N°11 | JANUARY 2022

RESPONSIBLE PRODUCTION

PERIOD JANUARY / DECEMBER 2021



SAN RAFAEL

AWARD TO AGRICULTURA EXCELLENCE

Innovation

New features developed by Technology

Sustaintability

Our path towards sustainability

Circular Economy

From waste to resource

Leadership

Building 2030 together



in /grupo-lucci

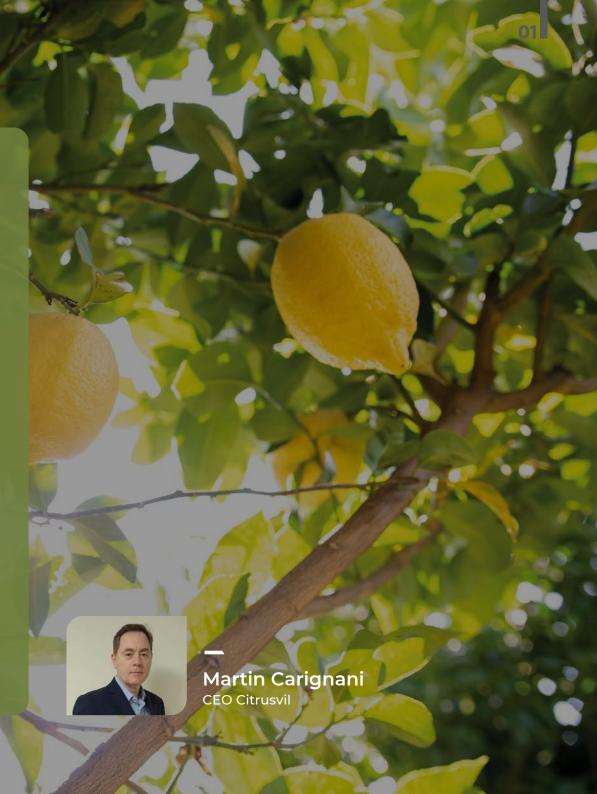
Editorial | Citrus Agriculture

We are now in a complex world in which our company is being affected by the worldwide increase both of fresh fruit production as well as industrialized production. Excess supply of lemon is starting to be strongly noticed together with increasing competition in production between the Northern and Southern hemispheres and those very efficient countries such as South Africa, Turkey and Spain.

We observe increasing unsteadiness with regard to our product 's demand. International logistics have also suffered the effect of pandemic. Costs have increased more than demand in the world commercial trade.

We must also mention the national context. The present economic policy maintains a very low exchange rate with a false currency appreciation and we are therefore suffering higher internal costs.

As a matter of fact, Citrusvil considers local and international uncertainty as an opportunity for change and to continue improving. We are establishing a new strategic plan in view of our business for the year 2030, promoting actions that will encourage substantial differences based on these main pillars: competitiveness, innovation and sustainability.



Editorial | Agriculture-Livestock

The Agriculture- Livestock team has been consolidated. By carrying out a thorough analysis of local and international markets, we implemented the right actions in order to obtain remarkable productive and economic results.

We have diversified production in the agricultural field by incorporating specialties such as beans in their different varieties whose prices in the course of time offer a better profit margin. With reference to vegetables, it was a complicated year due to low profits and quality issues, added by difficulties presented in logistics and the rise in international transport prices causing problems in turnover and prices.

Commodities had record prices in 2021 and our business grew considerably in these crops. Simplification and fluency in trading standards given by sales in Buenos Aires stock market made this possible.

Livestock: internal demand for meat is very restricted, while local and external supply are increasing. This has stimulated our commercial relationship with our clients in the rest of the country and as a consequence we have obtained higher positive results without wasting any of the capacity of our establishments and animals. On the other hand, our relationship with the main meat processing plants in Argentina enabled us to start selling young cattle for export.

2022 is a promising commercial year focusing on our foreign client portfolio in order to diversify production and therefore obtain better results both in agriculture and livestock. We are implementing a cutting-edge strategy by identifying new sustainable projects that will allow competitive advantages in our production by integrating our work in the economic, social and environmental fields.



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Citrusvil | Primary Production

San Rafael: Our emblematic orchard Strategic and sustainable Production

San Rafael orchard is the 23rd unit of Citrusvil purchased in September 2017 with 871 hectares and 716 hectares available for production.

It is placed at the foothill in Tucumán which is an optimal area for lemon production due to climate and agricultural conditions. It is limited on the West side by Aconquija Hills, on the South by the Colorado River on the North side by Provincial Route 341 and Tucumán Paper Mill (Papelera Tucumán) and on the East side by the town of San Rafael, in Lules location. This is an ideal location to work on this project as a unique orchard preserving land which has great ecological value.





How we improve and develop

We have added San Rafael orchard to our management system integrating it as a social, economic and sustainable production unit.

We elaborated a complex roadmap within a context of economic uncertainty and global pandemic. We built new infrastructure in order to adapt the Orchard to Citrusvil and Lucci Group standards. "To eradicate sugar cane and plant lemon is not an easy task" says Juan Altamiranda, Primary Production Manager for Lucci Group.

We must be extremely careful with the water flow since it is a sloping orchard at the foot of the mountain. The water must drain without hurting our orchard nor our neighbors so this is why we have been working with an interdisciplinary team of specialized professionals in order to obtain a proper systematization of the orchard. We have done construction works to capture water which is later used to pulverize by means of a pressurizing system through gravity.



Juan AltamirandaField and Primary Production
Manager for Grupo Lucci

Difficulties we found on the way

- The orchard had a deteriorated sugar cane production.
- It had pine tree forests over 30 years old without maintenance.
- Burglary, rubbish spots, illegal quarries.

Nevertheless 220 thousand plants were planted over a 3 year period so we were able to meet our goals.

Good agricultural practices

We made an investment with a purpose: to systematize the orchard with clear objectives:

- To recover and stop soil degradation.
- To mitigate or eliminate existing problems with floods in close urban centers.
- To stabilize productive units.

By meeting these goals, we were able to keep the soil healthy in the long run, reducing our problems given by climate variability and by stopping hydric erosion. This is strategically very important considering the lemon plant has a productive life of 20 years.

It also allows us to manage water in a much more organized way. We developed a project consisting of a water terrace system and drainpipe channels to carry excess water:

- First of all, to a reservoir that will absorb excessive water (Dam 1).
- This one pours into a second reservoir (Dam 2) and then gently flows into Calimayo Stream.

Diversion works

We have completed works for water diversion towards natural courses in order to avoid damage in neighborhood properties and urban centers.





Nuevas tecnologías

En el proceso se utilizaron drones que realizaron un relevamiento y control del movimiento del suelo, para la construcción de las represas.

Bio-engineering-Vetiver Plants

We have taken an interest in Bio-engineering by planting Vetiver since we have been evaluating alternatives regarding erosion control. The most important benefits given by these plants are that they reduce damage caused by water erosion. Speed is reduced and solids that remain suspended are held back which benefits in soil protection.

San Rafael Orchard is now self sufficient in Vetiver plantation, we have already planted more than 1000 mt. of this natural barrier which is absolutely sustainable and economical.

