

SUSTAINABILITY REPORT 2022



Lucta

The Butterfly Effect

"When a butterfly flutters its wings in one part of the world, it can eventually cause a hurricane in another."

Edward Norton Lorenz





Contents

ABOUT
LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS
REPORT

ANNEXES



1
LUCTA IN FIGURES 2022

2
MESSAGE FROM THE CEO

3
ABOUT LUCTA

- A shared future
- Essence: "Innovation and trust"
- Creating shared value
- Strategic risks
- Our roadmap

4
GOVERNANCE

- Good corporate governance
- Ethics and compliance
- Innovation and sustainability, hand-in-hand
- Product safety and quality
- Responsible supply chain

5
ENVIRONMENT

- Climate action
- Circularity
- Operational eco-efficiency

6
SOCIETY

- Our team, our future
- Inclusive and quality employment
- People development
- Health, safety and wellbeing
- Social action

7
ABOUT THIS REPORT

- Report structure
- Scope of information
- Double materiality analysis

8
ANNEXES

- Annex I: GRI content index
- Annex II: Environmental indicators
- Annex III: Social indicators
- Annex IV: Economic indicators



LUCTA IN FIGURES 2022





Our Impact



7

countries where we operate



3

divisions

- Flavors
- Fragrances
- Feed additives



5

design centres and production plants

Governance



€331 M

**(+10%)
net sales**



€29 M

**(8.6% of revenue)
investment in innovation**



€25.8 M

net profit



2,765

customers



€40.5 M

EBITDA



>700

suppliers

Society



27%

women in governing bodies



969

staff



44%

independent members of the Board of Directors



85%

permanent contracts



€396,545

social contribution



15,363

**(+13%)
training hours**

Environment



-5%

reduction of carbon footprint Scope 1, 2 and 3



99%

renewable electricity in Spain



82%

recovered waste

* Aggregate economic data. Percentage changes compared to 2021.



MESSAGE FROM THE CEO





GRI 2-11, 2-12, 2-22, 2-23

I am pleased to present the Lucta Group's sustainability report for the financial year 2022. In it you will find the main milestones achieved this year, as well as the challenges facing the Group and the opportunities for improvement and progress.

Before introducing this report, I would like to make special mention to my brother and former President of Lucta, Ernesto Ventós Omedes, who sadly passed away more than three years ago. Ernesto was a talented perfumer and artist, but above all he was a great person, the kind of person who imbues everything they do with their essence. Ernesto knew how to maintain and transmit the values of Lucta's founders, based on a job well done and respect and generosity towards people and the society we live in. This report is an exercise in transparency, reflecting our values and our firm commitment to sustainable development. Throughout the report you will find images of some paintings and sculptures created by Ernesto Ventós for his series "Nasevo", all of them inspired by his passion for art and the sense of smell.

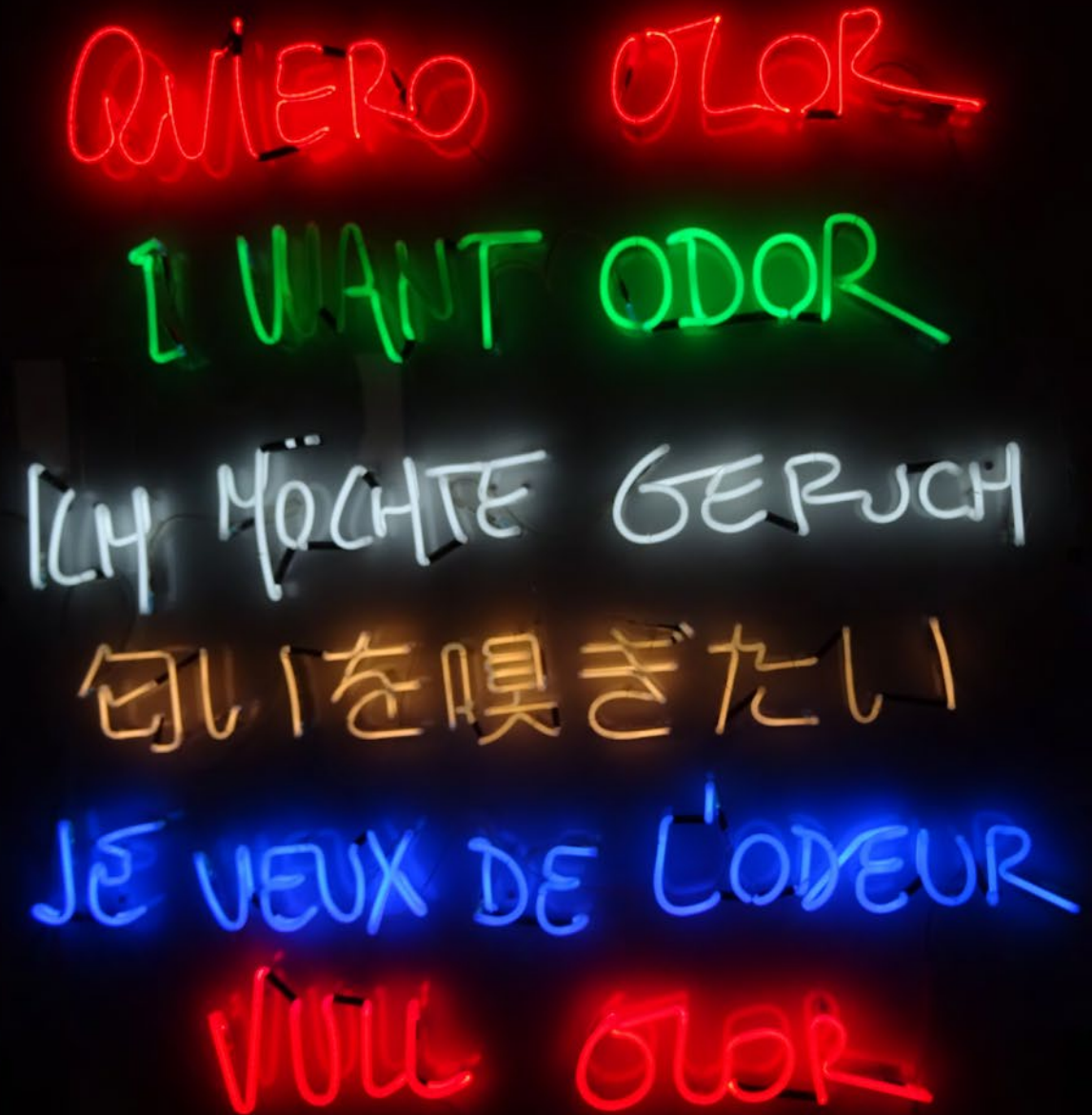
This report is also an exercise in self-reflection designed to guide us in adopting a new vision on the use of increasingly scarce natural resources and the need for greater efficiency in our operational processes.

Just as important as our current situation is keeping our eyes on the long term, on the future we want. Sustainability is a central competitive dimension of the ecosystems in which Lucta operates. That is why our transformation towards sustainability includes effective actions that drive innovation and digitalization.

In 2022, we launched our Sustainability Committee, which I personally chair and, we are using it to progress and extend a corporate culture of change and commitment to people and their development, to the planet and to future generations to all Group's sites.

In the same year we also embarked on our first double materiality analysis with the aim of identifying the sustainability topics most relevant to the Lucta Group and its stakeholders. We have calculated the carbon footprint of the entire organization, including all scopes, and joined the United Nations Global Compact. The challenge is clear: to be carbon neutral, in keeping with progressive targets to reduce emissions, and to increasingly align with the principles of a circular economy and the efficient use of resources.

Since companies face common challenges, we need to work in a cross-cutting, coordinated and united way with market players, sharing experiences and opportunities with partners and suppliers. Lucta provides customers with creative and innovative solutions to help them to develop more sustainable food for people and animals, and to create fragrances that are more respectful to the planet and people's health. We are proud of the advances we have made in product and process innovation, which enable us to reduce our impact and, in turn, that of our customers.





What differentiates us is our focus on innovation applied to the product. **We seek solutions based on circularity, resilience and climate change mitigation.** An example of this is our use of by-products from the agri-food system – and specifically those from the olive tree – which we have incorporated into sensory and functional solutions in the sphere of human and animal nutrition. These naturally occurring and circular components improve animals’ wellbeing and adaptability to challenges (such as heat stress accentuated by climate change), as well as their feed intake. This is because they promote a more efficient use of dietary nutrients while reducing slurry pollution and the impact of animal production on global warming emissions.

We are focused on improving the efficiency of our production processes. By standardizing and automating ingredient dosing processes we can increase the yield of raw materials. Our new fragrance production plant will incorporate the latest technologies and precision robotic systems. This will allow us to work to the highest standards of quality and efficiency. Using renewable energies and developing local-level projects in photovoltaic solar energy production for self-consumption allow us to maximize energy savings and efficiency. Optimizing equipment washing systems helps us to minimize water resources. Finally, we are able to continuously improve and invest in treating air emissions with a combination of scrubbing and activated carbon technologies.

It is important to act and make progress towards our goals, but we also have to explain our purpose and how we achieve these goals, and to be accountable for our commitments.

On the challenges and goals of the future

We are aware of the challenges we face as a society and as a company in the areas of agriculture, nutrition, biodiversity, management of our oceans and access to water, which were on the agendas of COP27 and COP15. The **circular economy** is a basic and strategic element of building a **regenerative model** to increase the resilience of our organization and society in the face of the climate emergency and biodiversity loss.

All businesses are at a historic turning point. We need to be fully involved in improvements in this sphere, forming part of the solution as opposed to the problem to be solved. That is why Lucta strives for an **integrated and sustainable management of all our processes.**

We focus our efforts on environmental, social and governance (ESG) aspects. Decision-making depends on economic factors, but also on a holistic and integral combination of socio-environmental factors. All of us in the company make decisions big and small, so a **cultural transformation** is essential for us to act more effectively.

We must lay solid foundations if we are to advance on this path to transformation, starting with the development of **systems for measuring and monitoring the ESG impact of our activity.** In parallel, we must continue to run training programmes so that the entire team is familiar with, understands and aligns with the company’s objectives.

We want to again demonstrate our capacity to adapt and change, based on our organization’s leadership and our commitment to teamwork.

Carlos Ventós
CEO





ABOUT
LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS
REPORT

ANNEXES

ABOUT LUCTA



A shared future



Sharing responsibility, benefits and commitment.



Sharing with Lucta's family team: our collaborators, suppliers, customers and the local community.

Essence

(Collins Concise English Dictionary)

1. The characteristic or intrinsic feature of a thing, which determines its identity; fundamental nature.

2. The unchanging and unchangeable nature of something which is necessary to its being the thing it is; its necessary properties.



We are firmly committed to increasing benefits and wellbeing for all, since **if it these are not shared they are meaningless.** The paradigm shift that is taking place means business needs to act now to combat the climate emergency, social inequalities and increasingly limited access to resources.

As a company dedicated to the creation of flavors and fragrances for very diverse sectors – including key sectors of human nutrition, animal feed and home care products – we are committed to make progress on both the major sustainability challenges in the food chain itself and in a chemical sector that is in favour of an environment free from toxic substances.

Our purpose is **to bring sustainable value** with **passionate, creative and committed human talent** that can contribute innovative solutions capable of generating **enduring emotions in people and enhanced wellbeing for animals.**

Our way of being, our corporate spirit and identity, **our essence** –“**innovation and trust**” – can be summed up as follows:

- **Valuable innovative solutions for people and the planet**
- **Trusting relationships based on the work well done**

Our approach to reporting

This is our first sustainability report in accordance with the [GRI reporting standards](#), a widely recognized disclosure framework, and as part of our [commitment to the SDGs](#).

The content of this report is based on our Global Strategic Plan D-X, our ESG objectives and progress, and our first double materiality assessment, conducted in 2022.

Although we have been carrying out transparency exercises on non-financial corporate information for some years now, this sustainability report is the result of a more experience-based process of self-knowledge. It has allowed us to make progress in our ESG management system, identify key aspects and lay good foundations for defining a decisive and ambitious roadmap towards sustainability.

This sustainability report was prepared on the basis of in-depth consultation with experts from across the Lucta Group, reviewed by the functional responsables of each department involved and the executive management.

The images of paintings and sculptures that illustrate this report are taken from the “Nasevo” series by Ernesto Ventós, former president of Lucta.

[Find out more about this report](#)



Essence: “Innovation and trust”

ABOUT LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS REPORT

ANNEXES


GRI 3-3, 2-1

Over our more than 70 years of history, we have always committed to new ideas, making them a reality and imbuing our innovative spirit in absolutely everything we do.

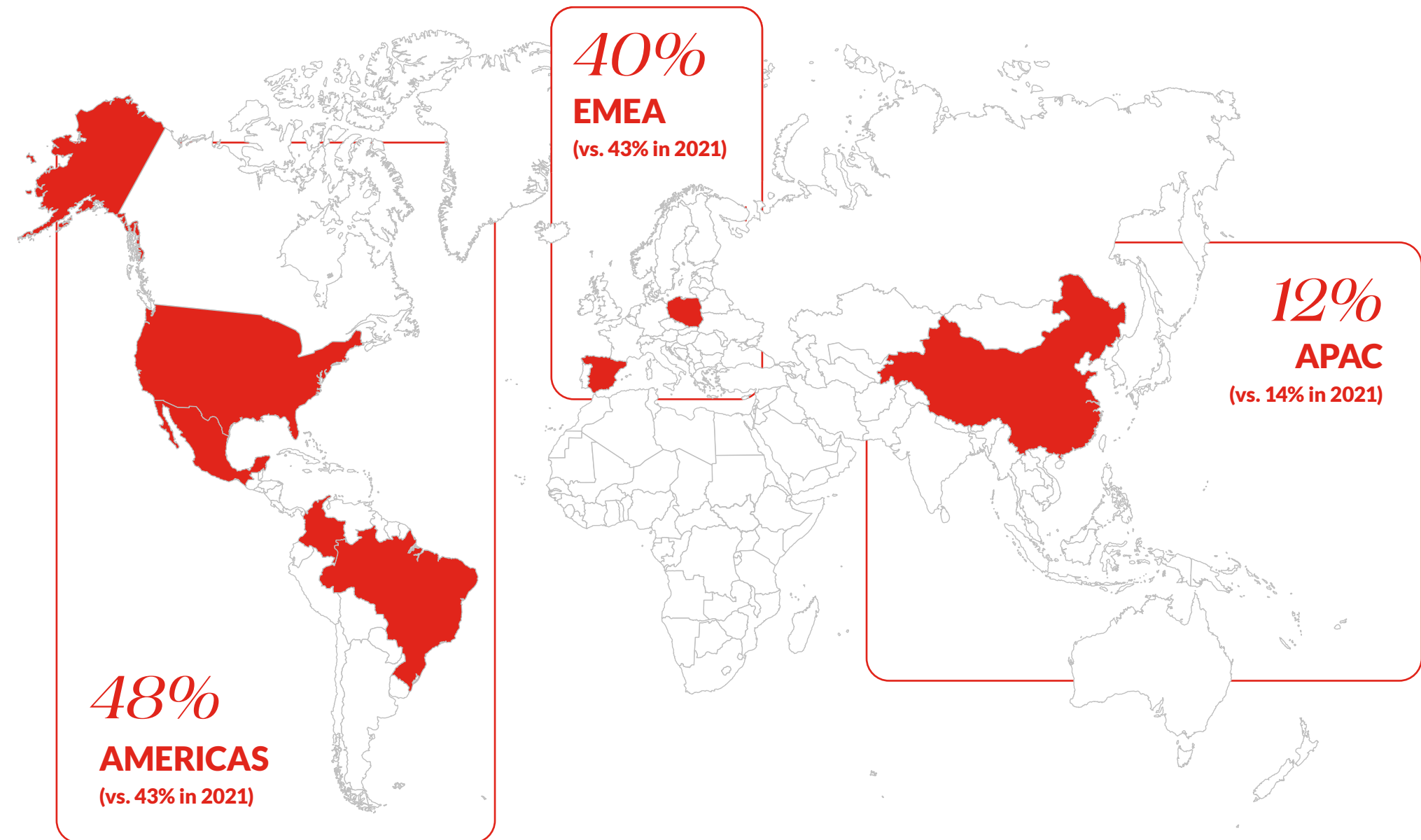
The Lucta Group is made up of 7 companies located in the United States, Mexico, Colombia, Brazil, Poland, China, and with headquarters in Spain.

