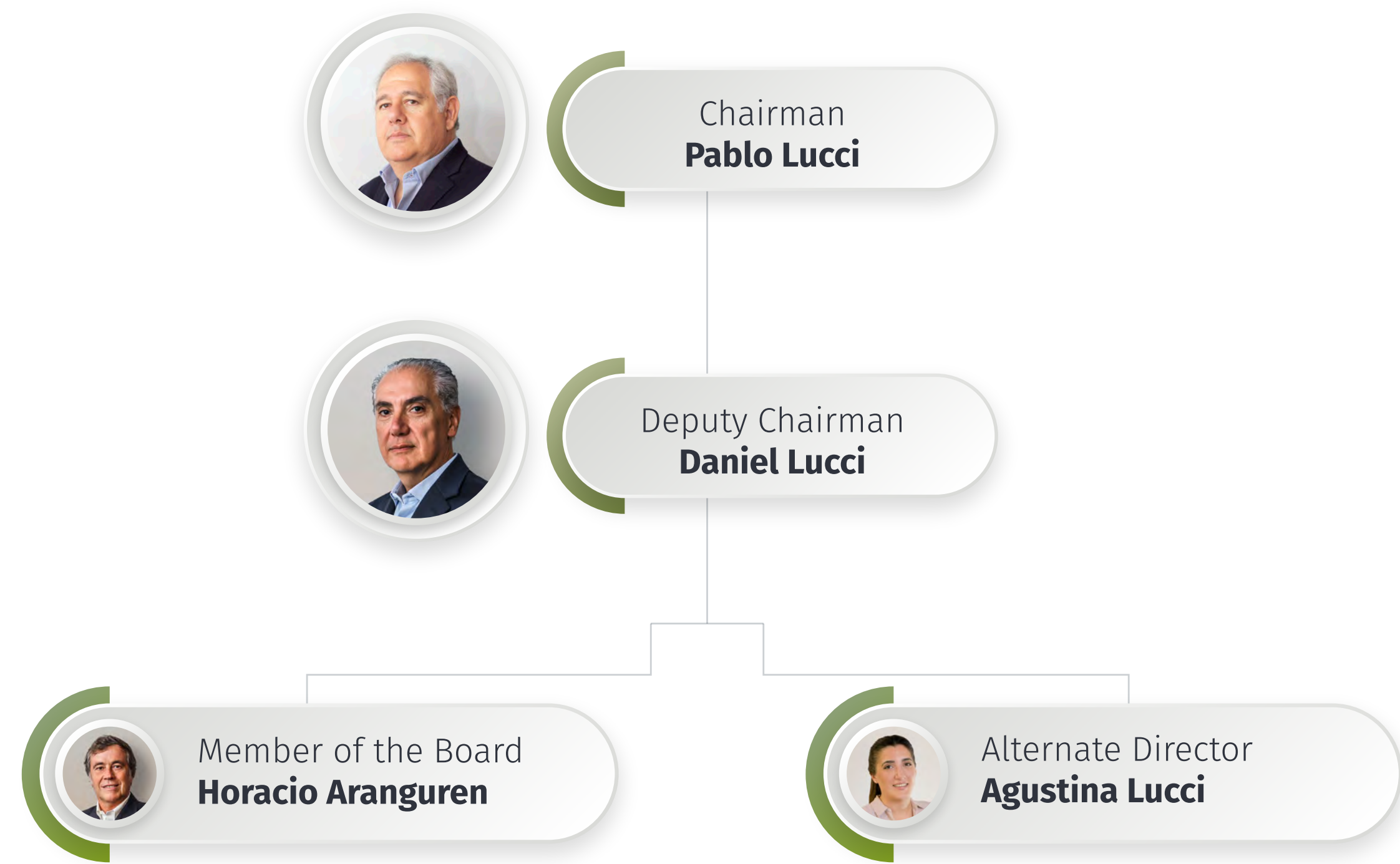
Based on our organisational values, we defined a growth model that guides Grupo Lucci's companies in the development of their excellence models. In the citrus production, we have already implemented Citrusvil's Model of Operational Excellence.



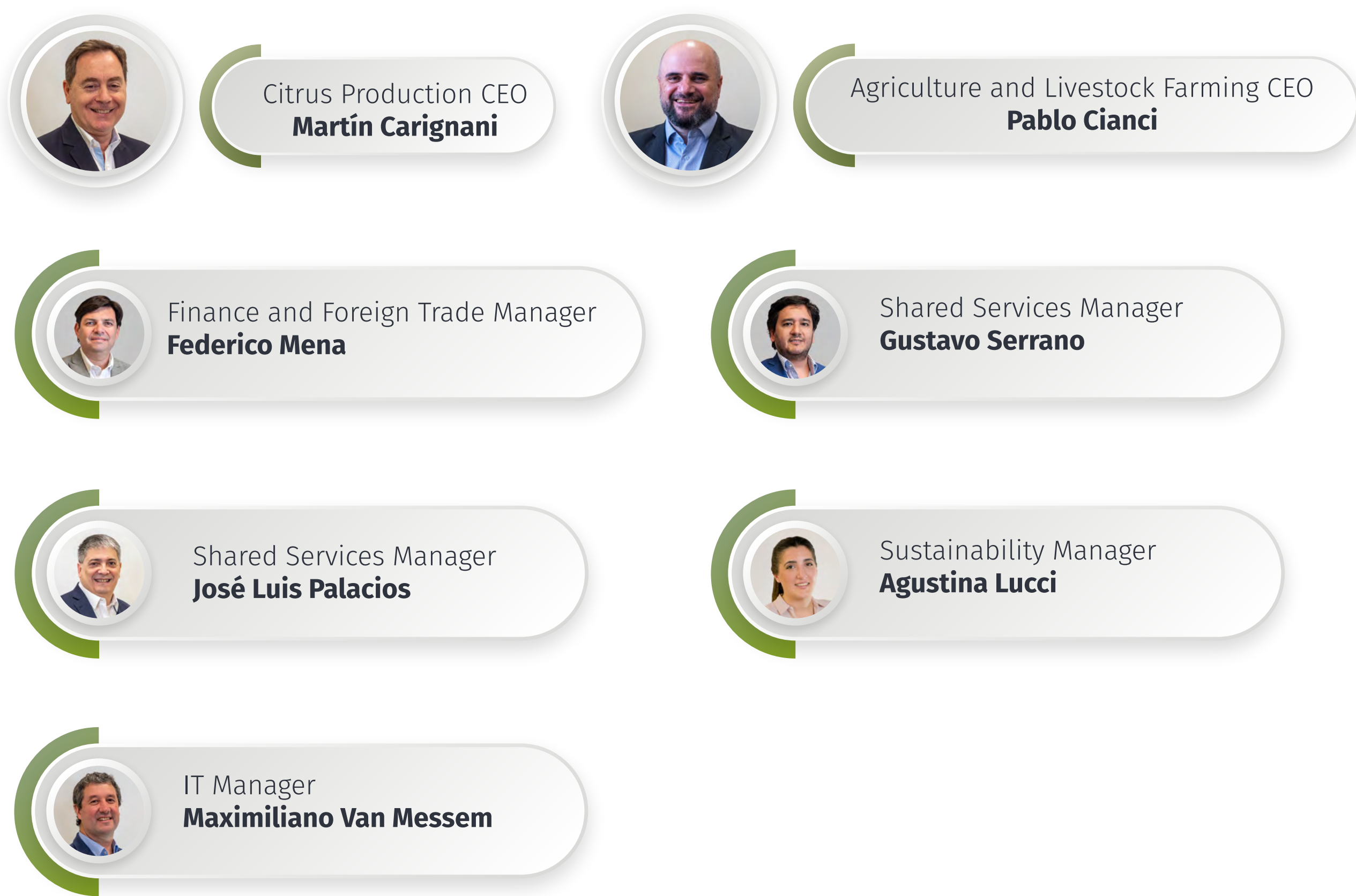
# Committed Leadership

Our leaders are elected at the Shareholders' Meeting.  
They meet on a monthly basis and have Rules for decision making.

## Our Board of Directors



## Our Executive Structure





# High-Performance Teams

With a total of **1,372** active collaborators in 2022, we are one of the major private employers in the province of Tucumán.