Lemon Plantation in three stages

La innovación en esta área a través de la plantación mecanizada duplicó la capacidad diaria. Logrando así más de 219.000 plantas en tres años, desde septiembre de 2018 y finalizando en octubre de 2020.

Water Suppy

We don't use any source of energy to pump water in any part of our water network system in our orchard. The original source comes from Papelera del Tucumán Company channel during the first stage and Calimayo Stream in the second stage.

Integrated Management System

Our aim is to guarantee harmless and safe product elaboration without neglecting environmental protection and also labor force protection. This is why we have built adequate infrastructure such as sheds, storerooms to keep phytosanitary products and their containers, restrooms, changing rooms and also administrative offices.





Biodiversity Protection

We have 716 productive hectares out of 871, and 155 are a preserved native forest.

In the year 2020 the environmental characterization was performed together with ProYungas Foundation. We studied the fauna and flora in those areas which have the greatest conservation value. After this study we joined the program called Paisaje Productivo Protegido that defines all actions that follow for the preservation of natural habitats.





Regarding Social Business Responsibility, Grupo Lucci works together with San Rafael Community through the Fundación Vicente Lucci developing actions that involve principles in education, labor insertion and entrepreneurship.

We are implementing educational programs in rural schools to more than 100 students attending primary school which include several important topics such as human rights, child labor prevention and environmental care.

We are also carrying out projects for waste management together with an awareness campaign focusing on the importance of cleaning in collaboration with companies such as **Arcor**, **NGOs** and **municipalities**

Why we stand out

Our professionals are different because our approach is different.

We have an integral view of the process, from seed time to export time. As we are focused on clear goals, everyone is deeply involved in the project. This is the basis of our work which can be noticed in every member of the team.

Future challenges

To continue innovating by creating an I+D area that depends on Primary Production which enables the application of new technologies and measure its results.

To make progress in all the works designed to improve the rationing water system based on sustainability. And also to continue giving support to all our close communities under Social Business Responsibility standards.

We are convinced that excellence in business matters must satisfy the expectations of special interest groups as well as contribute to environmental protection, guarantee sustainability of our natural resources and promote the development of our society.

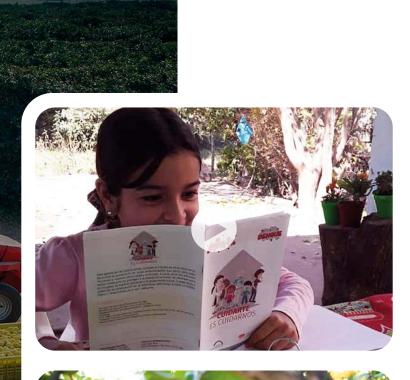
Our characteristic lies on incorporating qualified environmental and social-management practice which increase our production and qualified standards in the whole region.

"Innovation and sustainability are our primary production pillars", says Juan Altamiranda, Field and Primary Production Manager for Lucci Group.









Regional Development: We create formal employment

Citrus activity is the second most important activity in the province. It employs more than 4500 workers in Tucumán during the harvest from March to September. Citrusvil as a leader in this sector, stands out for its productive and organizational performance in the labor sector. Our commitment throughout 30 years has been that our workers are registered in their jobs and this must be emphasized since illegal employment is frequent in this context.

This is why we defend formal employment and prevent child labor in every way by means of a coordinated effort among the different sectors of our company through the Fundación Vicente Lucci.

We meet our goals through efficient coordination.

We meet our goals through efficient coordination.

We harvested 250.000 tons of fruit in a period of 150 days throughout 5.800 productive hectares. This is possible due to the coordination between our sector and packings and industrial facilities. We coordinate our work efficiently together with supervisors and contractors.

"Our team has been able to respond effectively to adverse conditions that we had to face. It has proved to be a real solid working team showing a big capacity to adapt to several different circumstances" says Jorge Arce, Harvest Manager.



Harvest: constant development

ID cards were implemented through the RFID system three years ago and we continue to use it to improve our worker's efficiency.

Since we obtained such positive results with this technology, we decided to develop a new system in order to simplify the foremen 's task. It consists of storing information about the different harvest sectors.

This allows us to simplify administrative tasks and to bring together all the information from contracting firms. It has also favored a better internal and external communication.

Mechanized Harvest

This year we started to use the vibration machine COE and obtained positive results by comparing them to other machines.

We believe that by continuing this research line and by adapting machines to specific lemon characteristics, we will obtain better results.



We are always searching for new ways of improvement and reaching out for new goals. This is why we take into consideration new technology that is implemented in the domestic and the international sectors, other than lemons. This is a good way to assess how we can improve our workstream taking into account that changes are always gradual regarding harvest matters.



Jorge Arce Harvest Manager

Challenges for the Future

Our challenges for the future are based on two pillars which are fundamental for our company, innovation and constant development:

- To develop a traceability system that will allow us to follow the quality of the harvest and the harvesters. In this way we can detect flaws and correct them, improving our service so that the fruit arrives on time at into our packings and industrial facilities.
- To continue working together with different Institutions hoping that the Argentine Government will take the necessary measures to favor growth and formal improvement in our sector.

Volver al Índice



The season ended with great difficulties. In March 2021 price expectations were low, it didn 't appear to be an attractive market. This changed during the season since new opportunities arose and we turned to a positive view of the future.

Export outlook for fresh lemon in 2021

The pandemic strongly affected us in the commercial management due to the loss of personal contact through travels and specialized trade fairs. In face of this new situation, virtual meetings replaced face to face meetings in a dynamic and effective way.



Our Destinations

European Union

Since June 2020, Argentina was blocked to export to the EU due to several interdictions on arrival. During the first quarter of 2021, the European Union made a revision of all the protocols, inspected and audited the orchards in order to authorize exports once again. In addition to this, COVID-19 caused several logistic problems.

In spite of all the setbacks, we took advantage in a very quick and efficient way, of all export windows. We are optimistic for the upcoming 2022 season due to the changes in import protocols introduced by Europe.

United States Market

We started the season with great expectations, but the market ended with oversupply: Chile increased and Argentina increased their exporting volumes (Argentina with an increase of 121% compared to 2020).

Citrusvil took great advantage in a responsible way of the opportunities that appeared, reducing risks by leaving the market in advance.



Osvaldo Martin Fresh Fruit Sales Manager



Martiin Hazeu CoFresh Fruit Sales Manager



Outline

Landing in the Giant Chinese Market

We are ready for the challenge. Today we have the necessary installments, infrastructure, and advanced technology to attend to this market.

We expect a gradual growth in the Chinese market together with other important international customers. Our challenge is not only operational, but also cultural and commercial. We must learn to overcome every obstacle, especially logistics, skillfully in order to satisfy our clients needs.

Client service improvement

Traceability of loads and the administration of all the documents will be the key to a precise customer service. Together with the logistics and systems division, departments, we will implement a new system so that our clients can have access in real time to their loads, geo-localization and documentation.

Strengthen ties

Virtual meetings became the focal point during pandemic creating a new atmosphere to hold meetings. Through these we strengthened our relationship with our partners always thinking that in the near future we will be meeting again in person at the International Trade Fairs and we will be developing new business opportunities.