Our business, organized into **three divisions**, focuses on the design, manufacture and sale of **flavors** for human consumption; **fragrances** for household and personal care products and, flavors and **additives for animal feed and welfare**.

The solution we offer are used in numerous types of consumer products. They are highly specialized and customized to meet the needs of our customers and end customers while adapting, as well, the all-important requirements for the care of the planet.

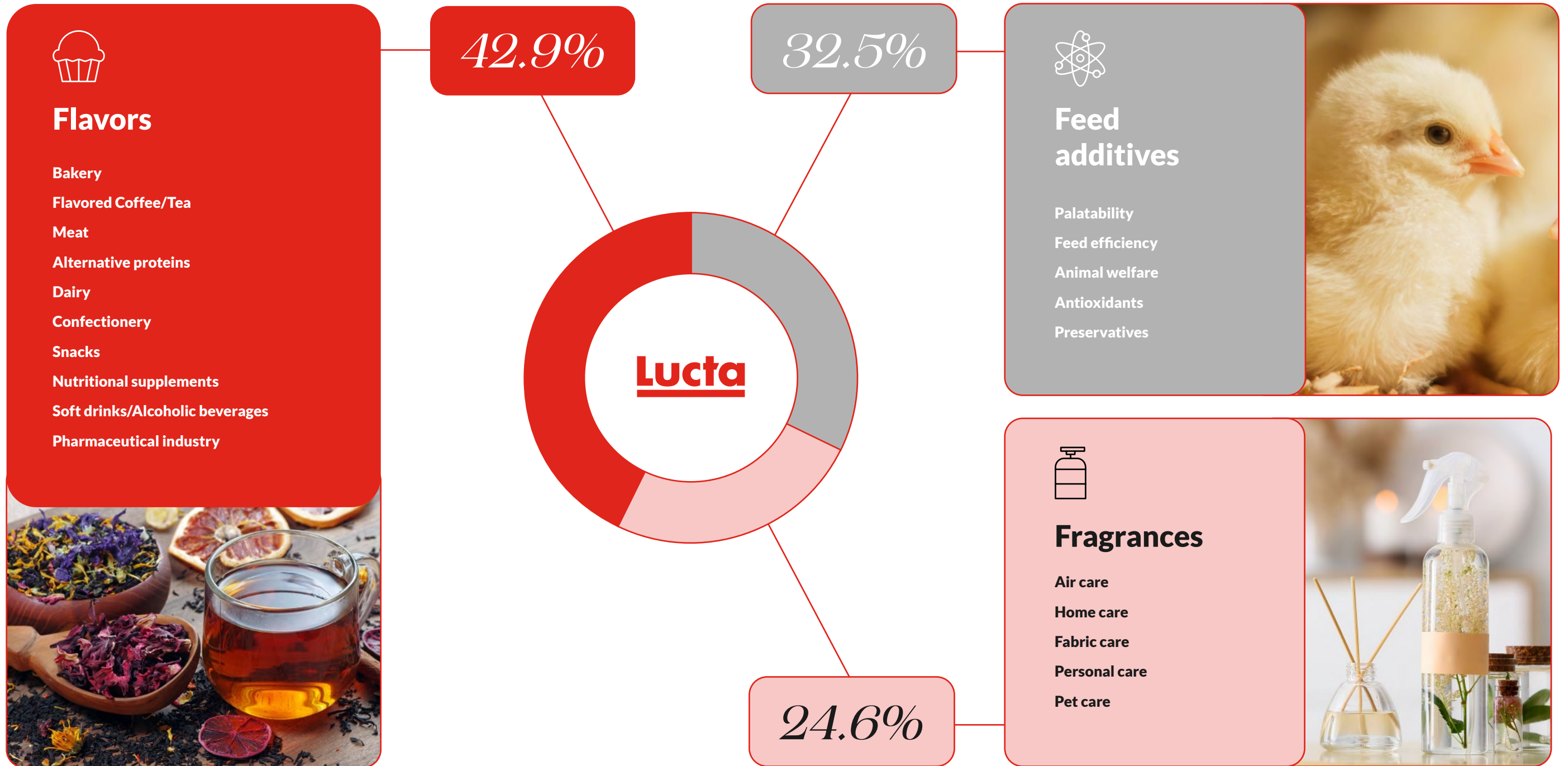
 [Find out more about this financial information](#)

Sales by market in 2022



Note: Aggregate sales.

Market divisions and segments



Note: Aggregate sales by division



Vision

To be the preferred partner, as we create innovative solutions that inspire people's memorable emotions and welfare to animals.

Purpose

We design high-end and holistic solutions for

Food & Taste

Fast to Market Fragrances

Feed Intake Behaviour, Efficiency & Animal Welfare

through sustainable value creation, with a passionate, creative and committed human talent.

Our values

Focus

Specialized in key product segments and centered in offering with passion the best fit solutions and services to our customers.

Spirit of service

We are expeditiously geared towards solving customer needs as well as those within Lucta, driven by mutual understanding, accuracy and long term commitment.

Integrity

Acting with equity & respect, placing fairness first in all business engagements.

Sustainability

Social and environment responsibility is at the heart of our values, embedded in all of our actions.

Adaptability

Embracing the present and future challenges nimbly and positively, with an open mind for new business solutions and ways of working.

Commitment

Promoting the shared value creation with our customers, associates & stakeholders.

Differentiation

Constantly innovating to deliver a unique value proposition.

Efficiency

Acting with diligence, agility and a streamlined business model to grant a sustainable and profitable growth.

Strategic objectives

Lucta is a global leader with a great social, economic and environmental impact. We are aware of the current challenges of climate change and socio-political disruptions and we are committed to driving the transformation towards a more sustainable world.

As part of our commitment, we focus on innovation and adopting sustainable business practices to reduce our carbon footprint and improve energy efficiency. In addition, we work with our customers and other relevant stakeholders to encourage high standards in the chemical sector and the food chain, promoting the use of more sustainable materials and processes.

In 2021, we incorporated Sustainability as a central axis of **Lucta's Global Strategic Plan D-X, 2016-2026**. The plan sets out the keys to integrating sustainability into our DNA and ensure **the company's Competitiveness, Confidence, Continuous Improvement and Resilience**.

We promote sustainable development through an inclusive business model, the promotion of innovative solutions and, product and latest technologies investments.

Commitment to a shared future



At Lucta, we focus on our customers' success, placing their needs at the centre of our decisions.

We offer cost-effective and agile solutions to meet market challenges. We are also committed to taking a long-term view, maintaining a sound financial position and reinvesting our profits to meet the current and future needs of our company and customers.

Lucta's growth is based on a strategy aimed at **globalization, product innovation in line with the new challenges of the circular economy, and a diversified and sustainable business model**.



Organic and sustainable growth

- In 2022, Lucta experienced an increase in demand for sustainable and innovative solutions, and this reinforces our commitment to innovation and sustainability. **We have developed new products to contribute to people and animals' resilience to climate change and mitigate greenhouse gas emissions, prioritizing raw materials with circularity criteria.**
- We have made structural improvements to optimize our operations and increase production capacity.
- To ensure continuous improvement and alignment with our sustainability objectives, **we have implemented cross-cutting tracking systems that allow us to monitor our operations and the results of our sustainability initiatives, identify areas for improvement and make informed decisions in the future.**



Collaborative globalization

- Beyond consolidating its geographical expansion, the Lucta Group is aiming for global integration with operational efficiency and balanced growth on all continents. **The aim is to be recognized as a specialist company in strategic segments with high differentiation.**
- Lucta seeks to adapt to new markets and contribute value at the local level by creating and producing its products in the areas where they are distributed. **In 2022, some 75% of sales at our subsidiaries were within our own domestic markets.**
- Our growth and globalization strategy is based on proximity and closeness to our customers rather than relocation. We believe it is important to share knowledge and add social value wherever we operate.
- In 2022 we accelerated our partnerships with international distributors to strengthen our presence in the global market and respond to increased demand.
- **We believe in collaborative work and are committed to continue strengthening our relationships with distributors around the world, to further expand our international presence and meet our sustainable growth objectives.**



Innovation

- Innovation is a cornerstone of the Group as we face the challenges of moving towards a circular economy. We are committed to continue investing in innovation and developing sustainable solutions to improve the Group's market position and meet customer demand.
- We use innovative industrial processes to create products with high added value. We have strengthened our digital tools and made strategic acquisitions, such as Maslina.
- **The animal science division is a prime area of cutting-edge research; this is complemented by innovation units in the areas of food, ingredients and technology, and analytical systems.**



Diversification

- Through dedication to innovation and research, the Lucta Group has implemented a diversification strategy that has allowed us to grow and expand in the market.
- Our activity began with a focus on flavourings for human food products. Later, in 1966, we created the company's animal feed additives division. In 1987, we opened a flavourings and fragrances division. Continuing to specialize, in 1989 we extended our flavourings division to include meat products and segmented our fragrances into home care and air fresheners.



More than 70 years of history

ABOUT LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS REPORT

ANNEXES



Lucta Spain is founded in Barcelona



Lucta Spain opens its new 60,000 m² facility in Montornès del Vallès



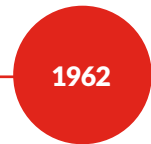
Lucta Mexico moves to new premises in Parque Industrial Vallejo, Mexico City



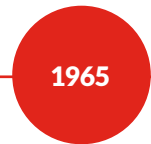
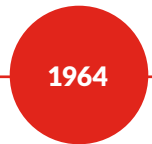
The Innovation Division is created with offices and 5 exclusive laboratories located in the Research Park of the Autonomous University of Barcelona (UAB)



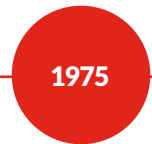
Lucta Colombia



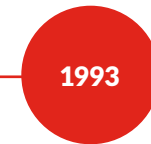
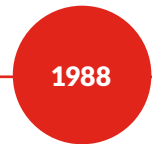
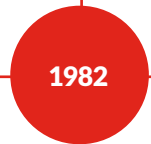
Lucta USA



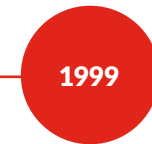
Lucta Mexico



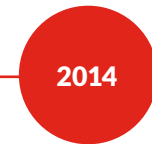
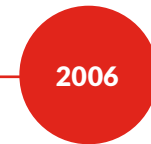
Lucta Colombia opens a new plant in Bogotá



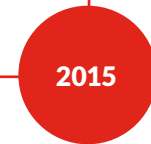
Lucta Brazil



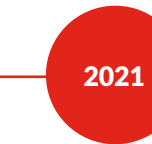
Lucta Spain opens the Swine Research Unit, making it the only company producing flavors for animal feed with its own experimental farm.



Fragrance & Flavor Specialties, Inc. joins the Lucta Group



Lucta acquires part of the share capital of **Maslina International Trade, SL**, a biotechnology company manufacturing and distributing bioactive natural extracts



Lucta Mexico inaugurates a new plant in Querétaro



Creating shared value

GRI 2-6

Product customization and segmentation is essential in a highly competitive market. At Lucta, we have the extensive know-how in flavors, fragrances and animal feed necessary to create the right technologies to manufacture and develop our products. Each flavor or fragrance is unique and depends on the needs of our customers and consumers. This entails ensuring that we meet the relevant sensory expectations and, technical and legal requirements.