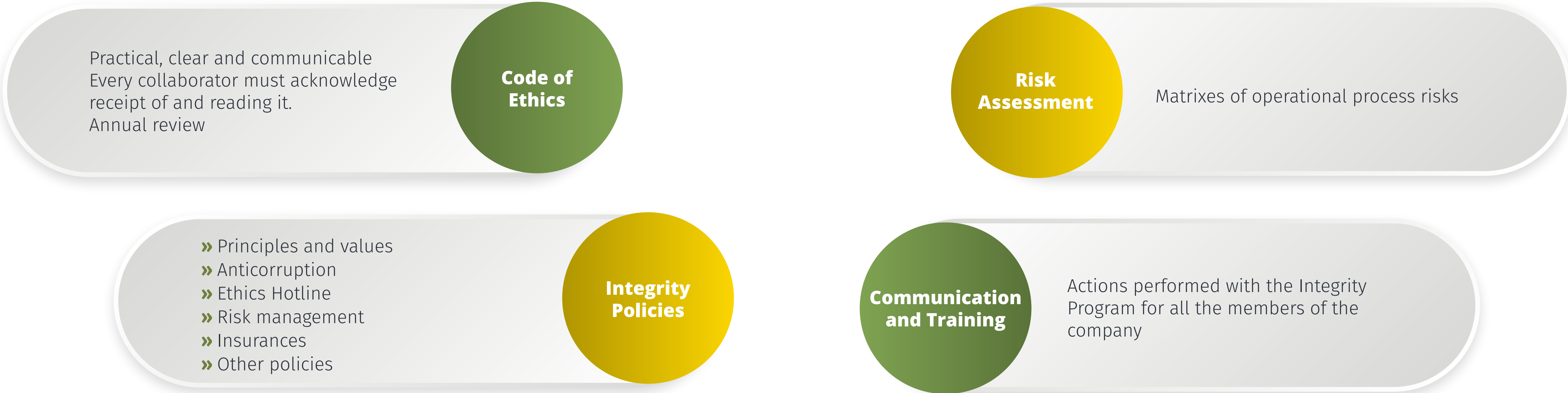
We continued consolidating our Citrusvil's Model of Operational Excellence (MEOC), inspired by the Lean Management methodology. For such purpose, we focused on training our human capital on various daily routines to optimise our processes.





# Integrity Program

In 2021, we formalised our Integrity Program, incorporating the position of the Compliance Officer. In 2022, we promoted training on different aspects of this program through our e-learning platform.



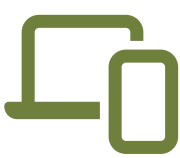
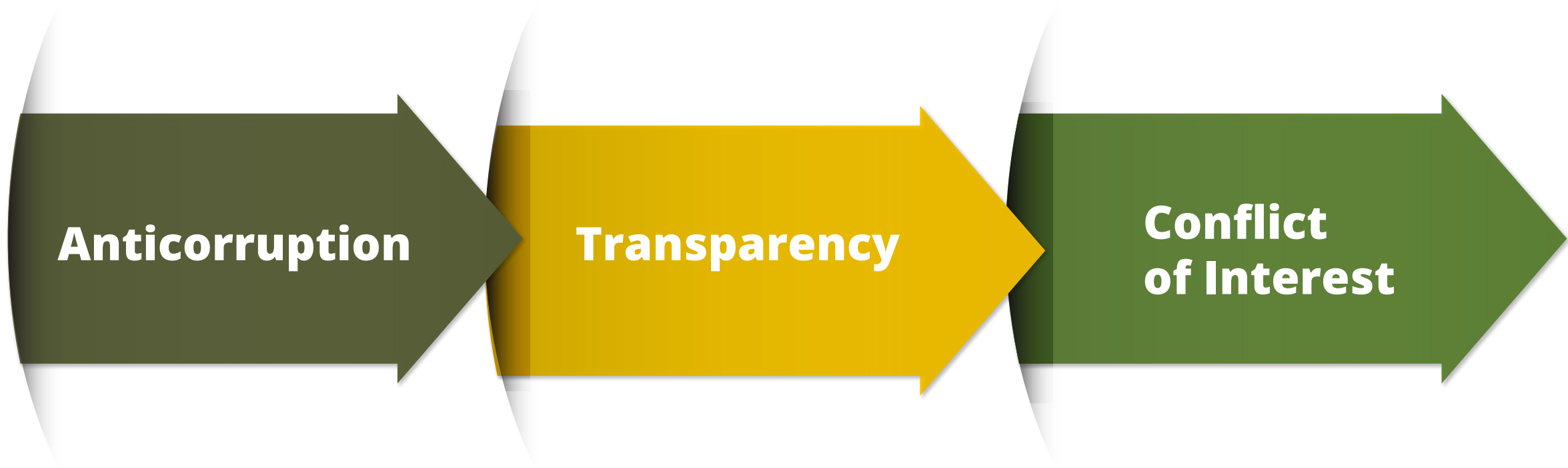


# Code of Ethics

We published the new version of our Code of Ethics, which is an essential institutional document that lays down the ethical principles and guidelines in order to regulate the company’s behaviour.

In addition, it addresses a series of cross-sectional guidelines throughout the value chain, and it is part of the **Integrity Program**, in accordance with Argentine Law No. 27,401 on Criminal Liability of Legal Entities. In case of violation of the Code, the Ethics Committee intervenes analyzing the case and pronouncing on it.

The main points in the Code of Ethics are:



Web channel  
denuncias.**grupolucci**.com.ar



Phone number  
+54 381 **4515 500** Ext.: 5563



Main office  
**Ruta 302 Km. 7** Cevil Pozo – Tucumán

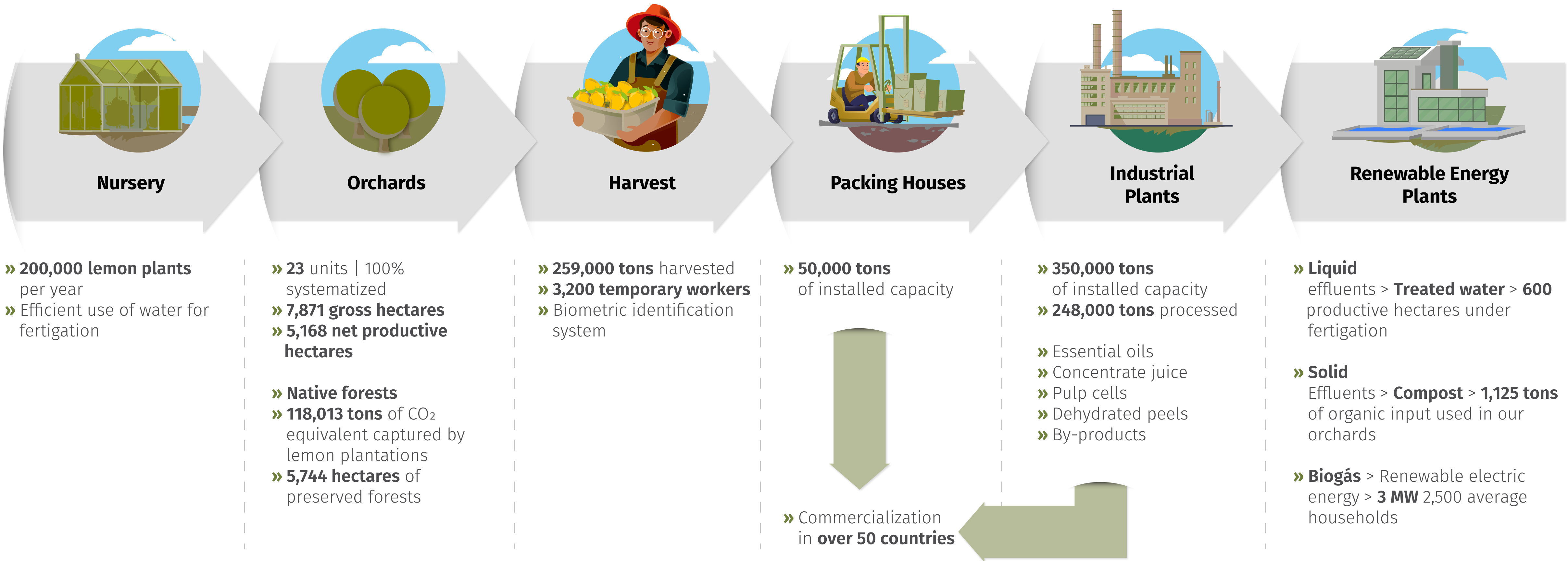


Code of  
**Ethics and Business Conduct**



# Citrusvil: We Supply the World with Top-Quality Products

## Value Chain







**Agricultural Excellence Award - XX Edition:** we were granted by La Nación- Banco Galicia an award in recognition of the Gold Award received in 2006 for our performance as a company related to the agricultural industry in our country.