We overcome difficulties by way of strategy and coordination

Our main goals for the 2021 season were:

- To manage the season
- To adapt to new international protocols
- To use our resources efficiently

We were able to attend the new international demand through constant coordination work with the Primary Production Department. The key to overcome our difficulties has been permanent training, leadership and commitment of our staff.

We encountered many difficulties: Ports closed down, delays in deliveries, excess supply and new destinations. In spite of all this, the quality and preservation kept high standard levels and became emblematic in face of the challenge.





Synchrony among sectors lead the way

With shorter export Windows and higher competition, our strategy needs to be more certain.

This is why we work in order to give our team the continuity, dynamism and sustainability in all our integration processes.

"We are one more link in a well-oiled chain which is formed by primary production, harvest and industry" says José Luis Velarde, Packing Manager.

What we learnt in 2021

"We know we must never lose our grip and we must reinvent ourselves permanently".

Our leadership in this sector is a significant motivation as well as the creation of responsible growth and above all, team work with articulate coordination and synergy in order to face future challenges.

In the presence of a changing, competitive, and challenging context we must be creative and seek innovation. Resilience and teamwork are absolutely necessary.

"We support the idea that none of us is more important than the rest of us" ends José Luis Velarde.







Our innovation and permanent development culture is why we constantly seek to improve.

Keeping up our leadership through the years has not been an easy task. It takes a lot generating new ideas, redesigning processes, making them more efficient and developing new markets and new products.

We walked through 2021 with excellent results thanks to our teamwork who managed efficiently and effectively. There are around 300 collaborators in the industry in the different productive sectors including quality and maintenance. It is also true that working in organized areas which are safe and controlled, has a positive impact through the implementation of management tools like 5S.



Our output in 2021 confirms our leadership:

- 305.000 tons of industrialized lemon
- 21.750 tons of concentrated lemon juice
- 15.976 tons of dehydrated peel
- 2.530 tons of flesh cells
- 1.772 tons of essential lemon oil

"Our vertical integration together with our sustainability track record places us as leaders and prepares us for new challenges". Explains Marcelo Pérez, Industrial Chief in Plant B

Constant development culture

We are aware that change is the only thing that remains constant and in order to be chosen in a competitive market we need to make permanent revisions and redesign our process. Therefore, we believe that as we count on tools like Lean Management which are based on respect and constant development, we will launch a transforming project together with the Human Resources Division called "LUCCI WAY", looking into the year 2030.

Citrusvil, at the vanguard of the market

Our constant innovation and advanced technology allow us to enter the most demanding markets in the world: Europe, Japan and soon: China.







Our goals for the future

We are convinced that in order to continue leading the industry, we must do it in a sustainable way. Meeting our clients needs, understanding them and having empathy will enable us to maintain lasting and reliable relations.

One of our most immediate objectives is the incorporation of organic products to our industry which will be ready for the 2023 season. Our company is making a big effort and it will also allow us to expand our client portfolio in a growing market.

Our purpose is to automate our industrial processes in less than three years and this will allow us to become more efficient by obtaining maximum control in each stage. We started by incorporating artificial intelligence for stock control in our cold chambers which will speed up the management of our products.

We also constantly work in a very conscientious way in order to reach a balance among the economic, social and ecological aspects in order to be successful in our practice and also discover better alternatives.

"Communication and interaction among our different areas allows us to understand that we are ready to face new challenges" says **Alex Nolte, Commercial Manager - Industry.**



Marcelo Pérez Industrial Chief Plant B



Alex NoiteCommercial Manager-Industry



Citrusvil | Research, Development and Innovation

Innovate, renew, update

Innovation

At Citrusvil we understand innovation as a strategic pillar in our sector. We go all the way with our clients offering technical and tailor made solutions, we promote our products potential and their applications.

Our expertise together with advanced technology, allows us to offer solutions adapted to each client. This is how we make progress in research by developing our value chain according to our global market requirements.

We firmly believe in the importance of teamwork and in focusing on the satisfaction of our clients needs.



Federico SosaResearch, Development and Innovation Chief



Personalized Solutions

Our skill and flexibility allow us to be close to our clients in a reliable position. We are conscious of our clients 'needs and we clearly understand consumer patterns and world markets.

We complement our research line through public and private coordination in order to to achieve the expected results in each case.



Our team

Our team guarantees the best quality service. Citrusvil Research and Development staff is a multidisciplinary group that permanently works in search for tailor made solutions for each client.

Our professional staff has technical experience and deep knowledge of the theory and process. We also work with a specialized group of external consultants in the world of flavors and drinks, increasing our research and development capacities.



New technologies applied to our industry

Our chromatography laboratory makes sensory analysis that allow us to make an integral assessment of our developments at the laboratory and on scale.

With the object of following our innovation process, we have carried out several investments in the last few years which enable us to keep up advanced technology and to face the challenges that the global market imposes.

The products and new developments achieved are the result

of hard work and through a methodology that finally ends in our clients ´ total satisfaction but always leaving space for continuous improvement.

"One of the competitive advantages of Citrusvil lies in innovation and technological development applied to every productive process improving our interpretation and development of customized solutions for each client", says Agustina Lucci, Sustainability Manager.





Sensorial Panel

We have an interdisciplinary group of people that evaluate sensory characteristics of a product or a prototype through the use of their senses: mainly sight, smell and taste in order to determine the qualities and analyzing if we comply with the specifications and expectations of our clients.

Citrusvil Standards

Quality requirements for the food and drink industry are constantly increasing globally. Citrusvil works with the highest levels of food protection auditing our processes regularly and considering constant improvement as an essential pillar day to day.



Long term vision

I+D+I is lined up with the general management of Lucci Group long term defined objectives.

We know that the future of the industry lies in sustainability and innovation, this is why we work in line with these principles. Therefore our products and services make a global difference between our company and our competitors.



2006

We started the Effluent Zero Program with the object of minimizing environmental impact and preventing liquid effluents generated by our own industrial plants from pouring into natural water sources.

After specific studies we decided to build our own Effluent Treatment Plant.

We joined the PRI Programa de Reconversión Industrial (Reconversion Industrial Program) which is an agreement between the National Governement and the industry which foments environmental adaptations in order to reduce environmental impact.

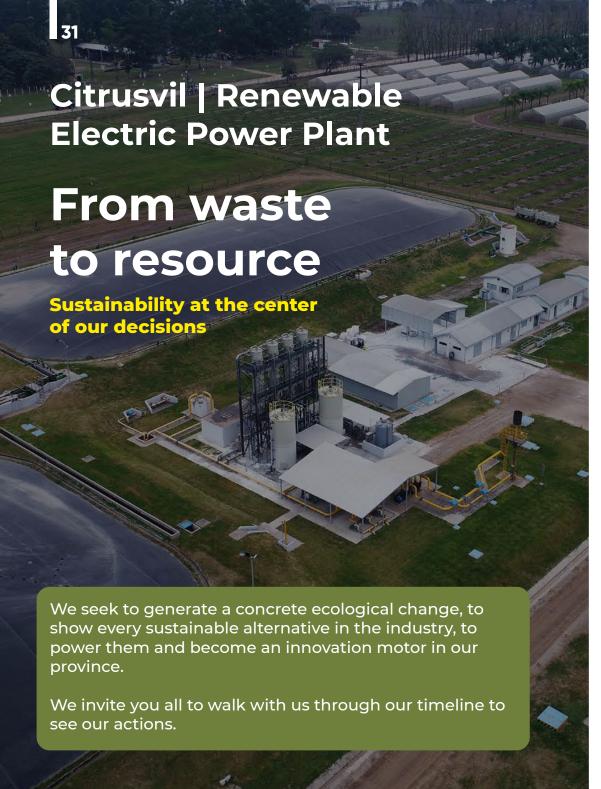
Together with recognized specialists, we undertook the challenge to treat our own effluents by means of an anaerobic process with biogas production becoming pioneers of this model in the alobal industry.