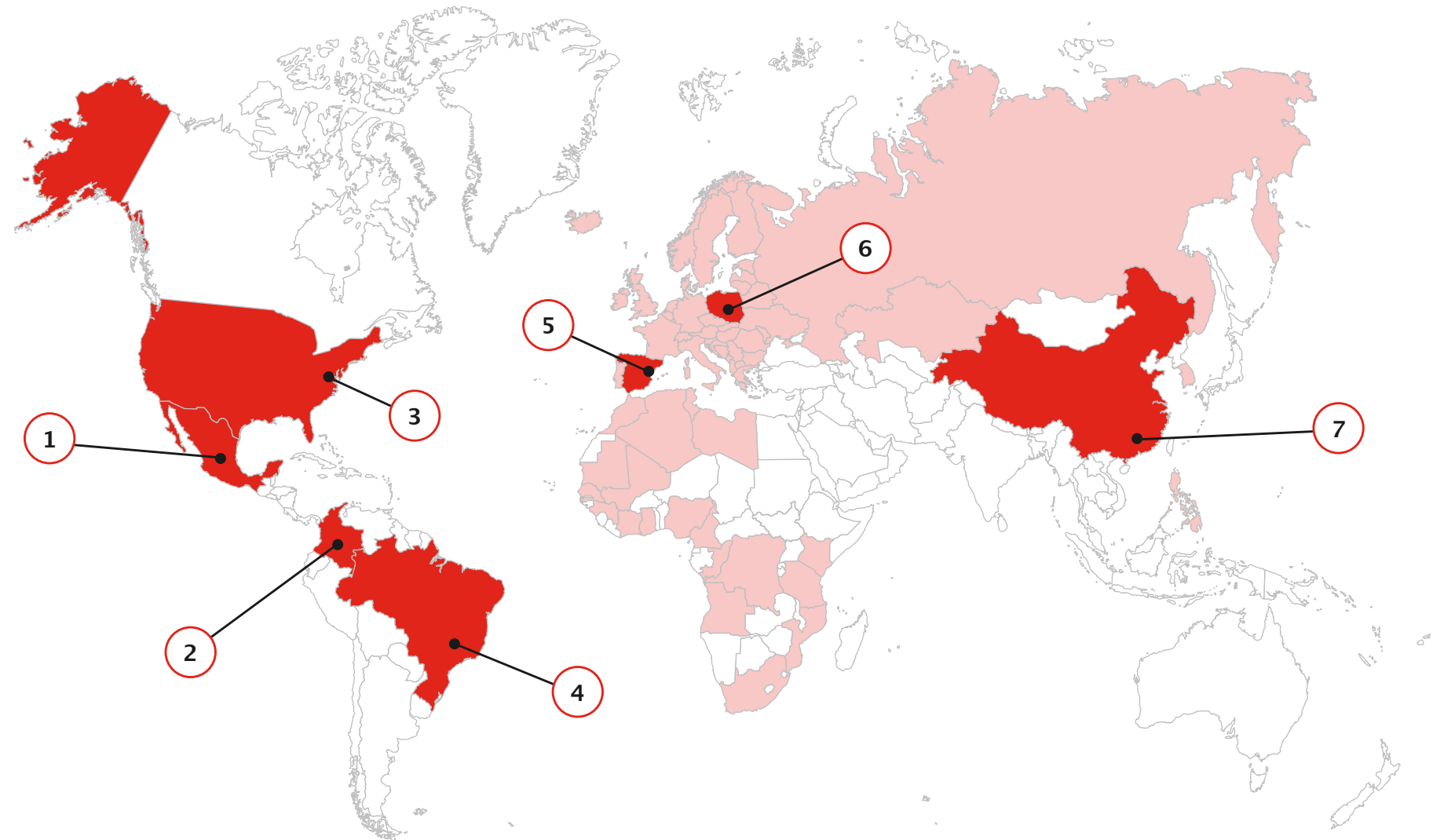
94
countries

Our sustainable growth strategy is based on globalization, product innovation and a diversified and sustainable business model. Thanks to this expansion strategy we have a strong and stable global market presence operating in 94 countries.

Our subsidiaries

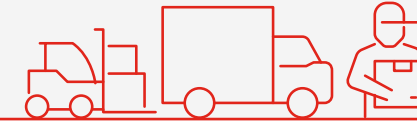
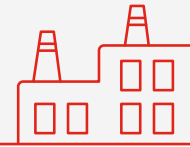
1. Lucta Mexicana, SA de CV.
2. Lucta Grancolombiana, SAS
3. Flavor & Fragrance Specialties, Inc.
4. Lucta do Brasil, Com. Ltda.
5. Lucta, SA
6. Lucta Polska, Sp. zo. o.
7. Lucta Guangzhou Flavours, Co. Ltd.

- Subsidiaries
- Distributors and sales offices



Our value chain

As a global company, Lucta Group collaborates with more than 700 suppliers worldwide. It uses raw materials from more than 36 different countries and distributes its flavors, fragrances and feed additives to more than 90 countries.



Sourcing of raw materials

We use diverse types of raw materials, some of them very valuable, which can be of natural or synthetic origin, ranging from aromatic chemicals to essential oils or food extracts.

Innovation and creation

The differentiating mainstay of Lucta's activity. This is where the different formulas that will make up Lucta's flavors, additives and fragrances are created. Always attentive to new challenges and markets. Focus on sustainability.

Manufacturing

Based on the principles of lean manufacturing and good manufacturing practices. We pay special attention to the efficiency of resources, with processes that offer maximum quality and safety guarantees.

Distribution and marketing

Manufacture and sale of flavors, fragrances and additives. This stage also includes after-sales and personalized customer services, as well as support for correct application in the final product.

Product consumption

Lucta gets closer to the end consumer. Attentive to needs and preferences, increasingly focused on reducing end-use impact and resource consumption.



Suppliers



Suppliers



Human team



Customers



Customers



Consumers

Niches for transformation



5

production and design centres



2

logistics centres



2

innovation hubs

The Group has 5 innovation units, 4 located in Spain and 1 in China. Those in Spain are dedicated to Animal Science; Food Technology; Ingredients & Technology and, Analytical Systems. That of China is dedicated to Animal Science.

Our production sites

Certifications

The facilities that integrate the Lucta Group boast multiple certifications, proof of our desire to move forward in sustainable development with special attention to food quality and safety.

We have also gained other certifications and licences specific to our plant locations, as well as certification related to the origin of the products, such as **kosher, halal and organic certifications** for our flavors and **Ecocert** for our fragrances.

In addition to our certifications, since 2020 we have been registered as a producer of organic extracts and flavors by the **Catalan Council of the Organic Production** (Registre d'Operadors del Consell Català de la Producció Agrària Ecològica - CCPAE) at our liquid, solid and feed additives plant in Lucta Spain.

Production plants with certified management systems



Note: % certification of production plants.

Creation of new, more sustainable plants

The newly created plants are committed to sustainable development and always incorporate sustainable criteria so that we can work more efficiently and have a lower impact on our environment.

In line with our **strategy of growth and modernization**, we are planning major investments in the coming years with the **roll-out of new facilities**.

Zhaoqin, Guangdong

Plant for flavors and feed additives

This plant, with more than 4,000m² of floor space, will boast technologies for the production of liquid, viscous, solid and atomized flavors. It will also have warehouses for raw materials and finished products.



Granollers, Barcelona

Fragrance production plant

The Granollers plant will incorporate automated ingredient dosing processes and the latest technologies in air treatment. It will also implement circularity criteria, such as the recycling of solvents used to clean equipment. The facility's design is based on maximum efficiency in the consumption of materials, water and energy.



Tortosa, Tarragona

Centre for New Technologies and Ingredients Production

This plant will provide the Group with strategic raw materials and promote the development of solutions with intellectual property and in natural specialities.



We have already moved to the new plant in Mexico

Inaugurated at the end of 2021, the new Querétaro plant, which will manufacture flavors to be marketed mainly in Mexico, will be fully operational this year. With an investment of €16 M and a production area of almost 11,000m², this plant replaces our previous facilities located in Mexico City with a surface area of 4,000m², responding to our development needs.

The plant has much more advanced and innovative technologies that offer maximum guarantees of food safety:

Laboratories with safe equipment and facilities for stringent quality control.




Automation of production equipment and tank farm.

Adaptation and expansion of storage spaces - ventilation system with humidity control, special handling chambers and carousel warehouses.

As part of the company's strategy for a sustainable future and to fight against the climate crisis, **Lucta has included several criteria in the design of these facilities to make this plant an integrated space in keeping with its environment.**

Natural light plays an important role in the architecture of these comfortable facilities for our team of more than 120 people. The landscaping of the surroundings respect the native flora; adapted to the climatic conditions and tailored to an area of high water stress. At the same time, the facilities boast equipment that allows for greater energy savings and efficiency; they also have systems for treatment of water emissions with a purification plant, and treatment of emissions into the atmosphere that encompasses both the manufacturing process line itself and the packaging phase.

This plant plays a decisive role in achieving our main objectives:

 <p>Promoting new products</p>	 <p>Open new sales channels</p>	 <p>Expand internationally</p>
--	---	--



Querétaro Plant, Mexico



Strategic risks

GRI 3-3, 2-24

We operate in a highly regulated and competitive industry, which means we have to identify and manage the associated risks.

We strive to anticipate and adapt to the changes and challenges of today's environment, enabling us to be a more resilient and responsible company. In turn, by focusing on sustainability, we can mitigate risks and identify new opportunities for growth and continuous improvement.

Stakeholder dialogue is one of the main tools we can use to detect and anticipate risks.

During 2022, we conducted a comprehensive analysis of the risks present in our locations and sectors of activity using the Risk Horizon platform. In addition, we identified the global risks facing the planet using the World Economic Forum's *Global Risks Report 2023*.



Strategic risks

Geopolitical issues, such as political instability or military conflicts. In 2022, the armed conflict between Russia and Ukraine also affected the company, with increased cost of raw materials, transportation and energy, and supply availability.

Health crises such as the recent pandemic and disease outbreaks in the livestock sector have also had a significant impact on sustainability and our operations. It is crucial that we develop our resilience, adaptation and anticipation skills to cope with such situations.



Climate risks

Climate change is a critical threat that affects both our sustainability and our operations. Physical risks (extreme weather events, for example) can directly affect our facilities, while transitional risks (such as climate policies and the transition to a low-carbon economy) can have an indirect impact on our business.



Operational risks

In an increasingly **competitive** and global **environment**, **companies are seeking to create more efficient organizations that enjoy a greater market share. The mergers and acquisitions that are affecting the flavors and fragrances and animal feed sectors offer one means of achieving that objective. The costs and availability of raw materials** are critical factors affecting our sustainability and operations. In recent times, we have seen substantial price increases and restricted access to certain raw materials, which may have a negative impact on our ability to maintain our operations in a sustainable way.



Emerging and digital risks

New technologies require us to adapt to digital transformation in our operations and within the framework of sustainability in general.



Legal and regulatory risks

Regulatory issues affecting our business may require reformulation of some of our products.



Risks

Global

- Failure of climate action
- Extreme weather events
- Loss of biodiversity
- Erosion of social cohesion
- Cost-of-living crisis

Sectoral

- Climate change
- Greenhouse gas emissions
- Air quality
- Working practices
- Business ethics
- Human health and safety

Emerging

- Competition
- Market volatility
- Fluctuating raw material prices
- Brand and reputation management
- Talent retention
- Cybersecurity and data privacy
- Risks related to labour and environmental laws and regulations



Risk mitigation

- Sustainability policy
- Innovation for a sustainable product
- Social action focused on education, culture and people's health

- Carbon footprint and climate strategy
- 0 Accidents programme
- Employment benefits
- Ethics channel
- Corporate Compliance Programme

- Market diversification
- Investment in innovation
- Global presence
- Presence and liaison in sectoral bodies
- Ongoing review of new legislation
- Criminal risk map
- Development and training programmes for our human team
- Developing a culture change in the organization



Our roadmap

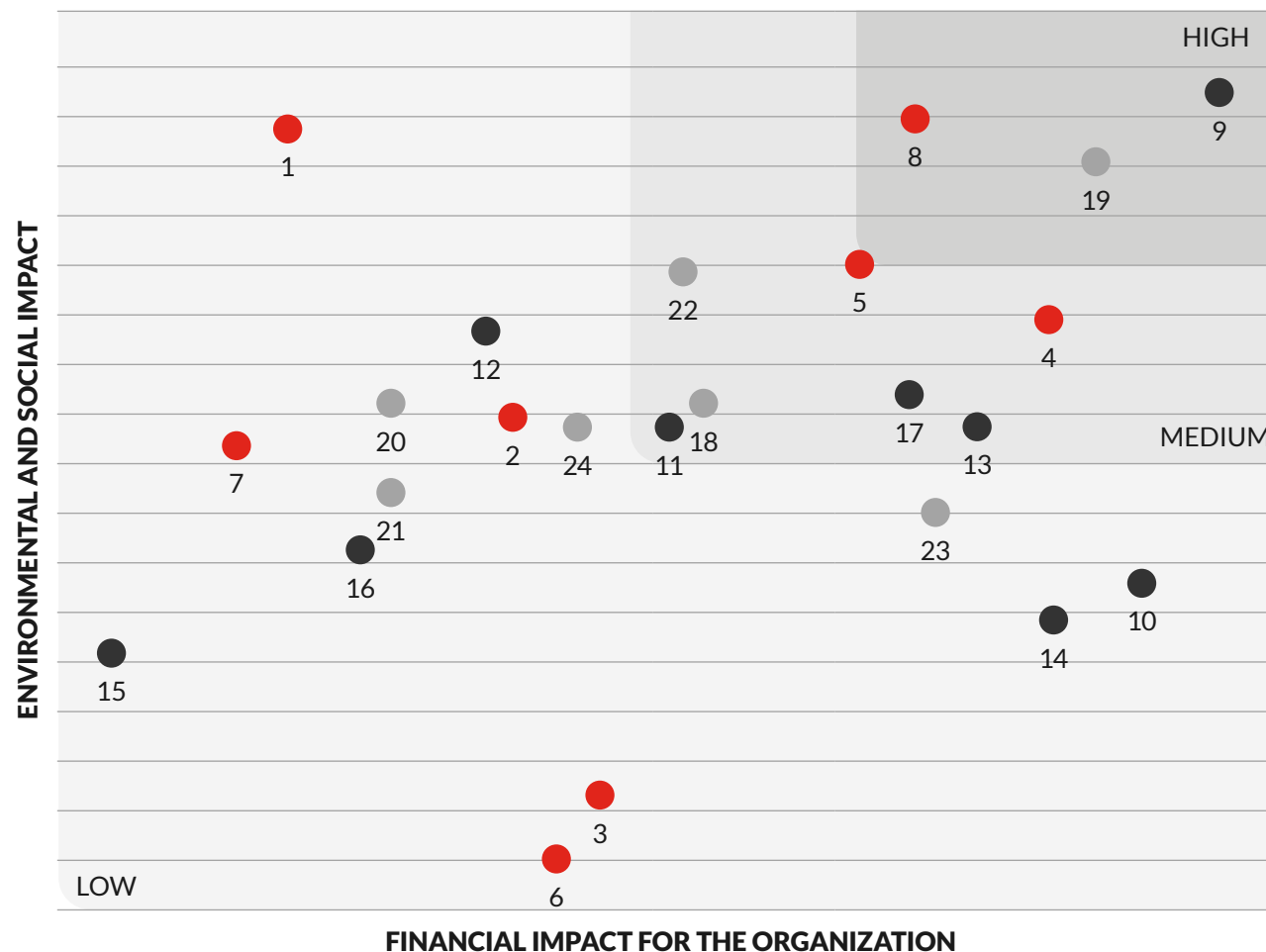
Double Materiality Analysis

GRI 2-23, 3-1, 3-2, 3-3

This year we took a step forward on our path to sustainability. We conducted our first double materiality analysis, an exercise that allowed us to listen and respond to our priority stakeholders regarding their interests in social, environmental and good governance topics, and identify and prioritize the most relevant issues that impact our business model, and vice versa.