## Sustainable Supply Program:

**Bayer recognition:** this initiative aims at promoting the sustainable development of the regional production by means of a balance between the objectives related to productivity, profitability, environmental care and the workers' health.

At the 2022 Fruit Logistica Fair in Berlin, Bayer recognised Citrusvil's work as a benchmark and promoter of sustainable actions in the lemon supply chain in northwestern Argentina.

**Manufacturing food products in a sustainable manner benefits all the stakeholders.**



# We are Zero Effluent

We aim at minimising environmental impact and preventing the discharge of liquid effluents into natural water streams. The total amount of effluent generated throughout the industrial processes is managed at our Treatment Plant. Then, this treated water is used for dripping fertigation in 600 hectares of lemon plantations.

## New Practices

### Artificial Intelligence and Irrigation in Colonia 1 Orchard

Artificial intelligence enables us to analyse live data from the plants and soil by means of meteorological sensors. That is why we conducted research in Colonia 1 orchard to determine the actual need of water of the production land lot. From the analysis of such data, we aim at obtaining real-time forecasts and irrigation recommendations based on plant stress, growth patterns, forecasted weather conditions and water content in soils, and thus using water rationally.





# Environmental Management

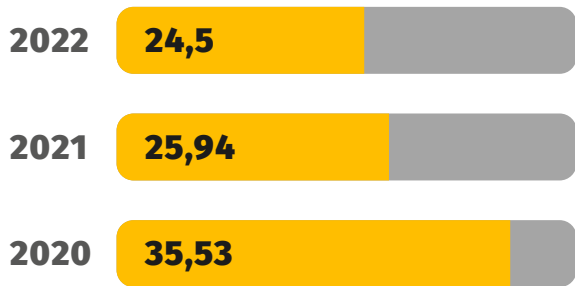
**Our Water Footprint:** We measure our water consumption throughout Citrusvil’s value chain by using the “Blue Footprint” methodology, which enables us to quantify the water consumption from surface and/or underground sources.



We managed to **reduce our footprint by 8%**, that is to say, **we saved 645,614 m3**. This was possible thanks to the good practices implemented in our value chain.

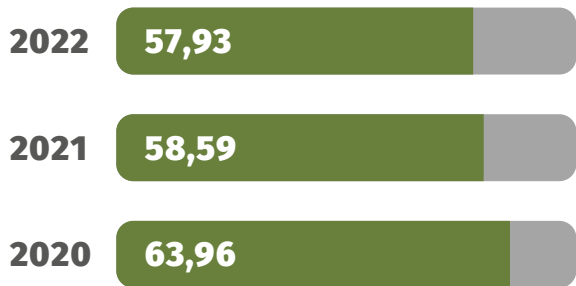
## Water footprint by product

### Fresh fruit



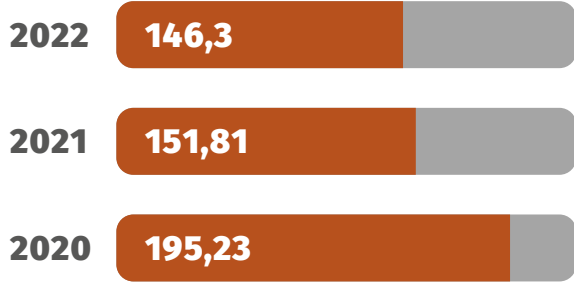
↓ 5,6%  
m3/ton

### Essential lemon oil



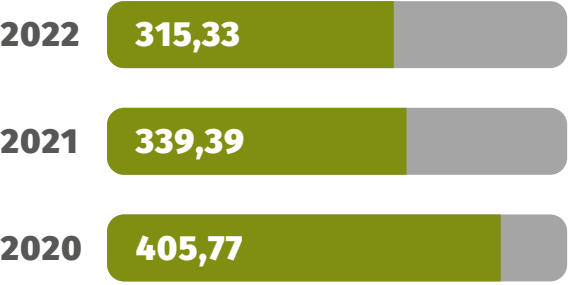
↓ 1,1%  
m3/ton

### Lemon concentrate juice



↓ 3,6%  
m3/ton

### Dehydrated lemon peel



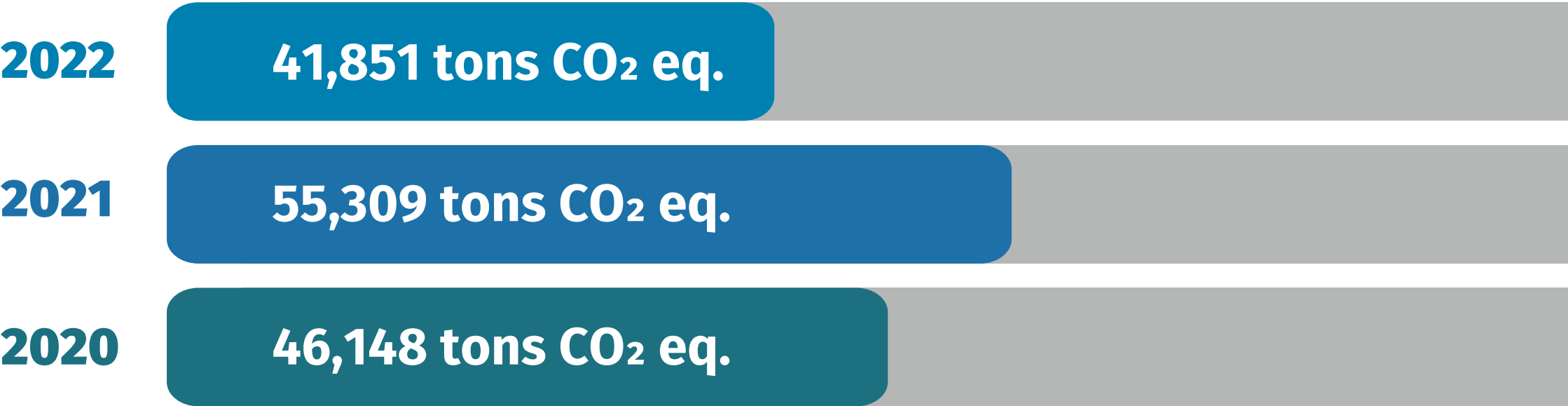
↓ 7,1%  
m3/ton

\*Units expressed in m3/ton of product.



# Our Carbon Footprint

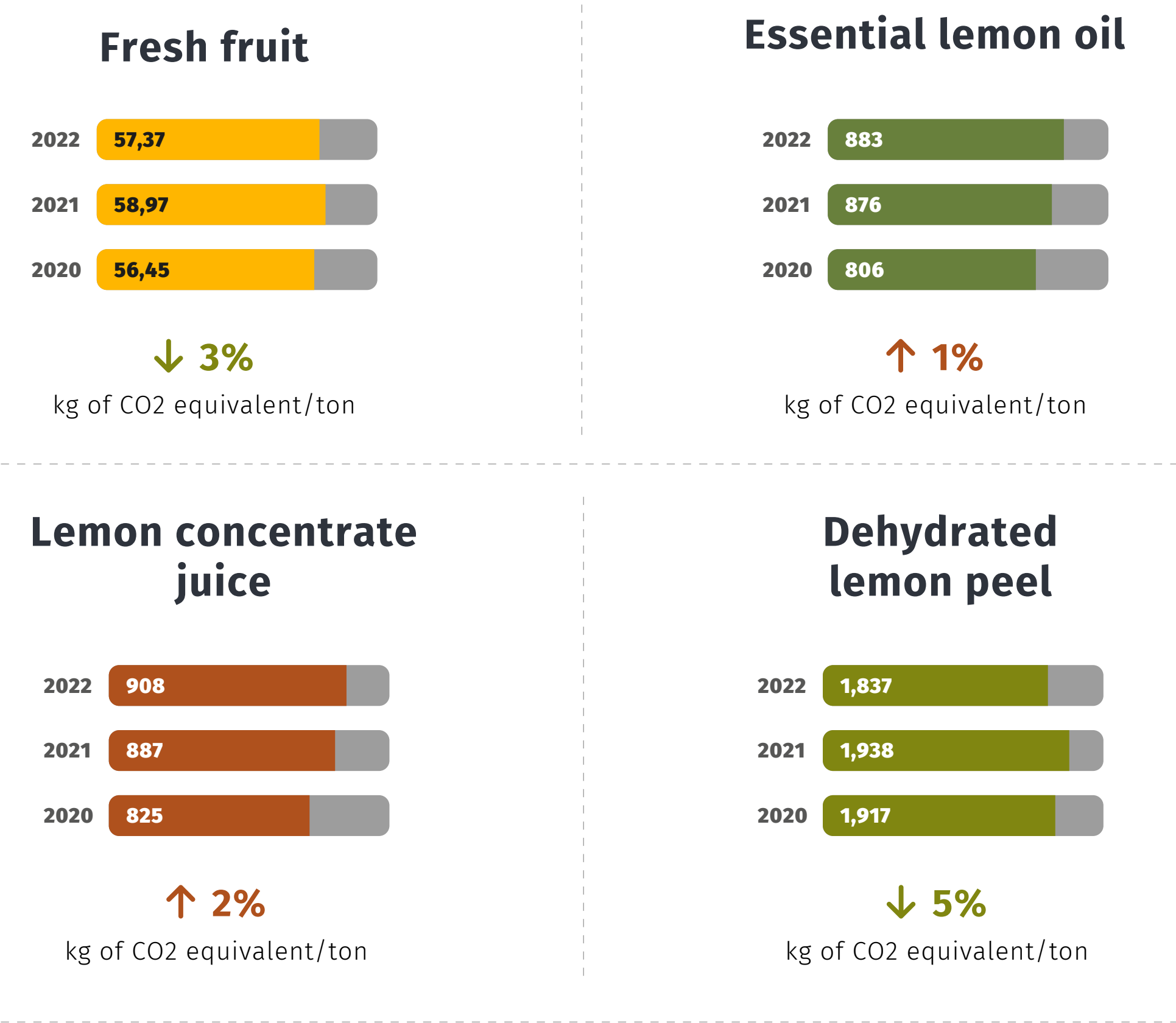
Every year, we measure our carbon footprint throughout Citrusvil’s production chain and in our products. This includes the production of seedlings in our nurseries and the end product obtained in our facilities.