2008 2009

We built and started up our two anaerobic bio-digestors.

Inside these bio-digestors, bacteria digest the organic matter and generate biogas.

Lined up with our sustainability strategy and under the circular economy concept, the boiler is adapted at the Industrial Plant B for the utilization of this bio-fuel.



We reached **operational stability,** exceeding biogas demand at Industrial Plant B and we adapted the boiler of Industrial Plant A in order to take advantage of renewable energy produced and **reduce fossil fuel consumption.**

We started to operate a third bio-digestor with the object of improving the efficiency of the system and to capture the growing demand of our Plants and Factories.

We took part in Round 2.0 of **RenovAr**, a special program that promotes power generation from renewable energy. This participation lines up with our spirit to continue adding value to our actions and to consolidate matters of sustainability.

We were awarded the Project to produce 3MW of renewable electricity from our effluents. We inject this electricity into the SADI, National Interconnected System, equivalent to an average consumption of 3.000 Argentine homes.

2018

2013

2015

2017

2018: We started negotiations to buy the plant of renewable energy and we signed a contract to sell energy to **CAMMESA.**

We replaced 20% of natural gas required by industrial plants, for biogas by operating with biological maturity of the system and three bio-digestors. This is how we managed to use 100% of biogas produced in our industrial installments turning the plant to be self-sustainable from an economic point of view.

2019

Our work and set up continued during this year. The Plant started to inject electric power into the electric network on September 6th.

2020

During this year, we set up our management in its operational and administrative aspects.

We were faced with the challenge to generate renewable energy between harvests in order to continue our Plant operations. We analyzed available local substrates to be treated. This consolidated our action related to the circular economy in favor of our region.

2021

We continued to strengthen our teamwork and processes in this new business unit.





Impact

The plant is now of Renewable Energy and is transversal the industrial installments of Citrusvil placed in Cevil Pozo, Tucumán. It treats liquid and organic solid effluents generated by the packing and its two industries.

We inject 3MW of electric power at a high consumption point, making the transport system lighter.





What is the difference between biogas and gas from fossil origin?

Biogas is captured for two reasons:

Biogas is a mixture of gases with methanol as its main component, while gas from fossil origin is more concentrated in methanol and therefore is a fuel with greater heating power.

Gas from fossil origin is a finite non-renewable resource which needs to be transported from long distances, from the point of extraction to consumption points, while biogas can be produced in a short time and can be generated in the same place of consumption.

Challenges for 2022

Our commitment goes beyond our own activity, we intend to produce renewable energy by taking advantage of the available substrates or effluents in the region and in this way, we keep contributing to sustainability in our Province.



consumption during over 10 years.

Germán Roig Babot Chief of Renewable Energy Plant



Luciano Uda Chief of Projects and Energy

Volver al Índice

Nueces de Catamarca

Leading Technology for a growing market

Nueces de Catamarca is a company that has been cultivating the walnut tree Chandler variety, and has become a model in Argentina due to new technology implementation in this type of plantation.

It is placed in Catamarca Valleys where our company manages 215 hectares. This is where production, packing, commercialization and export of nutshells takes place. Their size, color and high performance of the pulp is optimal.

Our walnuts stand out for their Premium quality in international markets like Dubai, Spain and Turkey.

The 2021 campaign had a record production in our company.





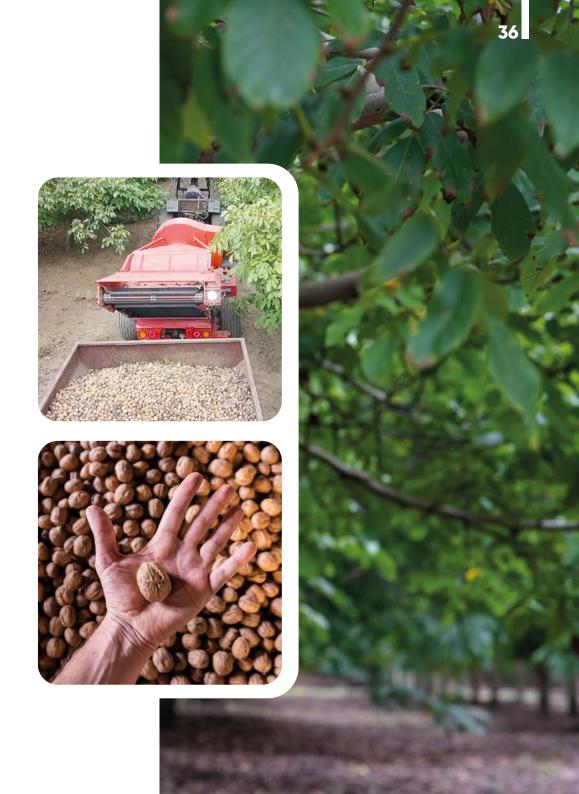
Our System ensures quality

Automation of the process during the harvest of walnuts is a key factor to us, that is why we invest and apply technology during the harvest period and post- harvest period as well. This is how we prove to be more efficient and we gain quality in our product.

Harvest stage: Mechanized harvest is divided into three steps in which different specialized mechanisms are used. We have incorporated a new North American machine with a vibration system. It is used at the beginning of the harvest, when the walnut is maturing. It follows three processes in one and improves the quality of the nut by avoiding it to fall off the tree at an early stage and therefore exposing it to adverse environmental conditions.

When the harvest starts, a vibrating machine is used to make the nut fall. Secondly another machine sweeps the fruit and in the final stage, a machine collects them.

Post-harvest stage: At this stage, we send the walnuts to the packing sector where they are washed and cleaned. An Italian electronic machine selects them by color.





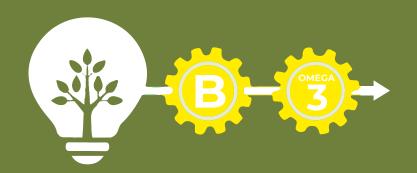
Drying and packing process

The product goes through quality control, a drying system with a first-class equipment, unique in our country. Then it reaches our packing which is 100% automatized with three machines that fill up bags of 10 to 25 kilograms. We update information automatically in our outline system that was implemented this year.

The quality of our walnuts is essential for our company. This is why we carry out a continuous improvement process in all our production, making logistics easier for our team and investing in infrastructure in order to adapt the installments and to ensure everybody 's welfare.

Nutrition Values

Walnuts have high energetic value, that is why they are categorized as healthy food. They are rich in protein, minerals, Omega 3 fatty acids (which contribute to balance cholesterol), and B vitamins, specifically folic acid (B9), and B6, important for the functioning of the brain and the production of red blood cells.