Based on a consultation and participation process that yielded feedback from more than 500 customers, suppliers, employees and local community entities, the analysis has helped us to understand expectations and prioritize the main sustainability topics to be addressed. This allows us to define our future lines of action and identify the topics of most interest to share and report on to ensure a transparent view of our sustainability performance.

Matrix resulting from the double materiality exercise



[Find out more about the process and results of the double materiality analysis](#)

Potentially material topics

● Governance

- 1. Good corporate governance
- 2. Respect for human rights
- 3. Cybersecurity
- 4. Risk policy and management
- 5. Responsible supply chain management
- 6. Economic and political disruption
- 7. Social and environmental assessment of suppliers
- 8. Innovation and product design

● Environment

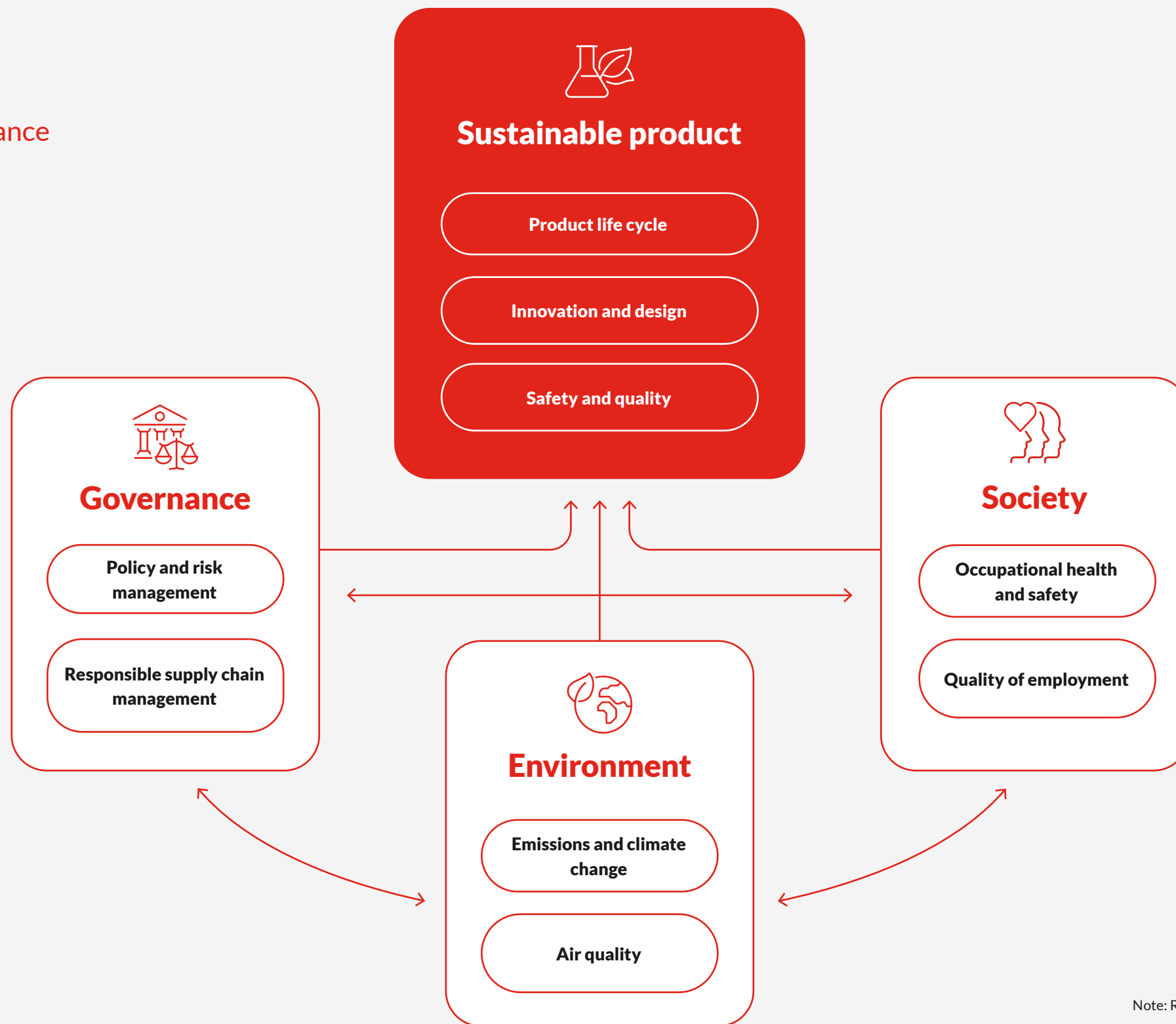
- 9. Emissions and climate change
- 10. Energy
- 11. Waste management (circular economy and packaging)
- 12. Water and effluents
- 13. Air quality
- 14. Raw materials
- 15. Biodiversity & land use
- 16. Animal wellbeing
- 17. Product life cycle

● Society

- 18. Quality of employment
- 19. Occupational health and safety
- 20. Diversity, equality and inclusion
- 21. Training, attracting and retaining talent
- 22. Product safety and quality
- 23. Consumer health and safety
- 24. Community relations and interaction with stakeholders (social contribution)

Our focus

Relevant aspects of sustainability performance



Note: Results of the double materiality exercise for 2022.

Our stakeholders

GRI 2-29

We aim to respond to the expectations of our stakeholders, identifying their needs and expectations, as well as establishing direct channels of communication with them.

STAKEHOLDERS



Shareholders

- Profitability
- Company growth
- Efficient human resources policy aimed at personal development
- Adequate risk prevention
- Environmental sustainability
- Reputation

NEEDS AND EXPECTATIONS

- General shareholders meetings
- Commissions
- Periodic reports
- Meetings
- E-mail

COMMUNICATION CHANNELS



Customers

- Upholding product quality and food safety
- Meeting delivery deadlines
- Compliance with regulations related to chemical and/or foodstuffs
- Technical advice
- Renewal/expansion of product portfolio
- Agile response to complaints and/or queries

- Meetings
- E-mail
- Website
- Ethics mailbox



Suppliers

- Compliance with procurement planning
- Clear formulation/production specifications
- Production safety
- Business continuity
- Timely payment collection
- Establishment of good business relations

- Satisfaction surveys
- Meetings
- Supplier portal
- E-mail



Staff

- Workplace safety
- Compensation
- Personal and professional development
- Community
- Improved working conditions

- Work climate surveys
- Ethics mailbox
- Committees
- E-mail
- Training



Society

- Job growth
- Contribution to environmental sustainability
- Education and training partnerships
- Follow-up of agreements
- Social action

- Social media
- Press releases
- Websites
- Meetings
- Public administration portals

Our framework for sustainable action and the SDGs

GRI 2-22

Our Corporate Sustainability Policy is more than just a statement; it is a guide to responsible and sustainable decision making in all areas of our business, where we pledge to take into account the needs and expectations of our stakeholders, comply with legal and voluntary requirements, and maintain an Integrated Management System that addresses environmental, health, safety and social responsibility issues.

In December 2022, Lucta joined the Global Compact, committing to align its operations with the Compact's universally accepted Ten Principles on Human Rights, Labour Rights, Environment and Anti-Corruption. We have identified Sustainable Development Goal 9 as the cross-cutting goal that allows us to focus on sustainable development. SDG 9, which focuses on Industry, Innovation and Infrastructure, is essential to addressing our sustainability concerns. In addition, we have identified five priority objectives that are intimately linked to our potential for impact and action.

As a fundamental pillar of our growth plan, sustainability is structured into four main lines of action linked to Lucta's priority sustainable development objectives.



Four main lines of sustainable action





ABOUT
LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS
REPORT

ANNEXES

GOVERNANCE



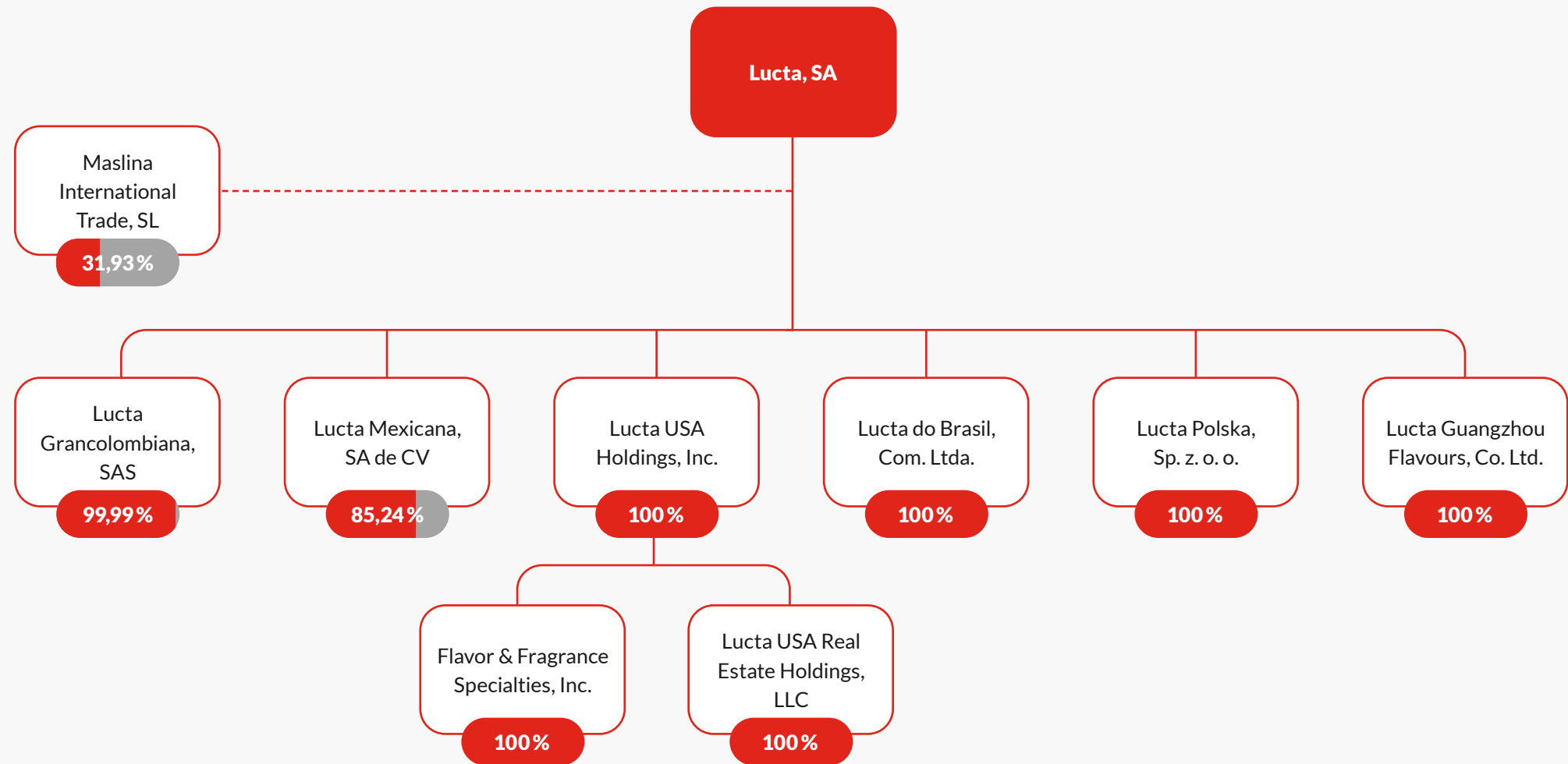
Good corporate governance

GRI 2-25

At Lucta, we are convinced that a culture of ethics and compliance is a key element of developing our business. In line with this approach, we rigorously comply with all applicable laws and regulations in our industry and, as a member of several industry associations in different countries, we abide by codes and commitments in all jurisdictions where we operate.

From the results of the materiality analysis exercise to identify the most relevant aspects of our performance, it was determined that Product Innovation and Design, Risk Policy and Management and Responsible Supply Chain Management are of high importance and are, therefore, our priorities in ensuring the proper management of our business.

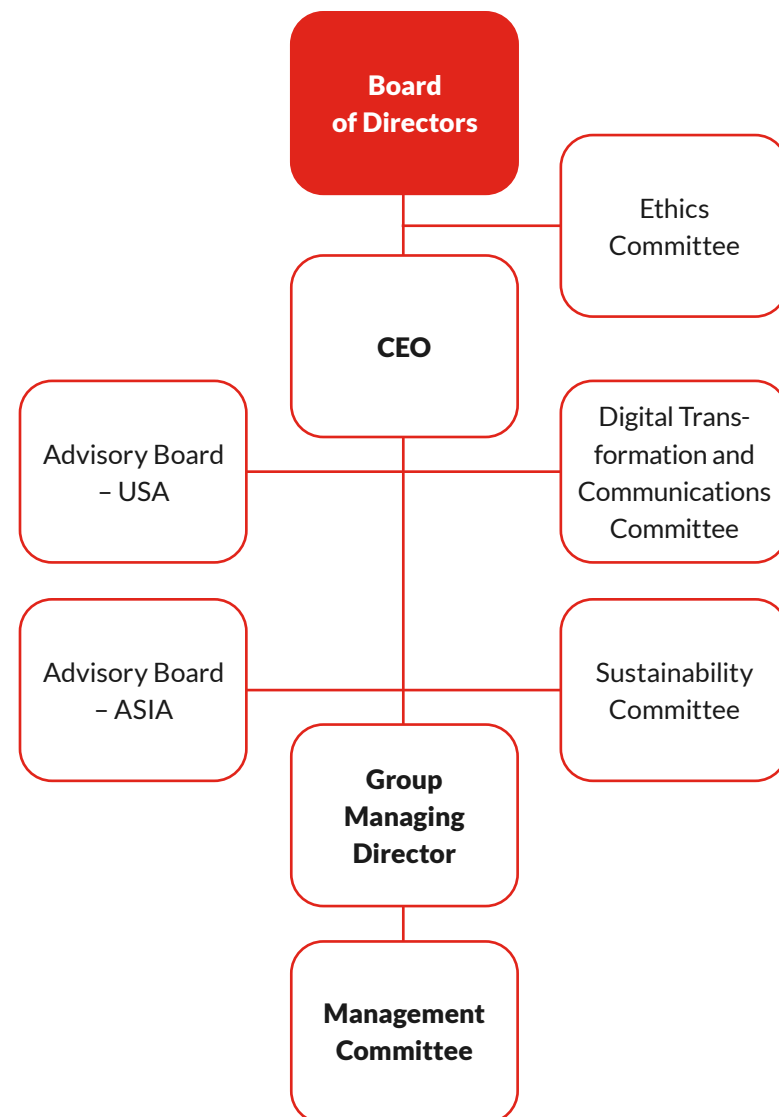
Corporate structure



Governance structure

GRI 2-9, 2-11, 2-12

The governance structure of our company encompasses two main bodies: the Board of Directors and the Management Committee. In addition, we have specific Advisory Boards and Committees to address strategic issues for the growth and evolution of the Lucta Group.