We managed to **reduce our carbon footprint by 24% in comparison with the previous year** due to the commitment of our teams in each production stage to obtain better results.

As part of the improvements, we identified, in the industrial process, currents of thermal charge that can be used by means of the implementation of heat exchangers. As a result, we managed to streamline processes that have a direct influence in the reduction of natural gas consumption.

## Carbon footprint by Citrusvil’s product



\*Units expressed in kg of CO2 equivalent/ton of product



# Actions to Mitigate Climate Change

**Responsible use of energy:** Since 2019, we have had a new business unit, transforming biogas into renewable electric energy. We generate and sell renewable electric energy by treating the effluent resulting from industrial processes.

In the context of RenovAr National Program and in accordance with Law No. 27,191, which promotes the generation of electric energy from renewable sources, we managed to:

- » Inject 3 MW into the national network, which is equivalent to the consumption of about 2,500 Argentine households.
- » Treat all the liquid effluent generated in our industrial site at our Renewable Energy Plant, which represented 1,156,368 m<sup>3</sup> last year.





# Circular Economy

We are committed to reducing waste generation. Therefore, we work with good treatment practices in order to make waste valuable again. We promote circular economy practices such as reducing, recycling and recovery.

- » We treated 81% of the recyclable waste through our own revaluation processes: Plastic Waste Recycling and Composting Plant.
- » The remaining 19% was adequately classified in our establishments so that it can quickly return to the economic circuit by means of external operators.

- » 1,125 tons of compost were generated by treating our solid organic waste in our composting site through an aerobic process and under controlled conditions in terms of temperature and humidity. **The nutrients are incorporated into our orchards' soils and used in the lemon plantations.**





# Biodiversity Preservation

## Protected Productive Landscape

Focused on sustainability, we aim at integrating different production activities with the preservation of natural goods (biodiversity, soil and water) and services (water and climate regulation, carbon, pollination).

**7,771 ha**  
gross productive  
hectares

**5,744 ha**  
hectares of  
preserved native  
forest

**0.75 ha**  
hectares of native  
forest per productive  
hectare



**“Corporate Citizenship” Award:** We were granted the Corporate Citizenship Award by AmCham (American Chamber of Commerce in Argentina) in the “Sustainable Production and Products” category of the “Environment” general Category.





# Biodiversity Preservation

- » **Environmental monitoring at San Rafael Orchard:** we have started to study the orchard's fauna (mammals and birds) in order to implement the planning established in our Protected Productive Landscape Program (PPP), where we integrate the production activity with biodiversity conservation.
- » **Bee hotels, an initiative together with Bayer:** the preserved native forests help keep the pollinators' habitat, enabling them to fulfill their task in our own and in neighbouring crops and environments and ensuring the ecosystem service of pollination for citrus production.

## New Practices

### Service Crops

At Citrusvil, we have implemented this project in three environments: eradicated land lots (with a 10-to-12-month recess until the next fruit plantation), land lots with a young plantation (0-to-3-year-old plants) and land lots with organic production. We managed to reduce the use of phytosanitary supplies and synthesis fertilizers and improved CO<sub>2</sub> sequestration and retention.