Continuamos creciendo

Nueces de Catamarca grows day by day. In the present context, our challenge is to increase production by 25% for next year.

Our goal is to maintain and increase our exports by strengthening our contacts and clients worldwide. In 2021, 90% of our production went to Turkey, Arab Emirates and Spain.



César TelloChief of Production and Packing



Viluco | Agriculture

Increasing our potential based on new technologies applied to our sector

Our production grows year by year. We have elevated our standard performance in our 29.300 hectares of extensive farming in Agriland and Viluco in line with (PAP) Proper Agricultural Practice and our commitment with sustainability.







Our cultivation certified with the highest quality standards, shows our commitment with sustainability and the environment.

RTRS - Round Table Responsible Soy

This certificate follows five basic principles:

1.To comply with the law and proper business practice

2.To provide proper labor conditions

3.To respect and promote relations with local communities

4.To take care of our environment

5.To carry out proper agricultural practice.

FSA/SAI – Farm Sustainability Assessment, a tool from Sustainable Agricultural Initiative

The SAI platform promotes sustainable agriculture: efficient production of safe and high-quality products so that they can, not only protect the environment, but also improve farmers ´ social and economic conditions as well as their employees and rural communities.





Technology as a strategic pillar in Agriculture

SIMA: implemented at 100%

SIMA: implemented at 100%

One of the technologies that made more impact in our productive activity is the use of SIMA Platform and we are proud to say we obtained its 100% implementation in 2021.

SIMA allows registration in real time and it controls all crop requirements. This is how we take corrective actions under plague control. We bought a second machine in 2021 which helped us reach a greater number of hectares. This is how we were able to monitor each area in a more specific way and we were able to delegate tasks in real time.

Variable fertilization

It is imperative to know the soil we work with very well. This is why we run tests every 20 hectares. This allows us to observe and handle each aspect that is necessary to maximize productivity by also preserving our soil capacity for the future.





Soil improvement

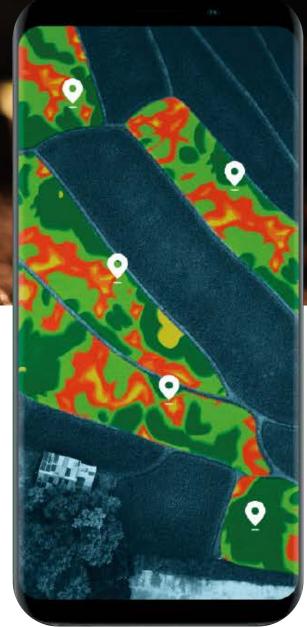
"We found that some fields had phosphorus under the standard level. This is why we carried out a homogenization process in order to raise levels in those fields which actually needed them." Says Ramiro Aznar, Agricultural Manager.

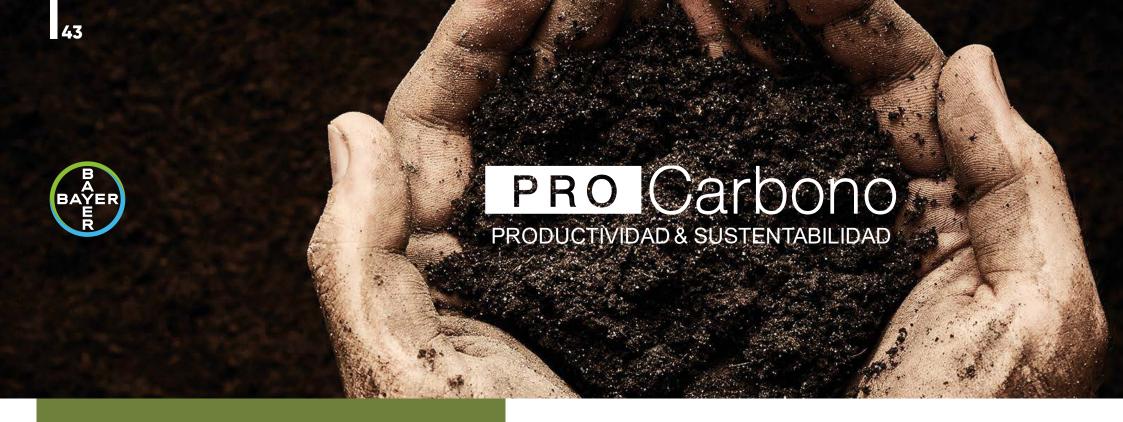
Selective pulverization

Through selective pulverization, we promote the optimization of water consumption and the use of herbicides.

This technology allows us to increase efficiency in the process by reducing economic costs and preserving the environment. It consists of devices that detect the presence of weeds and pulverize the affected area.

During 2021, we bought a second machine that allowed us to expand, and we plan to get a third machine in 2022 so that 100% of this technology reaches all of our establishments.





Challenges for 2022

Grupo Lucci continually seek excellence. We believe that innovation means excellence. We face new challenges on our way towards sustainability.

Our pathway will be set by the implementation of new technology for 2022:

- · Sensorial devices for silo-bags to detect changes in temperature in grains.
- · Maintain the quality of our harvest.
- · Measure our CO2 emission.

We improve management by working together with our allies. This is why we are trying to reinforce our Alliance with Bayer, which has been planned in two ways:

PRO Carbon: "Increase carbon fixation in soil"

This is a program that is meant to improve productivity by reducing greenhouse effect gas emission.

This first stage consists of a 3 year study to measure carbon fixation in soil. This is a starting point that will allow us to promote our future actions taking care of climate change.



Phytobac: "Tenable effluent management project"

This system is based on the formation of a biological bed that avoids any kind of agricultural-chemical waste to reach the soil or underground water. There are three steps to follow:

- Collect pulverized machine waste.
- Transport waste to a regulation tank for effluent storage.
- Distribute these effluents through a drip irrigation system towards the degradation area that contains a

mixture of earth and dry matter in a 70/30 proportion. In this substrate, microorganisms belonging to the soil carry out the necessary decomposing process by transforming agricultural-chemical compounds into substances that have no effect on the environment.

Sustainability and commitment with our community are two distinctive values of Lucci Group. Agriland and Viluco enabled us to face two major challenges, growth and excellence.



Engordar | Cattle Industry

We are leaders in Livestock development in the North West of Argentina (NOA)

Lucci Group has applied new technology in Livestock by implementing a new satellite display system meant to manage pastures and confirm potential forage.

We have 33.800 hectares distributed in 4 establishments and we have already applied this new technology in all of them: Rancho Grande, El Carmen, La Armonía and La Porteña.

Excellence is guaranteed by following the complete cycle in cattle breeding.





Satellite images lead to accurate analysis

We made an integral evaluation using 45 satellite high-definition images in each one of the establishments during the season when grass grows (from November to April). We quantified all available forage, harvest efficiency according to the amount of grass in each establishment (Buffel Grass, Gatton Panic) and the productive improvement margin depending on these variables.

This information allowed us to create a map with the amount of forage, estimating the theoretical supply of the current resources on the surface, establishing the productive capacity of each establishment, identifying the distribution of all the available resources in each sector and incorporating all the variations of each lot.