The **Board of Directors** is the highest governing body, responsible for managing, administering and representing the company. It has 9 members, 4 of whom are independent.

Members of the Board of Directors




<p>Ernesto Ventós Soler-Cabot (on behalf of Desarrollo de Técnicas Modernas, SL) <i>President</i></p> <p>Carlos Ventós Omedes <i>CEO</i></p> <p>José Luis Noguero Figuerol</p> <p>Pedro de la Rosa Martínez (on behalf of Olor de Barcelona, SLU)</p> <p>Alejandro Ventós Omedes (on behalf of Desarrollo de Investigaciones para la Industria, SL)</p>	<p>Carlos Prada Oliveros</p> <p>Helena Torras de la Serna</p> <p>María Belén Amatriain Corbi</p> <p>Philippe Margueritte</p> <p>Miguel Trias Sagnier <i>Secretary (non-member)</i></p> <p>Alexandra Vidal Mancha <i>Vice-secretary (non-member)</i></p>
--	---

The **Management Committee**, which is responsible for discussing day-to-day aspects of the organization, meets monthly and is made up of 13 people, each representing an area of the Group.

Members of the Management Committee

<p>Albert Xambó <i>Group Managing Director</i></p> <p>Aurora Ventura <i>HR & Talent Group Director</i></p> <p>Alexandre Cevallos <i>Technical Services Group Director</i></p> <p>Miquel Escuder <i>Operations Group Director</i></p> <p>Gemma Tedó <i>Innovation Group Director</i></p> <p>Alexandra Vidal <i>Legal Affairs Group Director</i></p> <p>Jose Luis Camarero <i>BP & IT Director</i></p>	<p>Olga Orts <i>Finance Director Europe</i></p> <p>George Assaker <i>Flavors Director Europe</i></p> <p>Javier Marín <i>Fragrances Director Europe</i></p> <p>Javier Naval <i>Feed Additives Director Europe</i></p> <p>Helder Rodrigues <i>Feed Additives Director Americas</i></p> <p>Jordi Jolis <i>Purchasing Director</i></p>
---	--

Composition of governing bodies

	Board of Directors	Management Committee
 Members	9	13
 Men	7	9
 Women	2	4

In 2022, the number of women on the Board of Directors remained steady at 22%, while the presence of women on the Management Committee has increased to 31%.

The Group also has **2 Advisory Boards**, whose role is to provide strategic and investment advice on the relevant markets:

- **Advisory Board - USA**
- **Advisory Board - ASIA**

In turn, each subsidiary has its own governing body responsible for day-to-day executive decisions and the implementation of corporate policies and procedures. This allows for an optimal management adapted to the real situation of each area, as well as greater agility and responsiveness, and a more equitable distribution of power.

Three specific committees, which aim to reinforce the governance model in strategic aspects for the Group:

Ethics Committee

Created in 2017, it is responsible for developing, updating and supervising the criminal risk prevention model, guaranteeing the correct functioning and application of the company's Code of Ethics and reaffirming an ethical business culture in all the activities carried out by the Lucta Group.

Digital Transformation Committee

Created in 2017, this committee is responsible for managing the application of digital technologies – mainly Artificial Intelligence and through prioritization and monitoring – to processes, services, and assets to improve efficiency, customer value, and discover new opportunities and business models.

Sustainability Committee

Newly created in 2022, its mission is to promote and develop a sustainability culture and strategy to generate a positive impact on society, the planet and the company.



Ethics and compliance



Lucta team's commitment and values form a basis for building trusting relationships and ensuring compliance.

GRI 3-3, 2-23, 2-26, 2-27, 203

At Lucta, we are committed to incorporating standards of protection, respect for human rights, diversity, equality and inclusion.

Creating a working environment based on ethical principles and respect for human rights – such as dignity, equality and freedom – is vitally important because these values are inherent to all people and are a guarantee of their stability and wellbeing. In this context, it is key to establish a model of corporate ethical conduct through a system that promotes social dialogue among staff and between staff and management, to be fully aware of their possible concerns and implement the measures required for this purpose.



Therefore, measures to prevent and manage risks of potential breaches of that system have been strengthened, including:

- **Regular delivery of online training on the Code of Ethics**
- **Review and update of the Workplace Harassment Protocol**
- **Creation of interview guidelines to avoid unconscious bias**
- **Control and monitoring of the evolution of areas where certain genders are underrepresented**
- **Improving communications with subsidiaries, sharing experiences to advance this commitment**

In 2017, the Board of Directors of Lucta Spain approved the **creation of the Ethics Committee** with autonomous powers of initiative and supervision to develop, update and monitor the criminal risk prevention model. This committee is composed of three permanent members who are in charge of Operations, Finance and Human Resources, respectively. There is active and constant collaboration from the Lucta Group's Legal Affairs Director. It also has rules of procedure governing its functions and composition.

Lucta's **Code of Ethics**, updated in October 2022, sets out the fundamental principles that should guide the behaviour of all employees of the organization in responsible business. These principles include strict compliance with the law; upholding good employee relations; protecting information confidentiality; proper management of relations with customers, suppliers and competitors; care for the environment; proper accounting and invoicing; prevention of conflicts of interest and the fight against corruption or financing of terrorism; and compliance with restrictive measures (international sanctions) of the EU.

We have an **Ethics Mailbox**, the purpose of which is to channel complaints related to possible inappropriate or irregular conduct and/or conduct that may contravene the Code of Ethics.

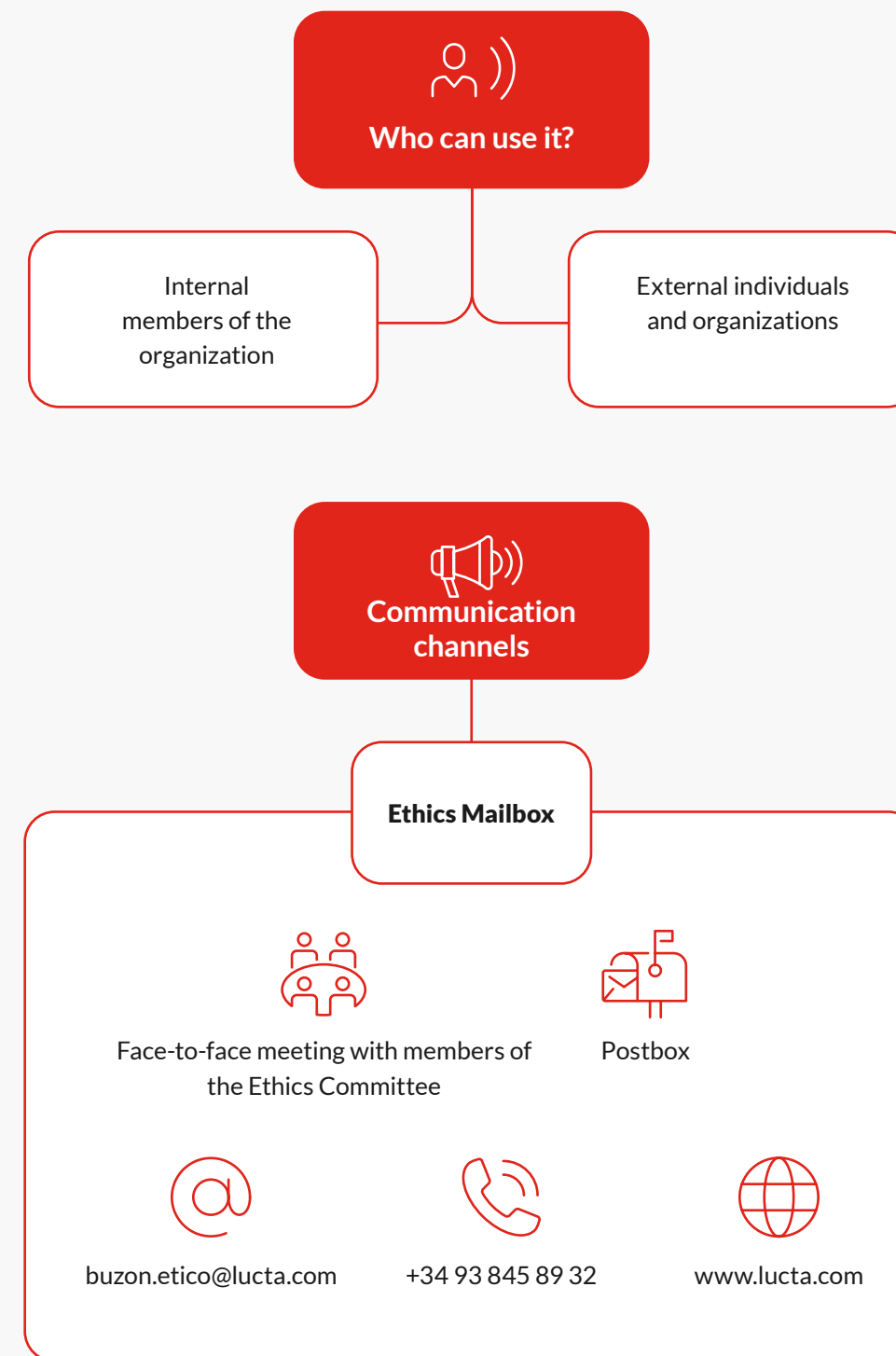
It is the responsibility of all members of the organization to report any conduct that breaches the Code of Ethics. This allows us to identify potential breaches, and mitigate and prevent risks. In the event that conduct contrary to the Code of Ethics is detected, the action protocol is applied. It provides for the opening of disciplinary proceedings and the application of sanctions in accordance with the applicable legal framework.

In 2022, a member of the organization reported two cases to the Ethics Committee. Both cases have been duly handled and appropriate disciplinary action taken.

No complaints, sanctions or cases of corruption have been reported in any Lucta Group companies in relation to non-compliance with economic and socio-environmental regulations.



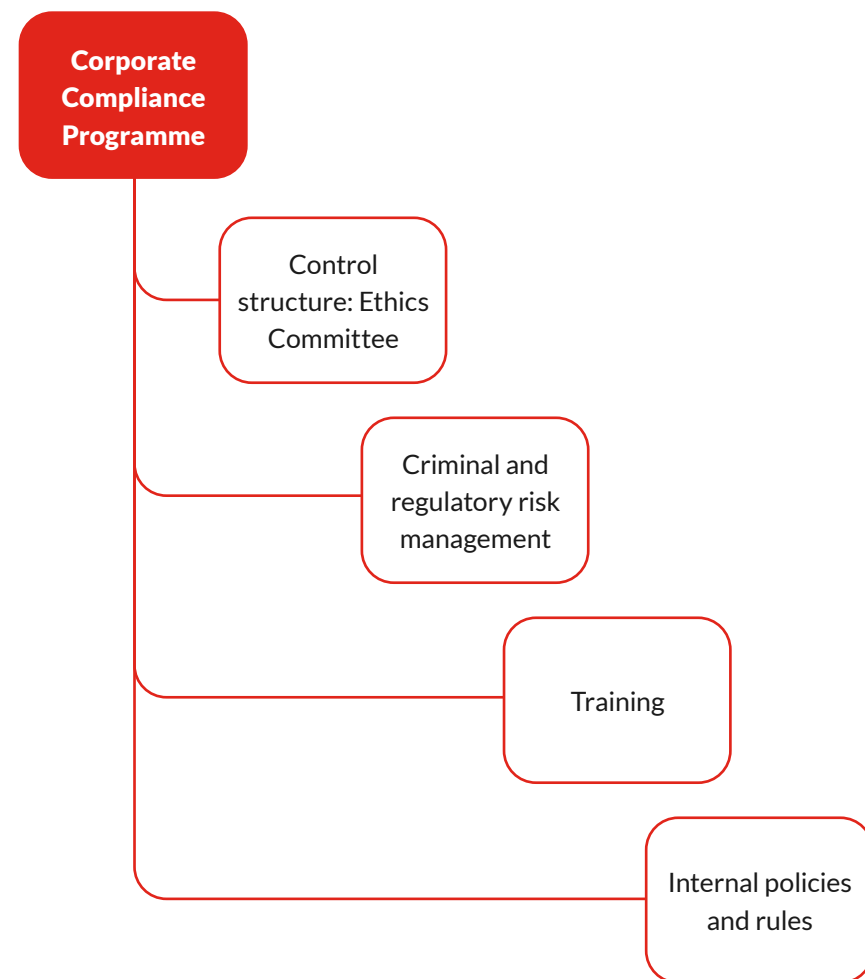
Ethics communication channels



Corporate Compliance Programme

GRI 3-3, 2-24

Since the beginning of 2017, Lucta Group has been actively working to promote, develop, implement and consolidate a criminal risk prevention system, or corporate compliance whose objective is to define and implement effective control systems to prevent criminal offences from being committed within the company, ensuring compliance with the regulatory requirements in the field of corporate compliance.



The Ethics Committee as a control structure

During 2019 and 2020, Lucta Spain implemented a Corporate Compliance Programme. The Ethics Committee was dedicated to disseminating and implementing this project in the Group's subsidiaries. Each subsidiary now has its own Ethics Committee or local delegation, which functions as a control structure to reduce and mitigate criminal risks within the Lucta Group. These committees have the function of establishing a two-way flow of communication to achieve this objective.

The Ethics Committee of Lucta Spain promotes, disseminates and works proactively to effectively implement protocols and master control procedures, as well as to reaffirm an ethical business culture in all activities carried out by the Lucta Group ensuring the effective compliance with the Code of Ethics. For their part, the Ethics Committees and the local delegations must implement the established procedures and protocols, monitor the criminal risks deriving from their own activity and report any incident, non-compliance or change that might affect the system of *Corporate Compliance* to the Ethics Committee for review or modification.