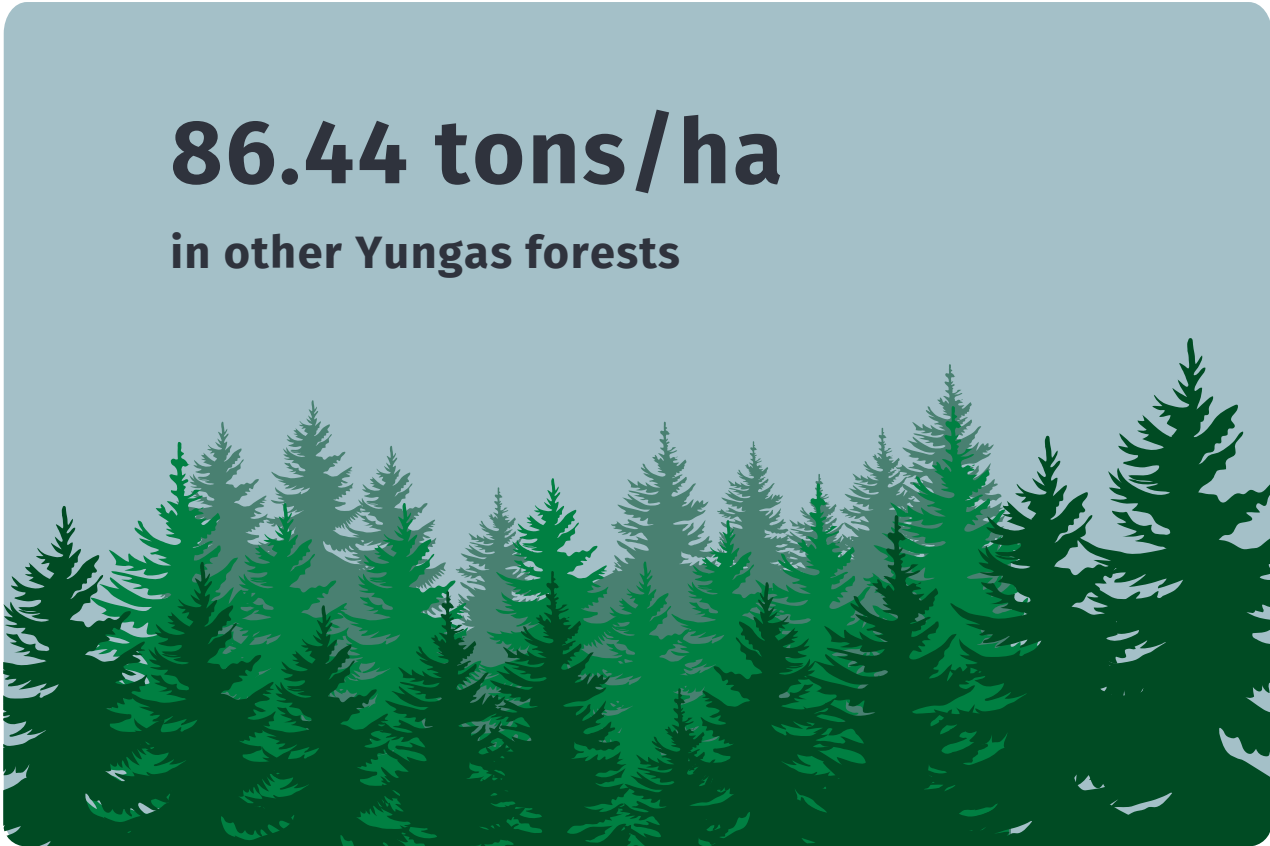
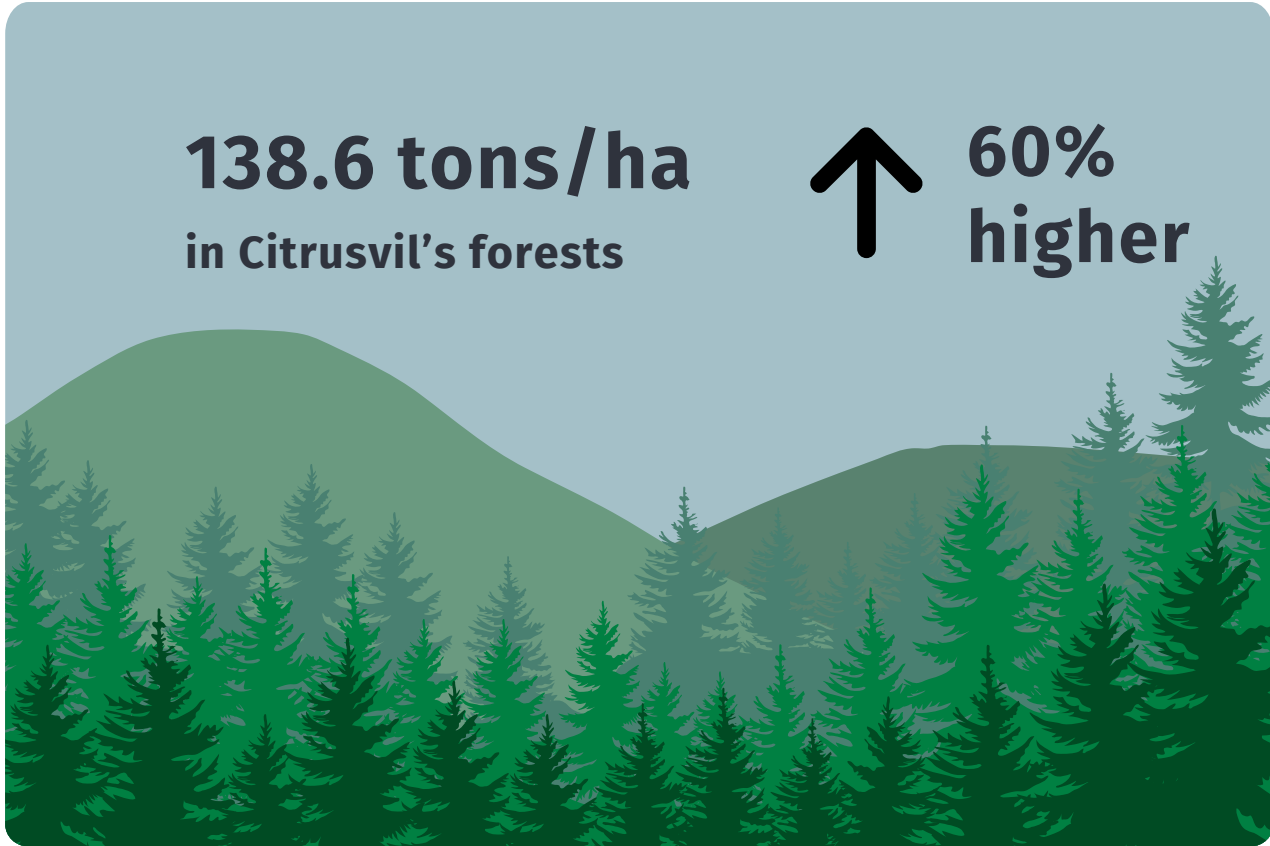
*We are members of the Argentine Network of Private Natural Reserves. Our reserve has almost 1,500 hectares of Yungas native forests.*



# Carbon Stored in Native Forests

**Carbon stock assessment in native forests:** in order to calculate the carbon stock in our preserved native forests, we conducted a study together with Fundación ProYungas.

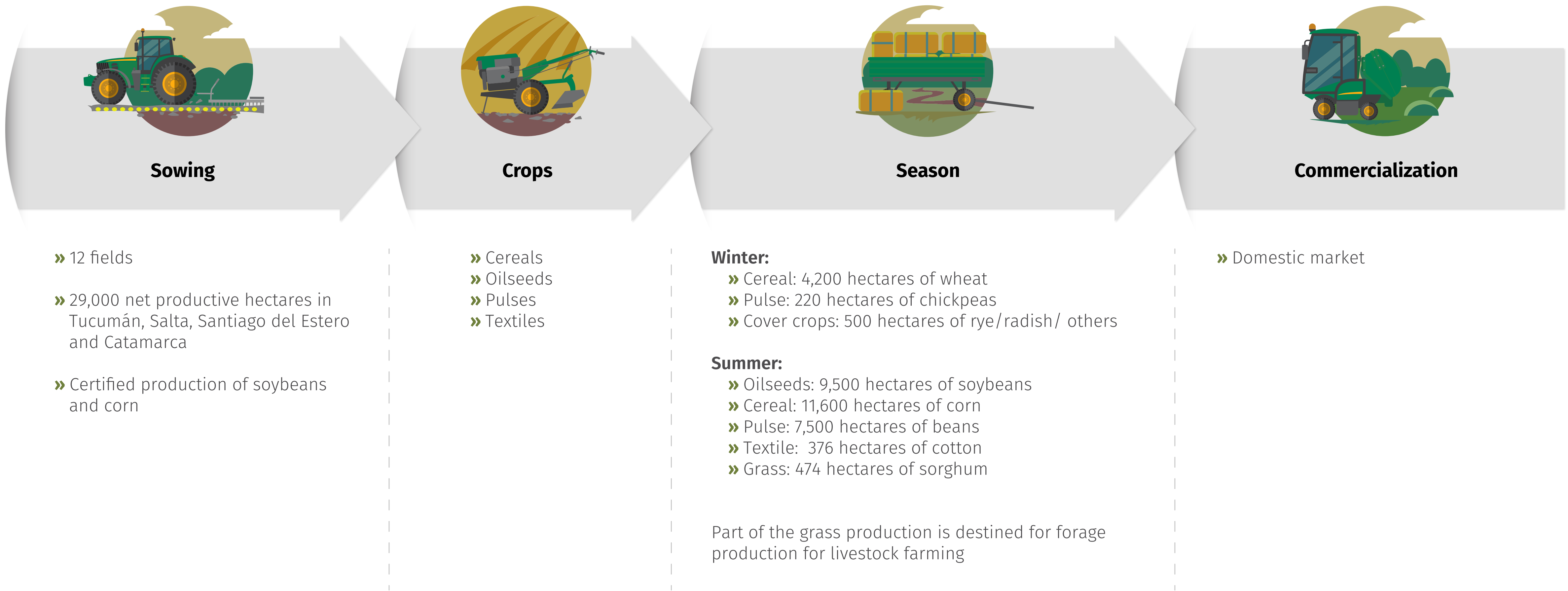
 *Don Vicente Orchard has 1,411 hectares of preserved native forest and a carbon stock of about 200,000 tons. This represents 138.6 tons of CO2/hectare, which, in comparison with other Yungas forests, is 60% higher, showing the good state of conservation of our forests.*





# Viluco: Agricultural Activity with Innovation and Technology

## Value Chain





# Sustainable Programs and Practices

- » **Bayer's Pro-Carbono Program:** it aims at increasing soil carbon sequestration through the implementation of sustainable agricultural practices, such as no-till farming, the use of service crops and crop rotation, among others.
- » **Regenerative agriculture in El Gran Chaco:** together with The Nature Conservancy (TNC) and with the support from Nestlé, we are taking part in a joint project during 5 years to implement regenerative agriculture practices.
- » **Service crops:** in view of the nematodes plague, plant parasites that affect soybean crops, and due to the lack of tools to mitigate or eliminate them, we have started to use radish as a service crop. We got very positive results, harvesting 1,900 more kilos of corn during the season.