This "green index" allows us to easily follow the productive activity of the soil, which can then be analyzed.

all the variations present in each lot so the agricultural specialist can then interpret all the data and take action according to the following queries:

- Which lots need pasture maintenance?
- Which ones offer a greater profit margin?



Daniel Navarro Livestock Manager





The challenges to face next involve:

- Further interpretations of our fields through photographs, then analyze all the actions that took place and their effects.
- Analyze the effect of scarce rain, adverse weather conditions which we have been through in the last few years in NOA (North West of Argentina) and therefore design an emergency plan to face this situation which has been going on for two years and which seems to continue during this season according to the forecast.
- Evaluation of our activity regarding CO2 emissions and climate change mitigation.







"Constant development of different strategies in order to improve production and quality. We want to make sure how to handle productive processes with responsibility not only those involving the quality of the output but also in taking care of the environment in the different production stages. In this way, based on technical assistance plus environmental control and diagnosis, we will obtain a sustainable productive system". Says Daniel Navarro, Cattle Industry Manager

Volver al Índice

Grupo Lucci | Quality and Environment

Our Pathway: Sustainability

The world is going through great changes. In Grupo Lucci, we constantly work to adapt and to be ahead of all the necessary transformations that guarantee sustainability in the business. This consists of being responsible for the new generations and it also means promoting healthy social relationships and care of our environment.

Our work is based on three pillars:

- 1.Environmental care
- 2.Care of the people and communities related to Grupo Lucci
- 3. Economic Growth, to assure a sustainable business in the long run.







Our exporter profile is always a challenge to expand our view, to remain in a leading position and to apply working strategies in order to face ambitious objectives in view of the year 2030. Our work is inspired in The Green Pact from the European Union and in Sustainable Development from the United Nations.

Green Pact - European Union

This agreement is a combination of policies from the European Commission whose purpose is to turn Europe into a neutral climate environment in 2050. One of the objectives is the reduction of greenhouse effect gas emission for the year 2030 by at least 50% from the EU.

Our sustainability strategy is lined up mainly with 6 mainstays of the Green Pact, directly related to our activity.

- 1. Clean Energy
- 4. Eliminating Pollution
- 2. Sustainable Industry
- 5. Tenable mobility
- 3. From farm to fork
- 6. Biodiversity

Sustainable Deveopement Objectives

The United Nations promotes initiatives comprised of 17 objectives and 169 goals with the purpose of ending poverty, of protecting our planet and improving people 's wellbeing and perspectives around the world. These objectives and proposals include new issues such as: climate change, economic inequality, innovation, tenable consumption, peace and justice.

> We contribute in a direct way to 10 objectives of Tenable **Development promoted** by the United Nations.





11 SUSTAINABLE CITIES AND COMMUNITIES













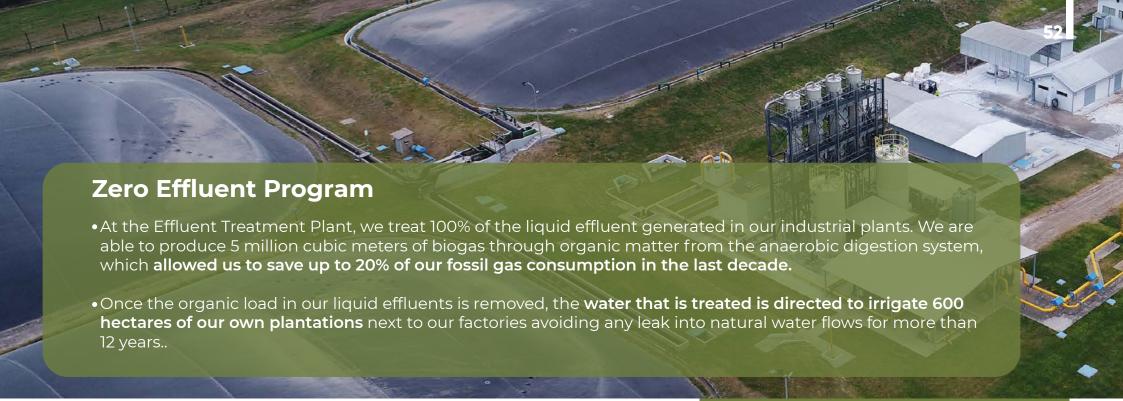
WATER: Our most important resource

Water is an essential natural resource for our lives in our planet, for people 's survival and for food elaboration.

Water is present in all our value chain and we are aware of the need to handle this resource in a responsible way we are already implementing the following actions for water care:

 Orchards Systematization with levelling curves in order to prevent erosion and to optimize water retention in the ground.

- **Drip fertilized irrigation** in 40% of our crops, the most efficient irrigation method in over 3.000 hectares.
- Accurate spraying, 20% water consumption is reduced in phytosanitary applications applied to our crops.
- With all these actions, we reached 50% reduction in water consumption in the last decade in all our industries





New projects on Water Resources Management and Energy Efficiency

The implementation of a management system will allow us to measure energy and water consumption, also measure different equipment and process consumption standards and then figure out possible flaws and implement the necessary improvements in gas consumption by optimizing our steam system and to recover heat from our energy flow used in our industrial process.

Taking action on climate change reduction

We capture more than our emissions

Citrusvil is aware that we must take further action regarding the use of our resources.

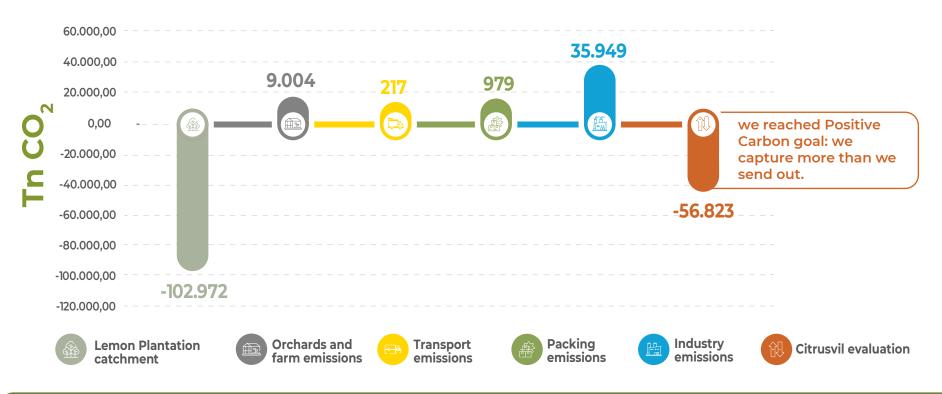
We started to measure our Carbon Trace in 2019 and these results encouraged us to rise our energy efficiency standards and confirm the impact of our own activities on climate change.





5.744 Hectares of Native Forest Preservation

Net Carbon Trace 2021



Vertical integration of our business and the outcome measure have proved that our business has a positive net carbon balance, which means we capture more than we emit.

Our annual net trace of 56.822,85 metric tons CO2 indicates that we compensate all the emissions coming from our different productive activities and we also contribute to climate change reduction since we are a real CO2 drain.

Fundación ProYungas is a strategic ally in our commitment on sustainable growth. This prestigious Non Governmental Organization (NGO) in our region joined us to measure the annual rate of CO2 that is absorbed by our lemon plantation through an objective methodological process.