Training in Code of Ethics

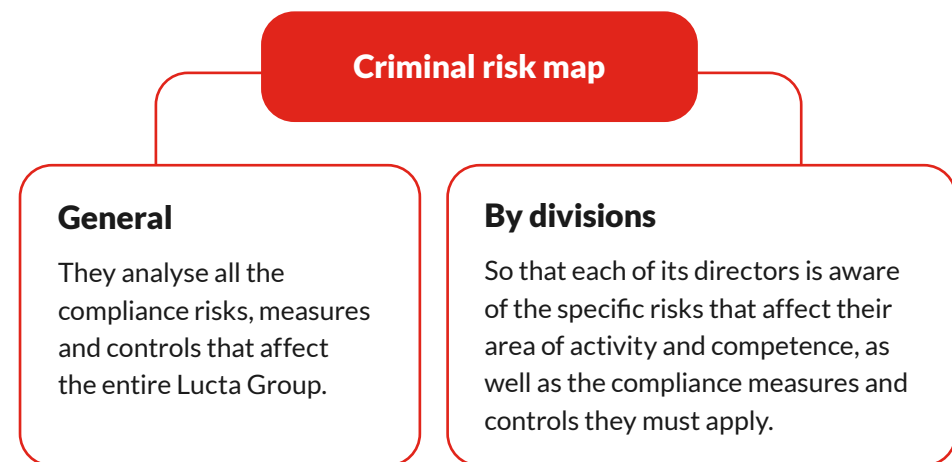
The aim of the Code of Ethics training project is to disseminate the Code and extend it to all Group subsidiaries. To date, **76% of staff have been trained**. Training will continue for new recruits and be extended to all Group subsidiaries by 2023.



76%
trained staff

Criminal risk management

In 2020, the first corporate criminal risk matrix was made available, which compiled the risks, prevention measures and controls identified for each Division. This matrix is subject to a biannual review process and so in 2022, a review and update of the Corporate Compliance system resulted in a more complete and refined risk map. The criminal risk map is composed of two distinct sections.



Good governance regulations

At Lucta Group, we incorporate internal policies, guidelines and standards to ensure responsible business conduct towards people and the planet in all societies and countries in which we operate.

Corporate Compliance Pack Lucta Group

- The Code of Ethics
- Ethics Mailbox and Protocol to manage, investigate and resolve communications received through the Ethics Mailbox.
- Sustainability Policy
- Anti-corruption policy governing relations with customers and suppliers
- Policy on relations with authorities, civil servants, agencies, public corporations, associations and similar entities.
- Best practices to combat money laundering and financing of terrorism, and ensure compliance with the EU's restrictive measures.
- Care Plans Regulations
- Regulations on the use of IT systems and on data protection
- Protocol against workplace harassment
- Welcome Pack for new recruits
- Ethical clauses for suppliers
- Crime prevention manual

An update of the Code of Ethics, the protocol for preventing and handling harassment situations and a list of measures for reconciling work and personal life is planned for 2023.



Partnerships with sector organizations and fulfilling commitments

GRI 2-28

We are active members of sectoral associations that allow us to collaborate with the most prestigious administrations and institutions to develop projects and proposals for progress towards a green and digital transformation in our areas of influence: flavors for human consumption, feed additives and fragrances. In addition, we keep a close eye on regulatory developments that may affect us so that we can prepare and anticipate them as far as possible.



We strictly comply with all applicable local, regional, national and international legislation.

Membership of relevant industry bodies

Spain

AEFAA, Spanish Association of Food Aromas and Flavourings. Lucta currently holds the presidency.

AFCA, Association of Manufacturers and Marketers of Food Additives and Supplements

FEDNA, Spanish Foundation for the Development of Animal Nutrition

FIAB, Spanish Federation of Food and Drink Industries

STANPA, National Perfumery and Cosmetics Association

CED, Spanish Committee for Detergents, Surfactants and Related Products

FEIQUE- FEDEQUIM, Chemical Industry Business Federation

International

IFRA, International Fragrance Association

IOFI, International Organisation of the Flavor Industry

FEFANA, Association of Specialty Feed Ingredients and their Mixtures

IFEAT, International Federation of Essential Oils and Aroma Trades

Europe

AWT, Working Group Heat Treatment and Materials

Deutscher Verband Tiernahrung, German Association for Animal Nutrition

The European Speciality Tea Association

Feeling Innovation

America

FEED Latina, Association of Feed Industries of Latin America and the Caribbean

ASAS, American Society of Animal Science

We adhere to the voluntary international commitment of the **FEIQUE-CEFIC Responsible Care Programme**, are **signatories to the IFRA-IOFI Commitment to Sustainability** and recently became a member of the United Nations Global Compact to ensure maximum compliance with regulatory requirements and continuous improvement in sustainability and social responsibility.

We are **members of SEDEX and ECOVADIS**, independent organizations that allow us to be assessed and rated on sustainability to ensure more responsible supply chains.



Innovation and sustainability, hand-in-hand

GRI 3-3, 413

Innovation and digitalization are key factors in our Group's strategy, and they have become one of the most powerful levers driving the transformation of our organization. New technologies in manufacturing products and services, connected logistics, smart buildings and energy efficiency are key elements of value creation in our company.



23

people dedicated to innovation (52% women)

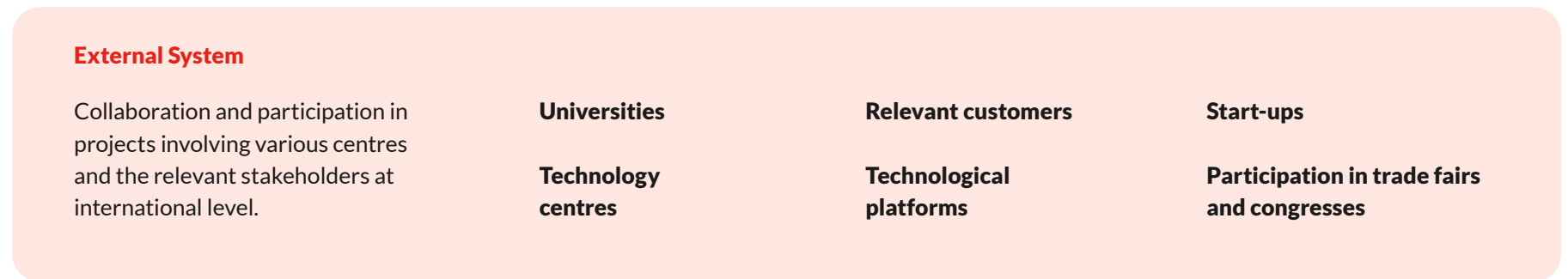
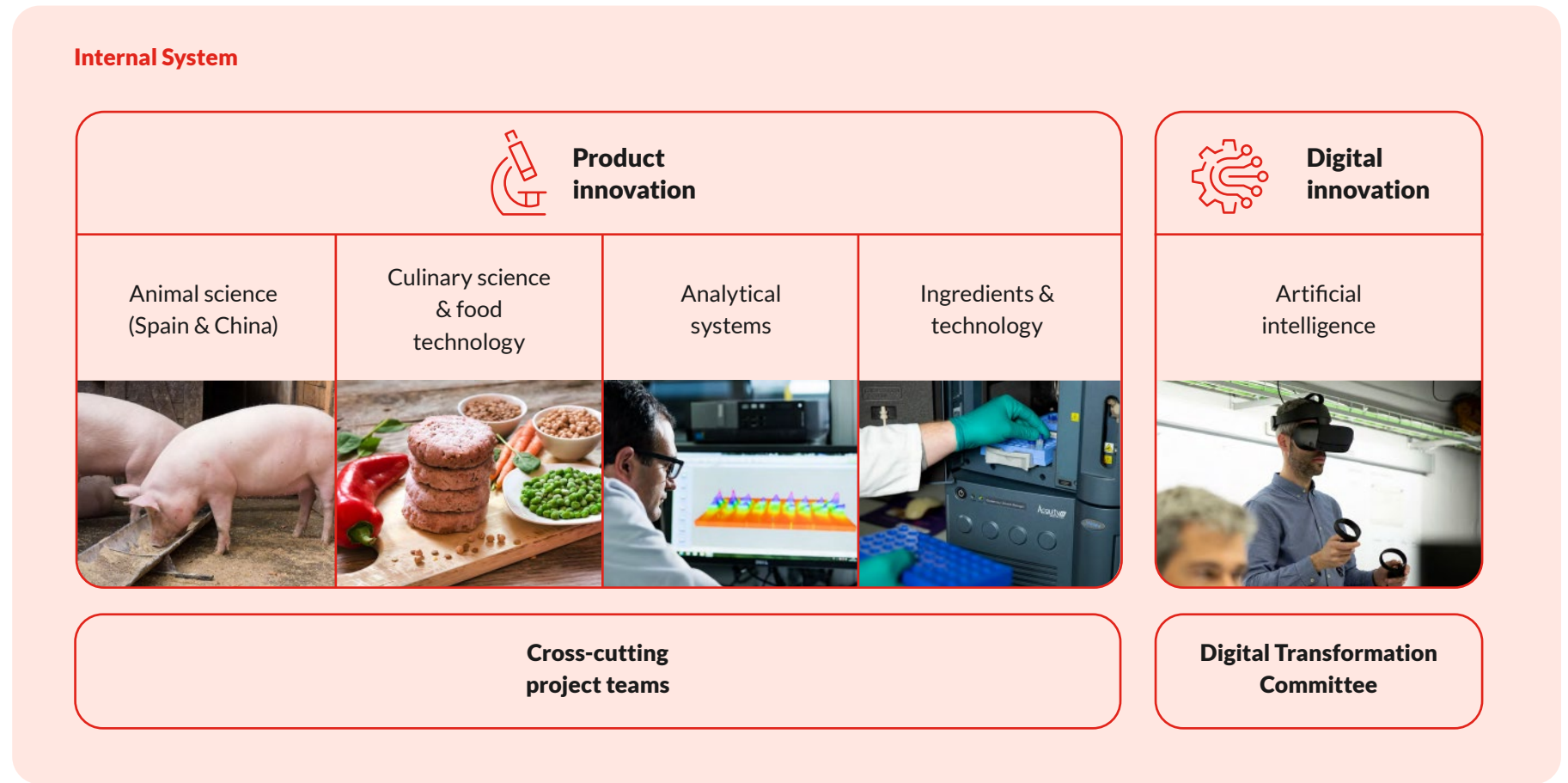


29 M€

investment in innovation (8.6% of revenues)

Innovation is about doing things that are new, pioneering and different from others. It is a way of doing, but it is also a way of feeling that it depends exclusively on human beings.

Organizational system of Innovation in Lucta Group





Product innovation

Lucta has different innovation units undertaking product development processes in human and animal nutrition. These units have close links with our design teams, which apply innovations to meet customer needs. Our innovation units are currently focusing on solutions that can contribute to people and animals' adaptation and resilience to climate change, the palatability of new foods, mitigating greenhouse gas emissions and incorporating circularity in key ingredients.

Innovation of business processes based on IT systems and digital technologies

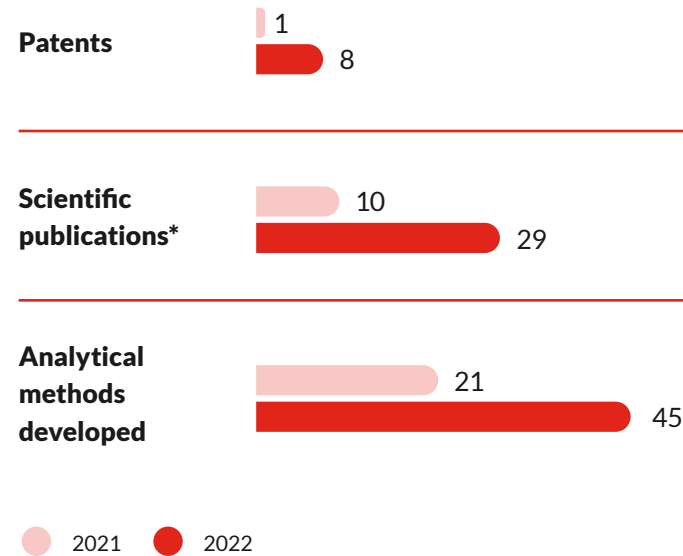
To drive the digital transformation of the organization, a disciplinary team leads the development and implementation of technological projects applied to processes, services and assets in order to improve the value proposition we offer our clients and operational efficiency, as well as to explore new opportunities and business models.

We closely work with the different business units to identify transformation levers and invest in digital capabilities, including natural language processing and artificial intelligence, and automation.

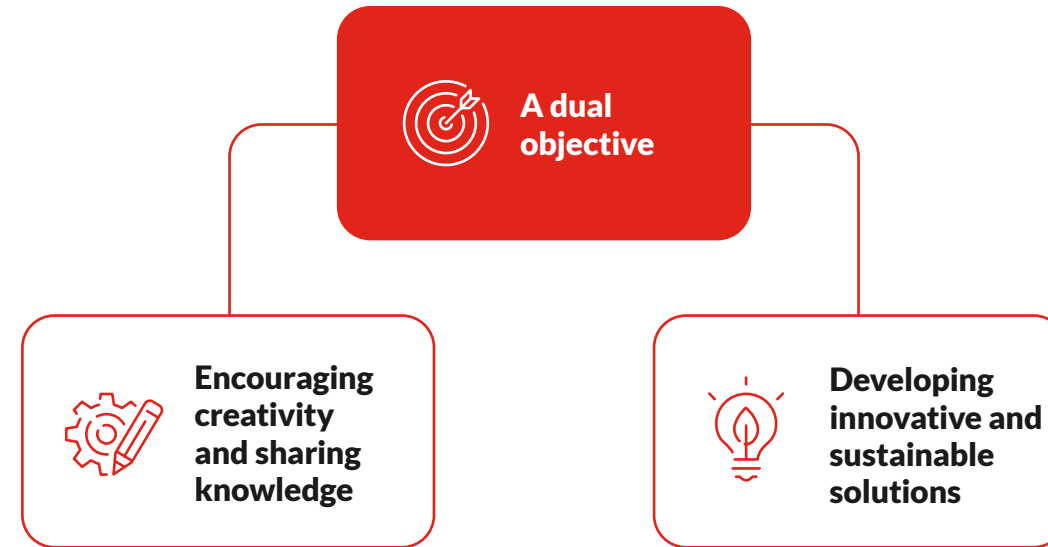


Collaborative and open innovation model

We actively collaborate with universities, technology centres, customers and start-ups, establishing links and collaboration projects with them. Our technological and research partners in the areas of food and animal science include the Association for Research, Development and Innovation in the Agri-Food Sector (AIDISA), the Agri-Food Technology Centre (CTIC-CITA) and the Technological and Agri-Food Research Institute (IRTA), in Spain; Flanders' FOOD, in Belgium; and the University of Queensland, in Australia. We are also pioneers in our collaboration with the Animal Welfare Education Center (FAWEC), a benchmark in research, dissemination and training in animal welfare in the livestock sector.