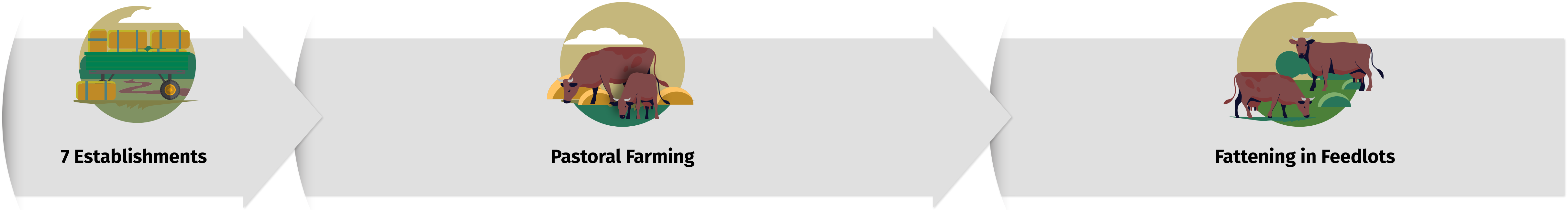


**WEED-IT: Selective application of agrochemicals in agriculture:** we have implemented this kind of spraying technology which maximises results and reduces environmental impact.



# Engordar: Sustainable Livestock Farming

## Value Chain



» 49,000 gross productive hectares in Tucumán, Salta, Santiago del Estero and Catamarca

» Forage agriculture: - 30,000 hectares

» Breeding:

10,200 breeding cows;

**Meant for:** Rearing

» Rearing:

**Rearing I:** 5,700 head of cattle  
**Steer**  
**Meant for:** Fattening in feedlots and rearing II

**Heifer**  
**Meant for:** Breeding and export

**Rearing II:** 1,400 head of cattle  
**Steer/ Heavy heifer**  
**Meant for:** Export

» Herd:

520 breeding cows  
**Genetic nuclei**  
**Future mothers**  
**Elite fathers**  
**Meant for:** Breeding

» Rearing- Completion

» **Rearing I:**  
**Steer** 4,000 head of cattle  
**Meant for:** End consumption Rearing II

**Heifer** 1,500 head of cattle  
**Meant for:** End consumption

» **Rearing II:**  
**Young bull** 1,200 head of cattle  
**Meant for:** End consumption and export

» **Completion Bull:**  
**Bull:** 150 head of cattle  
**Young whole male (MEJ):** 350 head of cattle  
**Cow:** 750 head of cattle  
**Meant for:** End consumption

Introduction to holistic livestock farming > Good agricultural practices > Animal welfare policies throughout the value chain > Biofertilizers





# Sustainable Livestock Farming and Animal Welfare

» We think animal health is a primary ethical responsibility. We are aware of the fact that their welfare is the basis for our production, since it affects productivity improvement, food safety and profitability.

## New Practices

### Solar Panels

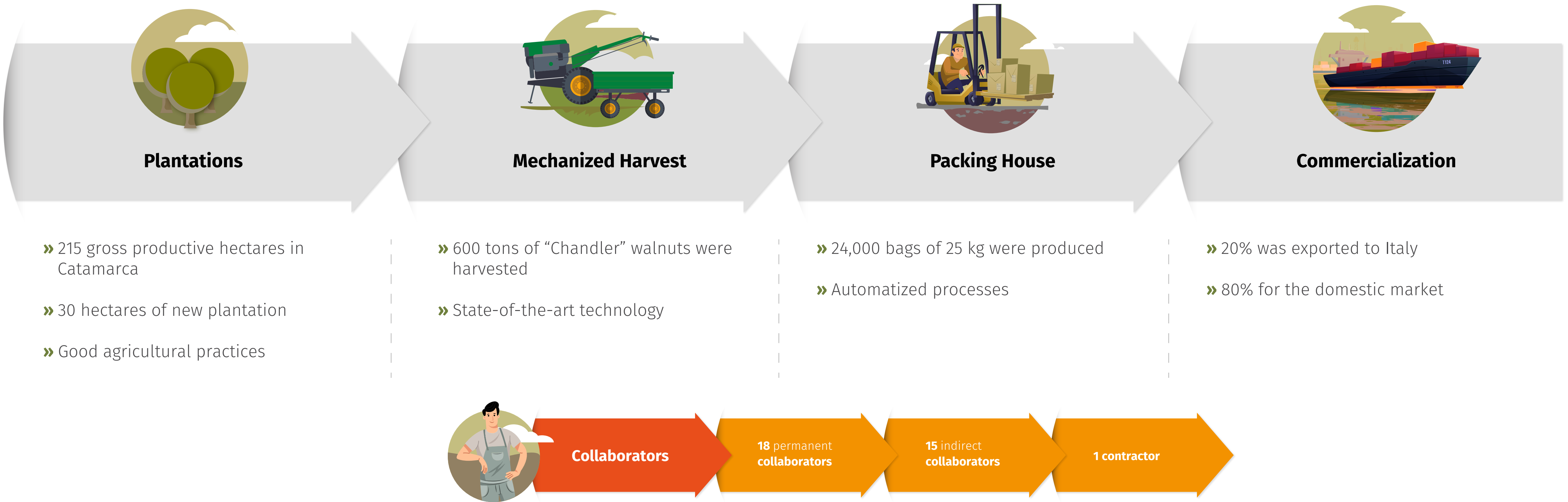
We incorporated the use of renewable energies in El Carmen (Catamarca) and El Symbol (Santiago del Estero) livestock establishments, by installing solar panels to pump water in the breeding and rearing establishments. In addition, we incorporated photovoltaic modules for energy supply in general in Don Bruno and Cien Leguas establishments (Salta).





# Nueces de Catamarca: Healthy Products to the World

## Value Chain





## Quality Walnut Production and Production Efficiency

- » Our plants come from certified nurseries which meet high productivity and quality standards.
- » We managed production in a sustainable manner and produced 600 tons of walnuts in 2022, taking into consideration food safety, workers' well-being and a sustainable environmental management.



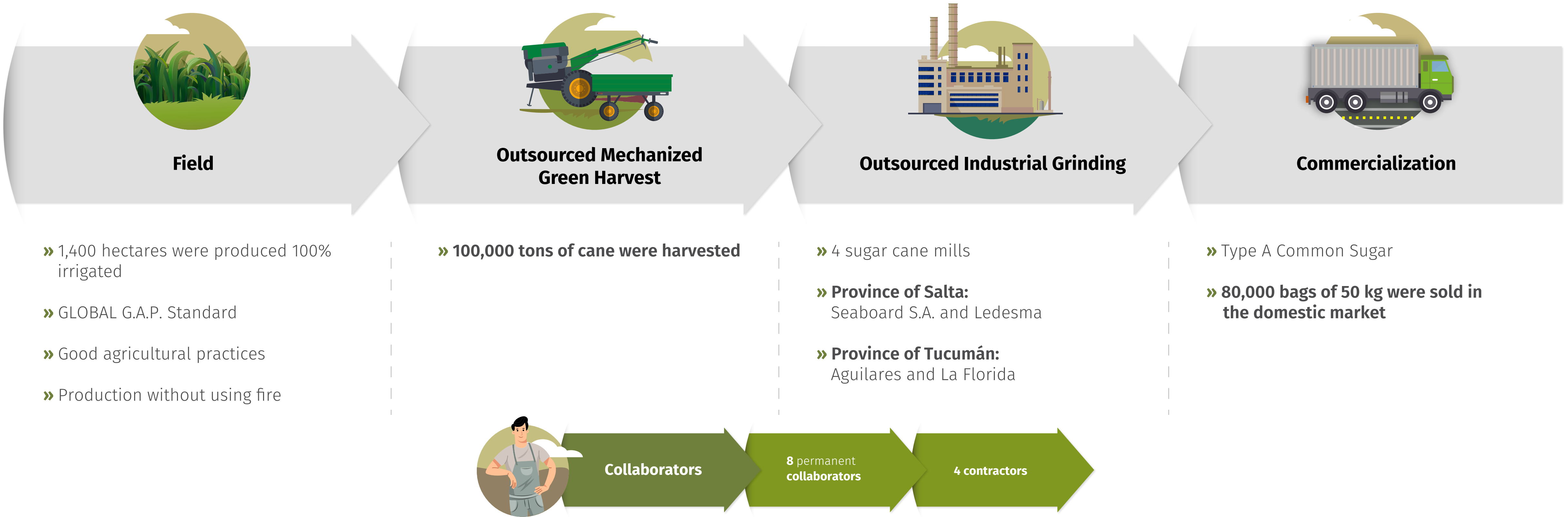
*During 2023, we face the challenge of certifying Nueces de Catamarca's production with the GlobalG.A.P. Standard.*





# El Pucará: Certified Quality

## Value Chain





# Sustainable Sugar Cane Production

- » Our plantations are certified, which guarantees our commitment to quality, our workers' safety and environmental care.
- » In 2022, El Pucará harvested 100,000 tons of sugar cane through a safe, responsible and sustainable production.