We have a new challenge for the year 2022. Together with Fundación ProYungas we will calculate carbon stock in our native forest which means a genuine improvement in our balance and we will incorporate this result to Citrusvil environmental management to value the importance of our forest.





Citrusvil supports the circular economy concept with our Plastic Waste Recycling Plant by transforming this waste into raw material (plastic pellets) which is later commercialized in other industries.

Our Plastic Waste Recycling Plant allows us to reduce waste and also reduce planet extraction of natural goods.



3rd Forum Meeting of Sustainable Companies in Tucumán

Sustainability is greater than one company 's sole commitment, it needs a global commitment.

On this basis, Citrusvil is part of this Forum, which links several companies that work on the same issue in the province. This time we hosted the 3rd Forum Meeting of Sustainability and among other activities we shared our process and challenges regarding sustainability.

Many prestigious industries from Tucumán took part; to name a few, **Quilmes/Pepsi, Edet SA, Scania SA** among others.

This enables us to keep finding regional solutions to common problems in our region.







Sustainable Supply Program

Citrusvil tries to make the food chain more sustainable by creating a fair and healthy food system that respects the environment.

As a part of our support of sustainable actions in our supply system, this year we trained lemon producers together with Bayer in a program called Good Agricultural Practice (GAP). This training program will allow them to plan actions to have access to a GAP certificate recognized as GlobalGAP increasing competitivity and producing in a responsible way.

"By offering this program we intend to gain knowledge on GAP in citrus producers from the Province of Tucumán who are lemon industry and packing suppliers. We are interested in showing the importance and the impact of producing food and beverages in a sustainable way", adds Eng. Noelia Lescano, Responsible for Quality and Environmental Assurance.





We protect Bio-diversity

For each productive hectare of lemon in Citrusvil, we preserve 0.75 hectares of native forest in our field.

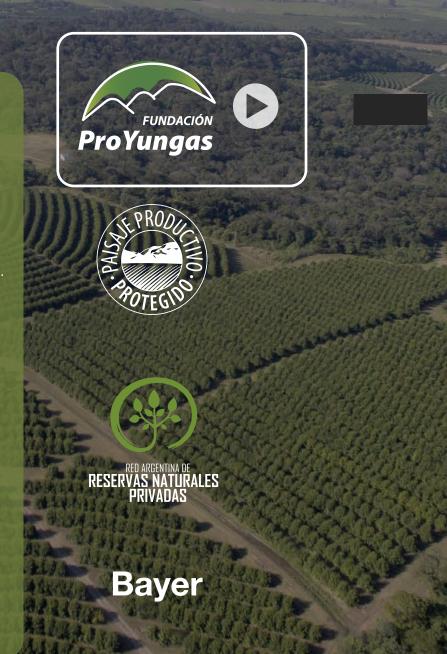
We have been working for more than 5 years with Fundación ProYungas. Their professional team whose mission is the same as ours: environmental conservation and sustainable development.

We identified unprotected areas and a priority to preserve and protect bio-diversity. The Protected Productive Landscape Program grants major importance to the relationship between production and environmental care.

In 2018 we built the Private Natural Reserve Don Vicente placed in Burruyacú, North of the Province of Tucumán. It has 1411 hectares destined to ecosystem conservation. It is a member of the Argentine Net of Private Natural Reserves, which is an organization we work with in regional projects focused on sharing the importance of voluntary conservation in Argentina.

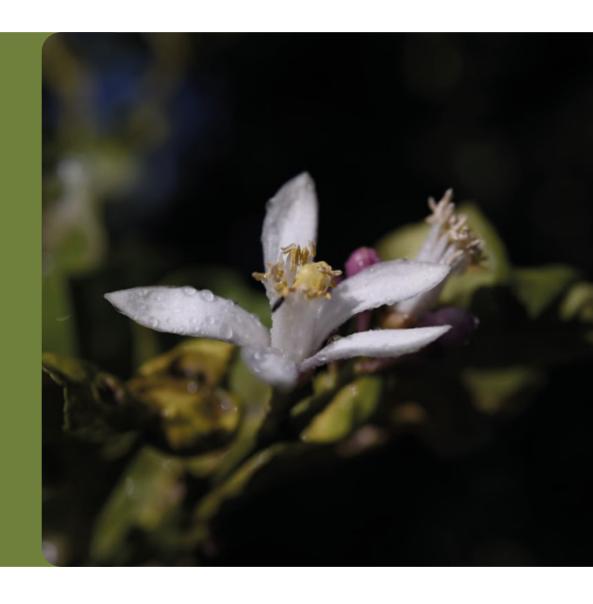
During 2021, we were able to quantify carbon storage in native forests. We carried out this task with Fundación ProYungas as well as other challenges such as identifying and monitoring pollinators and restoring native forest in degraded areas.

In addition, Citrusvil and Bayer, another ally in sustainability matters, will become the first producers in Argentina to implement the project called Bee Hotels. In this way we are dealing with a worldwide existing concern about the reduction of wild pollinators. Pollinating is one of the greatest services that nature offers, invisible, but invaluable, on which our life quality and our future depend on.



Looking into the future

Grupo Lucci understands that the only way towards general welfare is to be sustainable, this is where our commitment lies: to meet our goals and to follow our innovation principles and constant development and improvement, we search for new solutions that will make a positive impact on the ecosystem. Sustainability lies at the center of our decisions.





Noelia Lescano
Chief of Quality and
Environmental Assurance

Grupo Lucci | Health and Safety

The 5S are the main pillars of our Company

Why are the 5S so important to us? Esta metodología es una forma de aplicar buenos hábitos y de gran utilidad, construyendo parte de nuestra identidad como empresa.

The 5S started in Japan after World War II, in the city of Toyota. When the methodology reached the industry it became a hallmark, obtaining great efficiency in every process and becoming internationally recognized.

We introduced this philosophy as part of Grupo Lucci culture, **convinced that it is a useful methodology that we have consolidated through training and constant audits.**

What do the 5S mean?

In Japanese they stand for:



Classification	Eliminate what is useless
Order	Organize space for work efficiently
Cleanliness	Eliminate dirt
Standardization	Establish norms and procedures. Point out abnormalities
Discipline	Continue improving. Encourage effort.







Award-National Prize 5S Organization

The Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS) is the largest Private Organization for International Economic Cooperation of Japan and among its members; we can mention Toyota, Honda and Yamaha.

Its head office in Argentina grants a special honor each year to those companies, which carry out the 5S correctly, trying to encourage industry growth through this philosophy in our country.

In 2020, we received the **Bronze Prize** in the "Great Organization" Category with 572 points.

This year we consolidated our processes and we obtained the **Silver Prize**, including objectivity to our evolution and adding additional value to our businesses becoming the first agricultural-industrial company to get this prize.



"This award encourages us to intensify the application of 5S methodology in our company," adds Diego Moyano, Chief of Health and Safety at Grupo Lucci.













Management in 2021

Based on the philosophy of continuous improvement and constant development with the purpose of organizing and consolidating all work dynamism, we create specific reports for each sector about the different situations that can be improved based on principles set by this methodology.

The 5S methodology was of great help to us during COVID-19 period in order to keep health and safety in every sector.