* In the sphere of animal science: in research into sensory perception in aquatic species, in the development of knowledge and prototypes aimed at improving animal welfare, and in improving feed efficiency in both aquatic and land species.



Our priority is to fully integrate sustainability into the DNA of all our developments.

Future challenges in product innovation:

- Maintaining the efficacy, intensity and potency of fragrances, flavourings and additives, designed with sustainability in mind
- Searching for alternatives besides limiting raw materials of natural origin
- Making it more feasible to shift towards more sustainable products
- Ensuring certain legislative constraints are compatible
- Adaptability and resilience to the dynamism of the sector
- Responsible reporting on the sustainability of products, avoiding greenwashing
- Adapting to market requirements and needs

**29****new
ingredients**

29 new ingredients developed for flavors and animal feed have contributed to providing new solutions for more than 360 new products.

In 2022 we moved forward in:

Identifying new ingredients from agricultural industrial processes to promote circularity and sustainability. **We have already developed solutions for animal feed that integrate by-products from the olive industry, thus improving animal wellbeing and resilience to climate change.**

Design of specific solutions to improve the organoleptic characteristics of products made from alternative sources to animal protein.

Our efforts are focused on understanding how the key compounds responsible for the aromatic profile of each product interact and to what extent technology and ingredients can contribute to efficiency and efficacy in this area.



Product safety and quality

GRI 3-3, 416, 417

We guarantee that our products are safe and comply with all regulations. Internal Quality and Regulatory teams actively participate in the development of new products to ensure compliance. We are also committed to ensuring the safety of our equipment and the environment. We support the development of policies that impact our products through local and global industry associations such as the Specialty Feed Ingredient Association (FEFANA), the International Fragrance Association (IFRA) and the European Flavor Association (EFFA).

Communication and transparency in our product information

Our products display their quality and safety data on their labels, technical data sheets and safety data sheets, which are available in more than 26 languages. For those cases that require it, the information is complemented with kosher or halal certificates, allergen contents, organic origins, nutrition declaration, absence of GMOs, and so on.



Our commitment to quality is paramount and we continue to exceed customer expectations, delivering over 99% of our products free from defects.



Commitment to quality and food safety

Our quality control is kept up to date with the latest technologies to provide the highest capabilities for accuracy, speed of release and process efficiency.

In addition to improving hygiene standards in our facilities, we seek to enhance our food safety culture by engaging staff at all our manufacturing sites so that they can become fully empowered, increasing knowledge and awareness to improve our practices.

Food safety is at the heart of our culture.

The Lucta Group has confirmed its adherence to the highest food safety standards with a quality and safety management system certified by ISO 9001 and ISO 22000 and FAMI-QS in those production centres producing flavors and additives for animal feed.

At the Group level, we have product certifications that state that our products meet **Kosher and Halal standards** and that they are produced according to **organic standards**.

Responsible supply chain

Our relationship with suppliers is of vital importance to develop new solutions to provide customers with an agile and innovative response in line with the challenges of the market. We apply rigorous criteria of objectivity, transparency and impartiality in the selection and monitoring of suppliers to ensure we avoid any kind of conflict of interest or favouritism. We always work in partnership and mutual respect, guided by our core values of respect, collaboration, integrity and accountability.



>700
suppliers



36
countries

Lucta collaborates with qualified suppliers whose technical knowledge, management and control capacities have been previously evaluated and approved by our Quality Area. Social and environmental aspects are also taken into account when evaluating and classifying suppliers.

Our commitment:

To maintain relationships based on integrity and honesty with our supplier companies, thus ensuring a healthy and ethical partnership.

To always seek the best proposals when procuring raw materials, goods and services in accordance with our previously defined needs and requirements, ensuring that our purchasing decisions are responsible.

Ensure that our supplier companies comply with the ethical principles governing the Lucta Group, and that their conduct in business relationships is ethical and respectful of people and the environment throughout the supply chain.



Sustainability in our suppliers

The Lucta Group is committed to the environment and social responsibility, and evaluates its suppliers on the basis of its environmental policy and ethical principles. An annual assessment is carried out of supplier companies linked to our products, main services and transporters with the aim of recruiting and developing more sustainable companies. The assessment considers sustainability criteria such as the environmental and health and safety management of their staff, adherence to relevant sustainability programmes and the availability of certifications on the sustainable characteristics of their product.

Each Lucta site has robust policies and procedures in place to ensure the highest quality, safety, sustainability and efficiency throughout the value chain.

In the case of transport companies, specific sustainability criteria are required, such as an annual report on emissions associated with the transport of our products, descriptions of vehicle fleets according to European emissions standards, training in efficient driving, and service quality assessments in relation to health, safety and the environment.

Each sustainability criterion is scored based on the degree of compliance and an average is obtained indicating the sustainability level achieved by the supplier company. The Lucta Group seeks to promote and develop environmental and social sustainability in our suppliers throughout the supply chain.

Out of our 61 global suppliers with multi-plant deliveries, 41% have certified HSE management systems.



In 2021, a new tool was launched to assess the risks associated with our supplier companies in terms of Quality, Health, Safety and Environment (QHSE) & Sustainability. This plan was extended to the rest of the global supplier panel in 2022. **The Supplier Risk Assessment covers the following 5 aspects:**



Management system and accountability



Environmental aspects



Occupational health and safety



Sustainability



Contingency plan to guarantee supply lines in the event of disasters or force majeure situations

Of particular note is our suppliers' 100% compliance with health and safety measures and good scores in the management of environmental aspects.

Clearly, the challenges facing the Lucta Group in the coming years are linked to sustainability, and Lucta must work together with its supplier companies in this area to further advance its goals. In particular, we can highlight measures such as:

Improving the use of sustainable transport

Strengthening incentives in circular economy models for products and packaging

Rolling out an annual sustainability plan and report

Purchase at source

Our aim is to know where our ingredients come from, going right to the source – be it the manufacturer in the case of synthetic raw materials, or the farmer or producer in the case of natural ingredients. This allows us to minimize distribution channels and to have first-hand information on the origins of our ingredients, the working and environmental conditions under which they are obtained and processed, their quality and their traceability.



Purchasing at source: a central pillar of our sourcing policy is to buy directly from local producers.

In this way, we can guarantee that our ingredients come from responsible agriculture: we want to pay special attention to promoting biodiversity, environmentally-friendly practices and the responsible use of resources.



Oleoresins of Asian origin

We have traditionally bought these from distributors as our modest volumes made it difficult to access sources at origin. In 2022, we began a partnership with Universal Oleoresins, a company that produces oleoresins and essential oils in India. They develop various projects to help farmers and to provide schooling for employees' children. On an environmental level, they avoid the use of pesticides through the use of plantations combining *Capsicum* with flowering plants so that insects do not attack the chillies.



Vanilla beans from Madagascar

Since 2015, we have been buying vanilla pods from the supplier Authentic Products, a company with a direct presence in Madagascar which controls the process of pollination, harvesting and drying of the pods in collaboration with the local population. Vanilla pods are highly valuable as the cultivation process from pollination to sale takes more than 9 months and is all done by hand. It is a complex market in which some purported dealers may engage in money laundering or profiteering.

Our partner in Madagascar has programmes that guarantee and promote the education of the local population and take action to tackle the problem of deforestation and the conservation of the island's great biodiversity by creating nurseries and reforestation practices.



Spanish essential oils

At Lucta Spain, we buy essential oils of Spanish or North African origin from local distillers. Lavandin, lavender, rosemary, thyme, cistus and others are grown and distilled by companies that support and promote local agriculture and ensure that the entire chain meets the ethical and environmental requirements Lucta demands of its suppliers.



ABOUT
LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS
REPORT

ANNEXES

ENVIRONMENT



3 priority lines of action

GRI 3-3, 305

In line with the United Nations 2030 Agenda and Europe's responsibility and leadership in sustainable development, and following the implementation in the regulations of the Green Deal, we want to guarantee the following:



Net greenhouse gas emissions reduced to zero by 2050

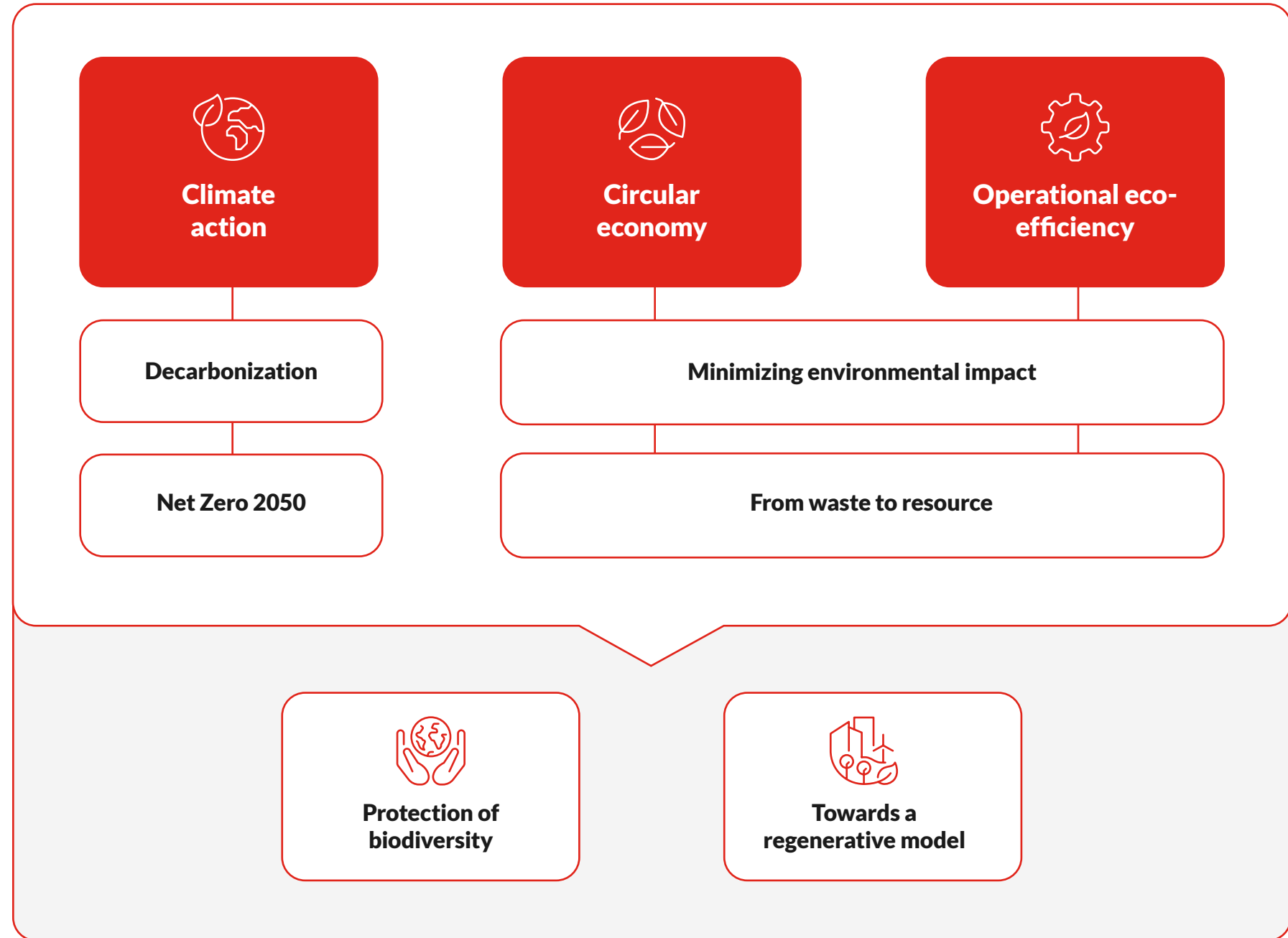


Economic growth decoupled from use of resources



We leave no one behind

Based on these premises, in 2022 we focused our efforts on integrating all processes and standardizing ESG metrics in all Lucta Group sites. It has been a year of analysis that should provide us with solid foundations for addressing the challenge of sustainability and defining a roadmap with ambitious targets.



Climate action

GRI 3-3, 305

Rising temperatures, increasing energy costs, water, food and resource scarcity, degradation of air quality and human health, economic and social problems and more are all consequences of human activity that are currently getting worse.

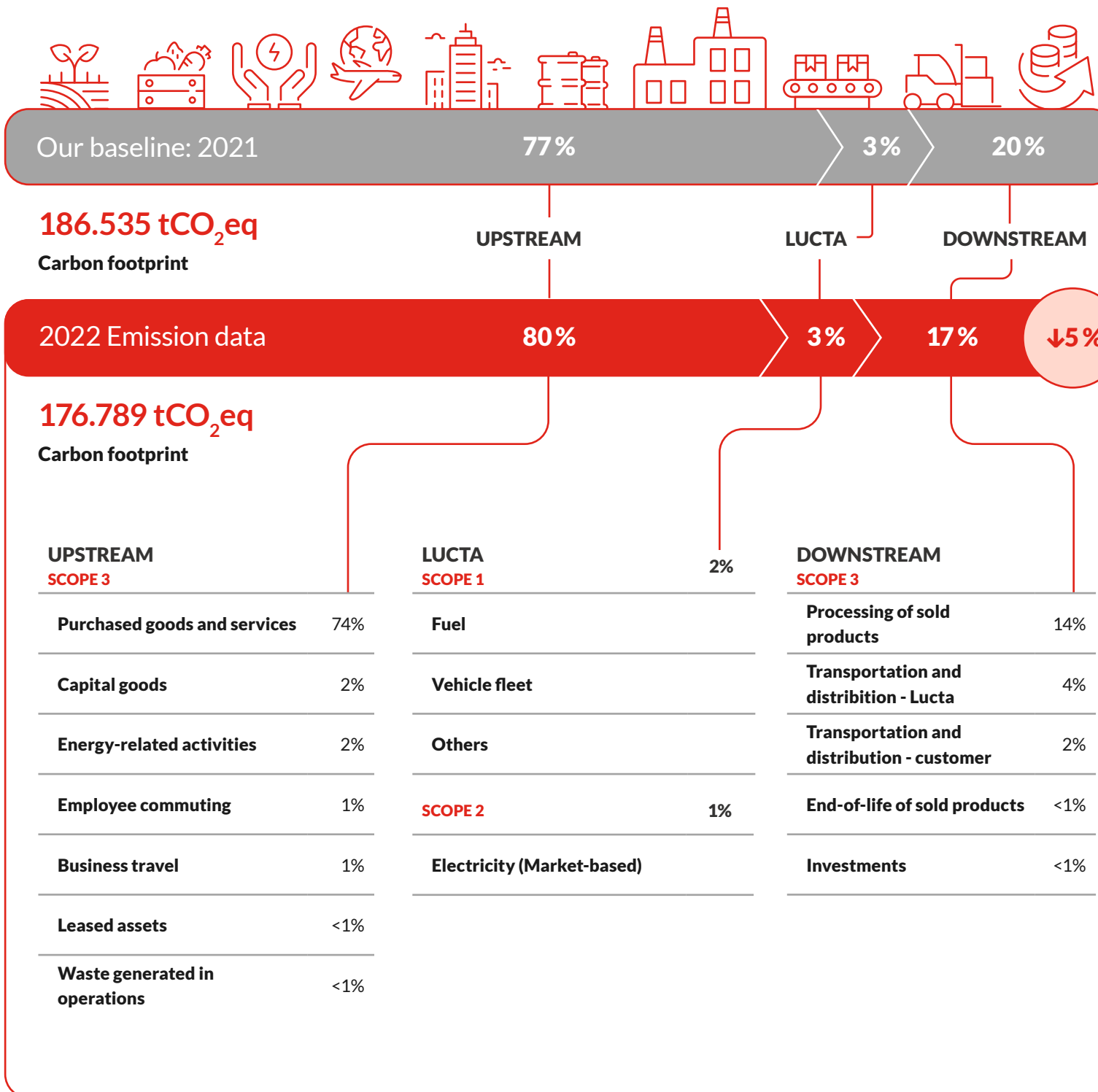
Knowing the amount of greenhouse gas emissions we generate in the company is a starting point for our commitment to decarbonization and contributing to combat climate change.