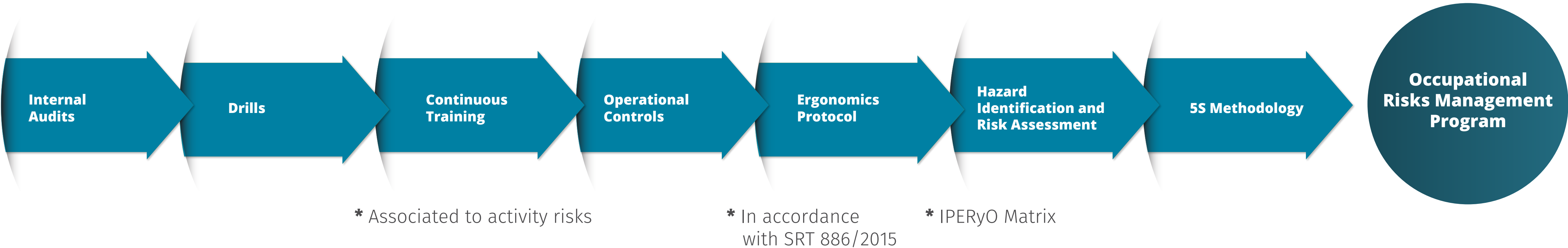
*Our orchards have been certified by Global G.A.P. since 2012.*





# Occupational Risks Management Program

To prevent occupational risks, we regularly carry out an analysis of the job positions, identifying the kind of risk our staff is exposed to and suggesting operational controls to deal with them.



**5S National Award:** we participated in this national award held by the Japanese Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS) and received the Silver Award in the category “Great Organization.”



# Fundación Vicente Lucci

We work to foster the development of the rural communities in northwestern Argentina. We develop our initiatives based on three main areas of work:

- » **Education**
- » **Labour inclusion and entrepreneurship**
- » **Citizen engagement**

For further information, please visit our website:

 [www.fundacionvlucci.org.ar](http://www.fundacionvlucci.org.ar)

## Education

We reach out to schools providing materials prepared for teachers and beneficiaries in order to lead them through new paths.





# The Program in Numbers

4 Provinces

33 Communities

40 Schools

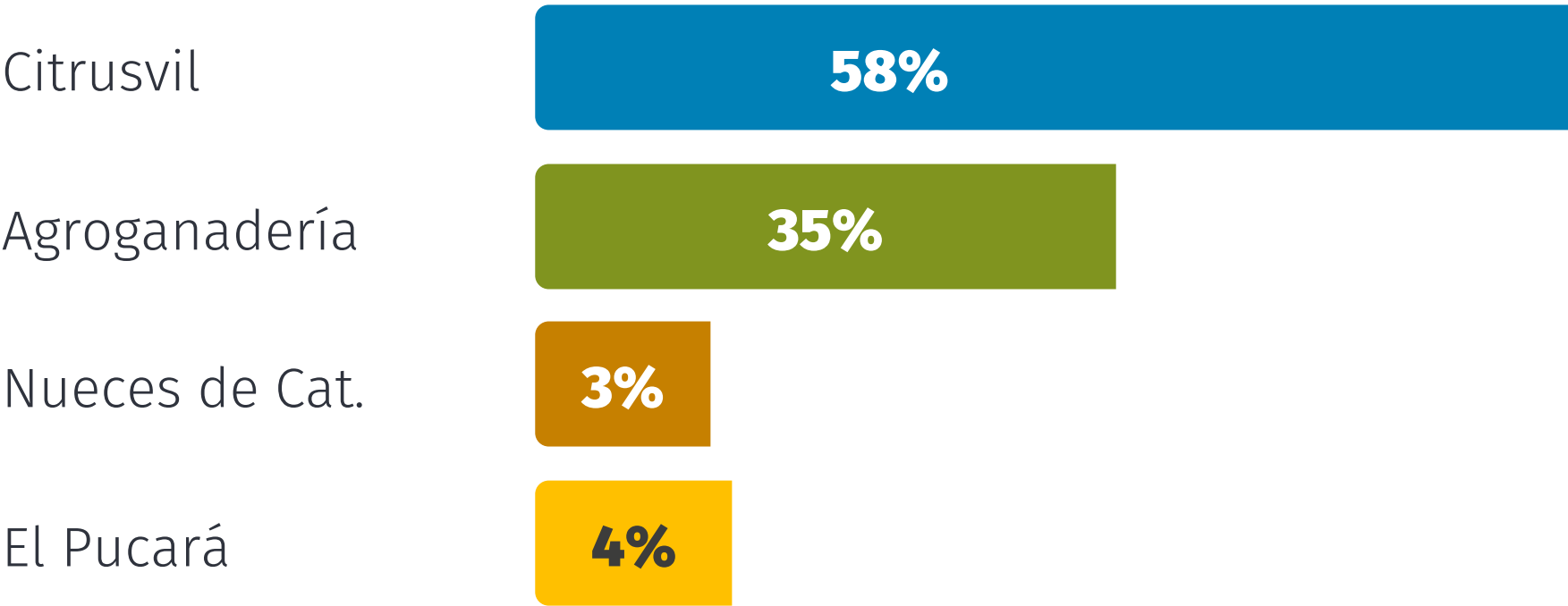
240 Workshops

3,674 Children

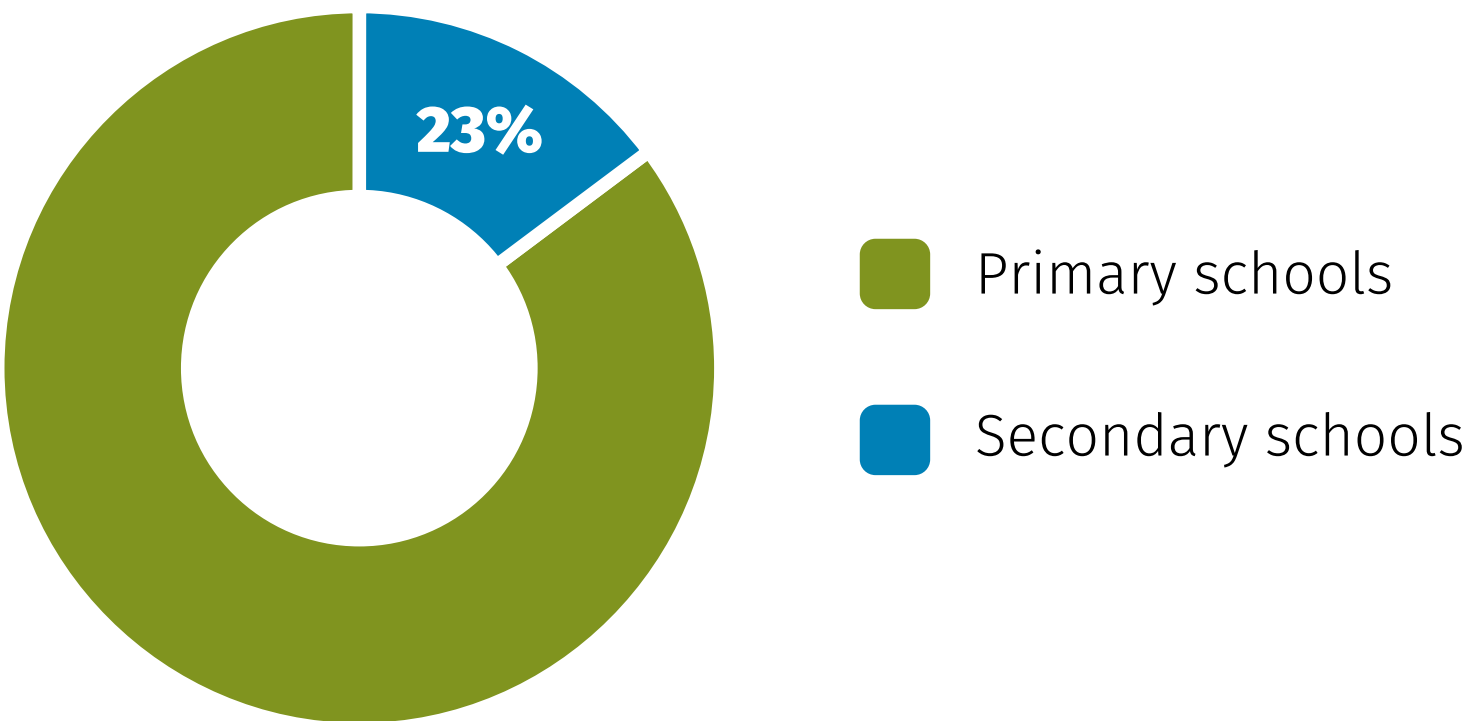
2,782 Young People



## Fundación Vicente Lucci's outreach in Grupo Lucci's communities



## Distribution of benefited schools by school level





# Educational Scholarships

For 11 years, we have implemented this initiative together with BBVA Argentina at Barrio Aeropuerto Secondary School, located in Cevil Pozo, Tucumán, near our industrial site. We aim at strengthening the integration and continuity of young people from low-income families in the education system.