Our Next Challenges

Our purpose is to consolidate the 5S culture of Grupo Lucci. To continue making progress in this way is a big challenge not only for the Health and Safety team, but also for all those areas of our company with whom we have been building a new organizational culture.

We trust that through the creation of good habits and clear goals we can reach our objectives.

"We continue to follow healthy work habits that strengthen the 5S each day" finaliza ends Diego Moyano, Chief of Health and Safety at Grupo Lucci.



Diego MoyanoChief of Health and Safety at Grupo Lucci

Grupo Lucci | Human Resources

Building the year 2030 together with leadership and team synergy

We tend to reproduce an organizational culture lined up with culture corporate identity focused on people and creating a cooperative atmosphere. In this process, the concept of organizational construction plays a very important part. We work in favor of attracting, keeping and developing talents that are necessary to reach our goals.

"We seek that our people and our culture be our competitive advantage," explains José Luis Palacio, Human Resources Manager at Grüpo Lucci.

In this changing process that we are going through, the people are our main concern and our role is to line up different areas in order to overcome our challenges.







José Luis Palacio HR Manager at Grupo Lucci

2030: We prepare today with our eyes set on the future

We offer customized solutions for our clients based on our Company DNA that stands out for innovation and enables us to be competitive and competent in our local management and global presence.

Our challenges are related to:

- Managing our business and reaching high standards of efficiency at a global level. Association, collaboration and a long-term bond with our clients is part of our role.
- Ensuring that our operations will occur within a sustainable strategic framework given by our leadership and therefore causing a triple impact: social, economic and sustainable.
- Carrying out learning activities necessary for our collaborators to match up to present and future challenges.
- Working on effective communication and synergy guiding us to become a high-performance team..
- Our strategies are designed for the short, middle and long-term objectives.





We worked on three main ideas throughout this year:

- 1. Focusing on results: We evaluate and measure our collaborator's performance related to the Board of Directors' goals.
- **2. Innovation:** As part of the Company´s DNA, we promote changes in the way we work, in the opportunity to exchange ideas and the possibility to work with prototypes.
- **3. Constant development:** We incorporated Lean Management philosophy to ensure operational excellence.

We introduced the new innovation committee

This interdisciplinary team is formed by outstanding collaborators and their contribution lies in their specialization, expertise and creative initiative among other qualities.

They are challenged to motorize exploratory capacities in our organization making agreements with the Board of Directors about innovation strategies lined up with the business and management.

The committee is the continuation of a process we have been following together with a specialized consulting firm, which is part of our ecosystem since 2019.

It is a very important step to start several improvement processes.



Constant development and continuous improvement with strategic allies

This year we started to design and display the **Citrusvil Excellence Operational Model (CEOM)** starting with the long-term objectives with a particular focus on the challenges the organization proposes.

This process will be applied from the application of the **Lean Management Methodology** and the advice of an external consulting firm.

The LUCCI WAY

We have travelled the path towards Continuous Improvement-Constant Development reflecting on our mission and values, understanding our vision, detecting opportunities to improve and projecting our future.

Together with Lean Management we have defined the LUCCI WAY, which is a set of principles and behaviors, which are the basis of Citrusvil Excellence Operational Model (CEOM)

The year 2021 was highlighted by a strong commitment in the development of this process. 2022 will find us ready to take our first steps towards the generation of a true Innovation and Continuous Improvement- Constant Development culture.

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Grupo Lucci | Vicente Lucci Foundation

Education for Social Inclusion and the Spirit of Entrepreneurship The values of our Foundation

Since the beginning of the Fundación Vicente Lucci in 2003, already 18 years ago, our aim has been to strengthen the North Western Communities in Argentina by generating Social Inclusion Projects that allow its people to develop skills and alternatives to grow.

Social responsibility is one of the transversal aspects of the whole management process and is divided into three working areas:

- 1. Education based on values
- 2. Labor inclusion and entrepreneurship
- 3. Citizen participation

Through a series of programs, we strengthen the educational, social and labor integration in our communities.

We work in collaboration with Municipalities and
Educational Institutions to contribute to the improvement of the quality of education in rural areas.

These actions lead to new learning opportunities for both teachers and students offering tools to acquire skills that promote an enterprising and solidary spirit.







Our Alliances

Conference Rounds for Rural Teachers

Within the Conference Rounds for Rural teachers in 2021, we carried out training programs about agricultural, ecological, environmental and technological projects. They were offered together with Public and Private Organizations that allowed us to enrich this experience and respond in a strategic way to academic training.

Together with Grupo CREA North West Section, we train teachers and students in sustainable agriculture preparing them for the labor market with a sense of community integration at the schools.

Together with ARCOR and the Environmental Health Ministry of Tucumán Government we offered awareness sessions regarding environmental care, recycling and disease prevention. We trained teachers and students from the Agricultural and Technical School in Famaillá and all the people involved in the Community of San Rafael in Lules, Province of Tucumán.

"We were able to tell everybody what we do in CREA Companies and how we do it, we also shared with them our next challenges in Agriculture at a global level. The purpose is offer tools for sustainable agriculture, always from a labor inclusion perspective," explains Eng. Laura Carabaca, CREA San Patricio advisor, Coordinator of the Agricultural branch of the North West of Argentina.











Conference Rounds for Rural Entrepreneurs

Together with The Universidad del Norte Santo Tomás de Aquino (UNSTA) and the Faculty of Economic Sciences of Universidad Nacional de Tucumán (UNT), during our Conference Rounds for Rural Entrepreneurs we carried out training with the object of strengthening new entrepreneurs by giving them tools to manage and increase their business initiatives enabling them to face and solve the changing demands of the markets.







Scholarship program and social inclusion

We have been implementing a scholarship program about labor inclusion for young people in rural schools for 12 years together with BBVA Bank. The purpose of this program is to stimulate and accompany young people to finish school by making a monthly contribution. Within a context of "leaving school early" which has turned into a real problem, and also considering that access to technology has been almost inexistant specially during pandemic, this program enabled these young people to meet their goals.

New Challenges

Our management had to reconsider and reorganize itself due to the new circumstances, which came forward with pandemic. New proposals were started this year and will be emphasized during 2022 following the outline of the three main ideas which are the basis of our Foundation:

Education

New contents in our educational programs, benefiting children and adolescents from rural schools.

Conference Rounds for Rural Teachers promoting professional development for rural teachers and training them in current topics that improve the quality of education.

Labor inclusion and business initiative

New interactive tools, with the use of the first hybrid program, we include a digital platform plus printed material that will allow young people to prepare to enter and stay in the labor market and develop all their potential.

Total Assistance to design a personal plan to look for a job and/or develop their own business initiative offered by the **Conference Rounds for Rural Entrepreneurs.**

Citizen Participation

Our actions will be emphasized in making social impact and awareness in certain topics like child labor prevention, environmental care, sustainable development and professional training through public and private coordination.





RESPETO A LA OVENIDAD MANUAL DEL PARTICIPANTE

Looking into the future

Our actions will be emphasized in making social impact and awareness in certain topics like child labor prevention, environmental care, sustainable development and professional training through public and private coordination.



Patricia Condorí Responsible for Vicente Lucci Foundation



www.grupolucci.com.ar