## Updating Courses for Rural Teachers

We trained 142 people, including students and teachers.

### Strategic Partners





**Sembrando Vida (Sowing Life) Program:** The aim of the program is to influence students in order to have a better future. We reached out to 23 primary schools and 4 secondary schools in 3 Argentine provinces by means of 27 workshops of 108 hours in total.

- » 1,000 trees were planted at schools and communities in northwestern Argentina
- » 700 graduates from primary and secondary school participated
- » 1,000 trees were donated to 7 communities
- » 70 corporate and external volunteers participated
- » 500 trees were donated at a reforestation event in Cerro San Javier

 [Learn more](#)

**Fundación Vicente Lucci's Nursery:** In 2022, we could use our nursery's initial production in the Sembrando Vida Program.





# Labour Inclusion and Entrepreneurship

- » **Training Course for Rural Entrepreneurs:** a total of 117 entrepreneurs in the community of Burruyacú benefited from this course.
- » **Open House Program:** we held three meetings where 3 educational centres and 102 students visited our facilities and learned about the way we work as a benchmark organization in the industry.

**Coromama Establishment** was visited by 22 students and 2 teachers from Soldado Cajal Agro-technical School in Las Cejas.

**Las Marías Establishment** was visited by 48 students and 2 teachers from Los Pizarros Agro-technical School in La Cocha.

**Pozo de la Espuela Establishment** opened its doors to 32 students and 5 teachers from Technical School No. 3167 in Las Lajitas.





» **Labour Inclusion Program:** together with Randstad Argentina and based on SDG 4, Quality Education, we developed an initiative which promotes the acquisition of professional skills necessary for young people in order to get a job. In this regard, we ran two workshops on employability for secondary school students in our communities in order to guide them on labour market insertion and the first job search.

These workshops lasted two hours each, and 142 students in total benefited from them.



[Watch video](#)





# Citizen Engagement

- » **Closing Session of the 2022 Volunteer Program:** 41 people, including internal and external volunteers and institutional leaders, participated.
- » **Our fight against child labour:** in 2022, we participated in 3 national events to exchange experiences regarding this issue.
- » **Unsta Emprende Event:** the XVII edition of the annual event called “UNSTA Emprende” took place, in cooperation with Universidad del Norte Santo Tomás de Aquino (UNSTA). Its goal is to foster an entrepreneurial spirit. We were invited as speakers in this event which promotes creativity, the willingness to do things and innovate, and is meant for students, entrepreneurs and the general public.

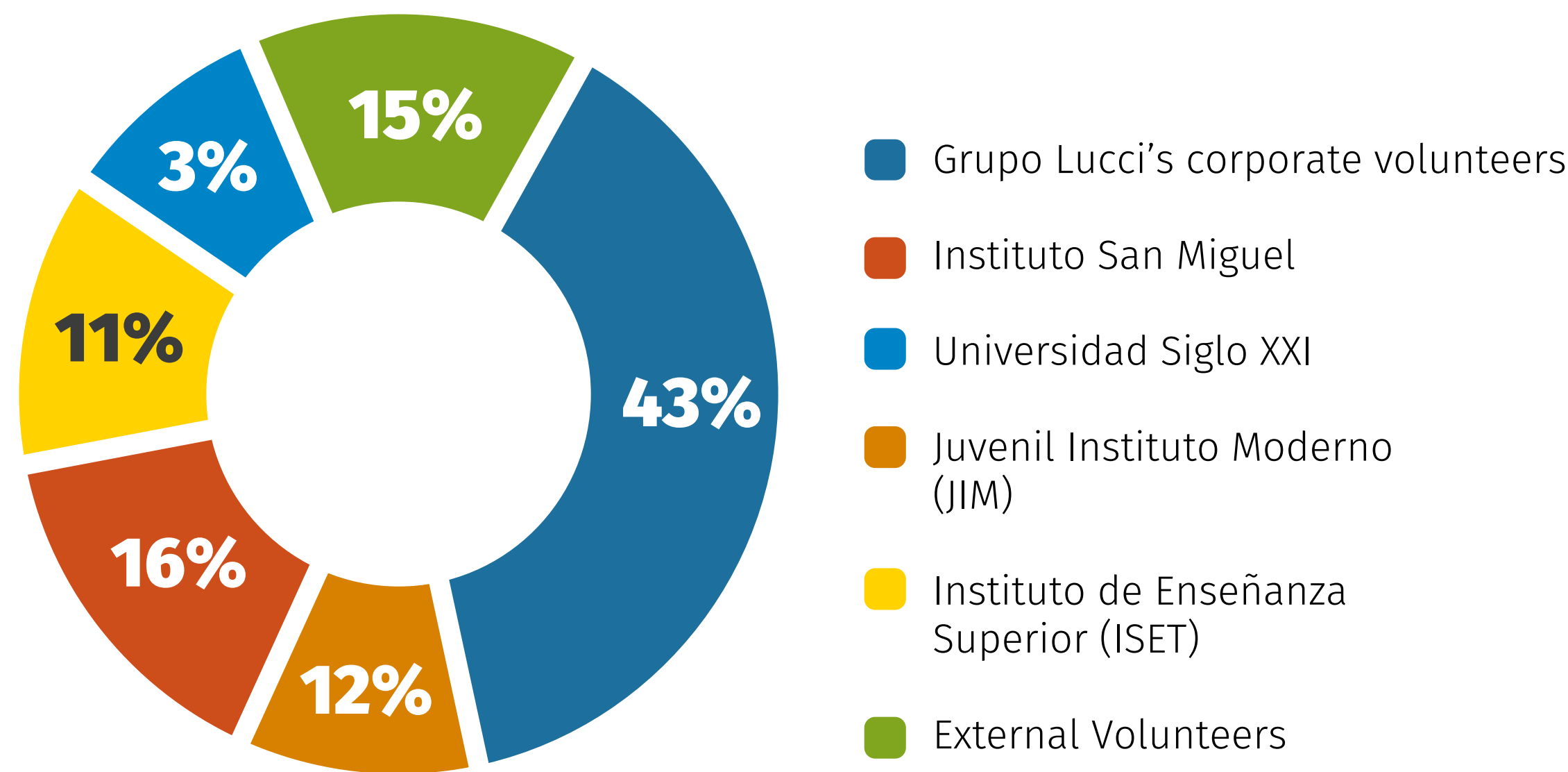




# Volunteer Program

By means of our volunteers, we have managed to reach out to over 40 schools where we develop our programs. Grupo Lucci's Corporate Volunteers

## 2022 Volunteering sources



 [Volunteers Video](#)



*In 2022, we reached 1,180 hours of volunteering, which is equivalent to the average contribution of 10 hours per volunteer.*



# Our Commitment to Child Labour Eradication

We work in a responsible manner to provide decent and legal jobs in rural areas, protecting human rights and preventing child labour. In order to reaffirm these commitments and to monitor our contractors’ compliance with Grupo Lucci’s Good Social Practices and Law No. 27,401 in force, we conducted harvest audits.

## In our Company:



We guarantee that all our staff is registered.



We monitor compliance with the policies on good social practices throughout the company’s value chain.



We have biometric identification technology to ensure legal and decent work for 3,500 harvest workers on average per season.



We certify our Sustainability standards

## Outside the Company:



We strengthen rural compulsory education.



We deal with topics related to children’s rights, prevention of child labour and work training.



We benefit young people by granting educational scholarships so that they can finish secondary school.



We invite different national and provincial institutions to share their knowledge and experiences on employability and entrepreneurship.



**Child Labour Recognition:** : we have been recognized by the Argentine Commission for the Eradication of Child Labour (CONAETI) for our active participation in the actions developed by the Network of Companies against Child Labour during this year.







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