In 2021, we calculated the carbon footprint for the entire Group, covering scopes 1, 2 and 3 according to the GHG Protocol.



We set our base year for building our Net-Zero emissions reduction strategy.

[Find out more about our carbon footprint calculation](#)



1.5 °C

Next step

Setting science-based targets for reducing emissions in line with the benchmark of the Science Based Targets Initiative (SBTi) is our next step to combat climate change and limit global warming to 1.5°C by 2050.

We are committed to the [Net-Zero Standard](#) and we are currently in the process of defining short- and long-term objectives for a deep decarbonization of our activity. This decade will be decisive, and we are determined to be part of the solution and to lead the transition to a low-carbon economy.



More than 50% of the LUCTA Group's electrical energy comes from renewable sources



Investments in equipment and facilities that incorporate energy saving and efficiency criteria, technology led, more efficient air conditioning systems and optimization of production processes

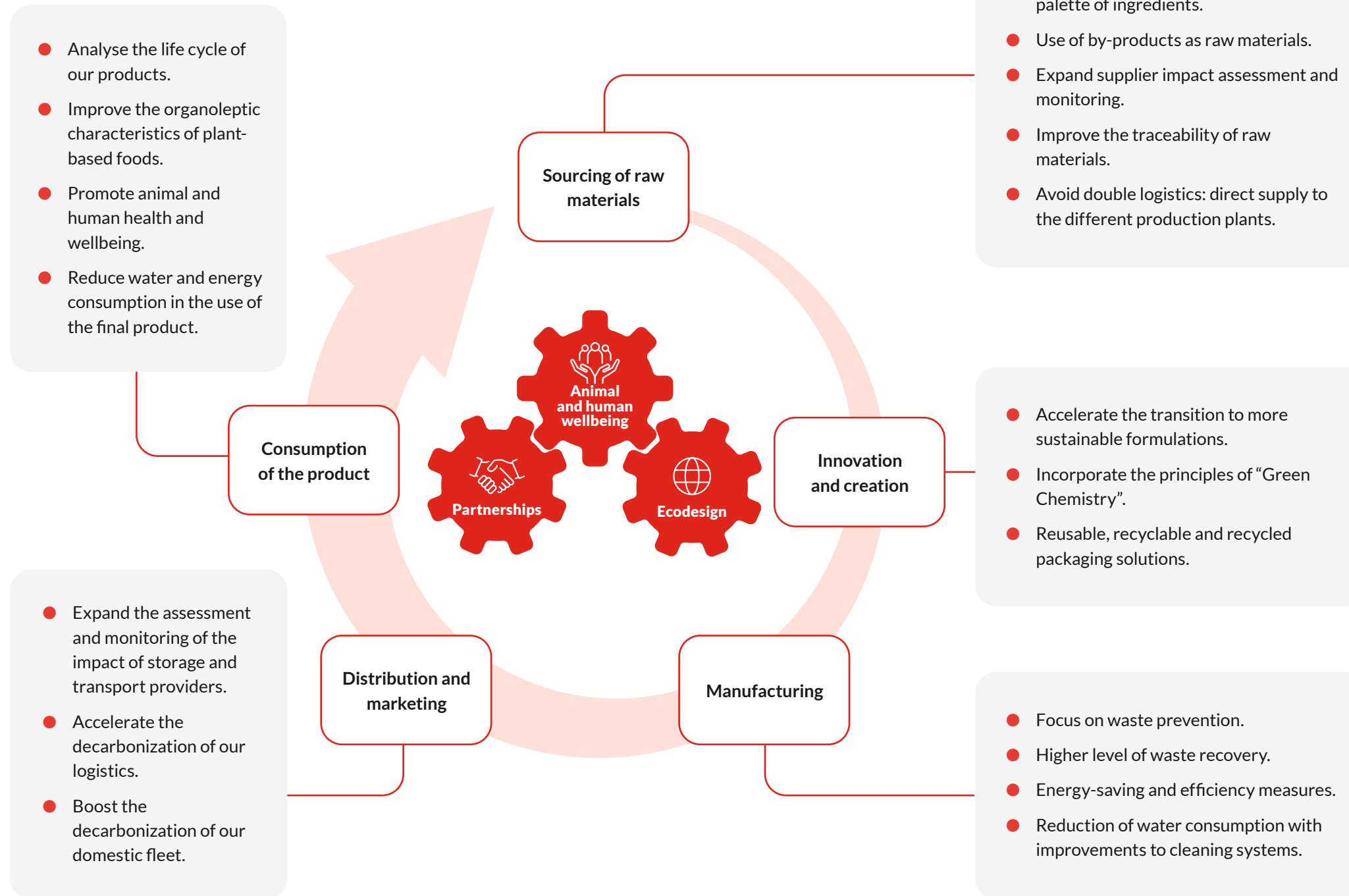
Circularity

Transforming through the Circular Economy: Extending the time that raw materials are kept in production cycles by innovating in formulations and reusing and recycling materials.

GRI 3-3, 2-22, 306, 308

We implement our circularity model based on 3 strategic lines:

- Sustainable product design
- Partnerships and cooperation
- Animal and human wellbeing



Actions to achieve circularity

Use of bioactive natural extracts from olive by-products

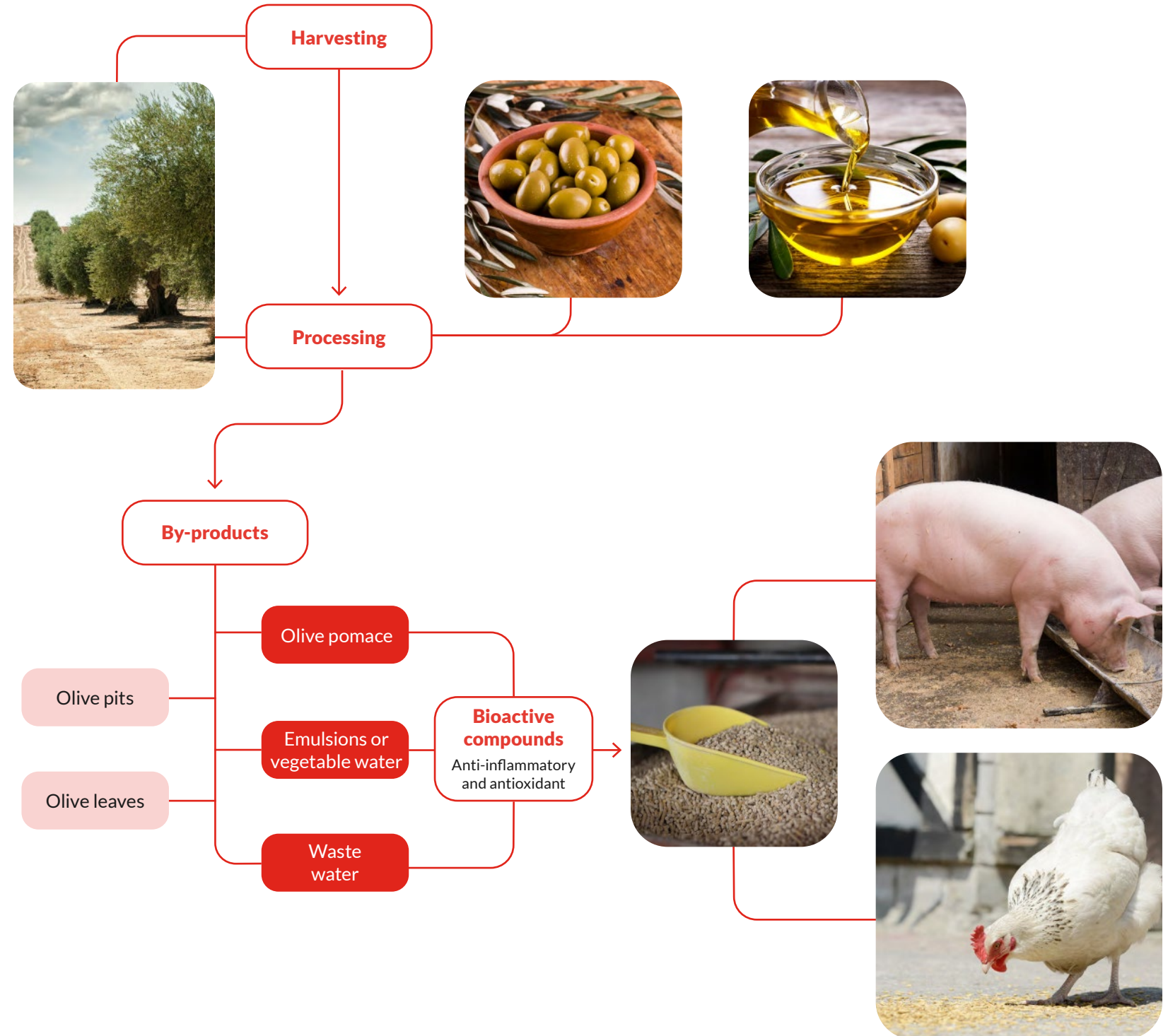
Reinforcing the physiological condition of animals by supporting their gut health is vital to achieving optimal animal welfare. Bioactives present in by-products from the olive industry provide an interesting tool to improve animals' resistance to the present and future challenges that can generate stressful situations in animals.

During their lifetime, production animals are exposed to multiple challenges including changes in diet, environmental stressors such as thermal stress, exposure to pathogens, and so on. The process of adapting to these situations involves an immune response that produces a subclinical inflammatory process which, if not adequately resolved, can become chronic.

Olives and olive oil are an essential part of the Mediterranean diet and are associated with beneficial effects on health and wellbeing – especially as a

source of monounsaturated fatty acids – and the presence of other minor bioactive compounds which have antioxidant, anti-inflammatory, anti-microbial, anti-atherogenic, hepatoprotective and anti-tumour properties.

In a linear economy, agricultural by-products are mainly used as biofuels. But in a circular economy in the olive sector, by-products such as pomace (pulp and pits) and the emulsions and wastewater generated in processing contain significant amounts of active compounds. At Lucta, we standardize and exploit these bioactive-rich olive extracts. By doing so, not only are we providing solutions that contribute to animal welfare by adapting to each species; we are also relocating a by-product within the value chain. This reduces the impact of the waste generated in olive oil production and allows us to collaborate with the local olive production sector.



Free from microplastics - LuctaCaps Pure®

Fragrance microcapsules are a basic ingredient for detergents and fabric softeners. They have a wall that controls the release of perfume during garment use for long-lasting freshness.

Lucta has developed a new technology for the composition of melamine formaldehyde-free walls. It involves **encapsulating fragrances in biodegradable capsules**, thereby avoiding the microplastics present in laundry care products.

The new softener capsules are composed of biodegradable polymer walls. This ensures that no microplastics, which could end up in the ecosystem, affecting flora and fauna, are generated during the decomposition of the product.



Palette of sustainable raw materials

In the area of fragrances, we are developing a palette of components that will allow us to manufacture renewable and upcycled fragrances.

Olfactory notes already made available today from renewable raw materials and/or upcycling:



Pine



Floral



Herbaceous



Citrus



Woody





Solutions for alternative plant-based proteins

Flexitarian, vegetarian and/or vegan consumers have increased by 34% in just 2 years.*

Consumers are increasingly concerned about maintaining a healthier diet and the impacts of intensive agricultural production, which is why we are seeing an increase in these types of diets year after year.

At Lucta, we are continually innovating to meet our customers' requests for plant-based proteins as consumer demand increases.

In 2022, Lucta almost tripled its sales of plant-based food solutions.

Backed by our experience and innovation capabilities, we design innovative compositions to ensure that alternatives to animal-based proteins are as delicious as traditional ones.

* According to Lantern's *The Green Revolution* report, published in 2021.



Recovery of packaging waste

Together with some 200 companies, Lucta Spain has joined ENVALORA to move towards a circular economy, a more efficient and effective industry that is much more aligned with the intelligent use of resources.

ENVALORA is a new **Collective System of Extended Producer Responsibility (Sistema Colectivo de Responsabilidad Ampliada del Productor – SCRAP) for waste generated from industrial packaging** placed on the Spanish market, whether single-use, reusable and made from any material. The system aims for circularity and maximum efficiency in waste management.

As a partner of ENVALORA, Lucta proactively supports and participates in the design of the collective model of packaging management. This means we can offer our customers the best **solutions in packaging systems that incorporate circularity**, promoting reusable packaging, optimizing the use of materials either with the incorporation of recycled materials or through design criteria that optimize capacity and transport.



Efficiency of our commercial vehicle fleet

During 2021, we renewed our entire fleet of hire vehicles in Colombia. Currently 100% of that fleet's vehicles are hybrids. Meanwhile, at Lucta Spain more than 60% of our leasing fleet boasts an "Eco" or "Zero Emissions" label.

Extending product shelf life

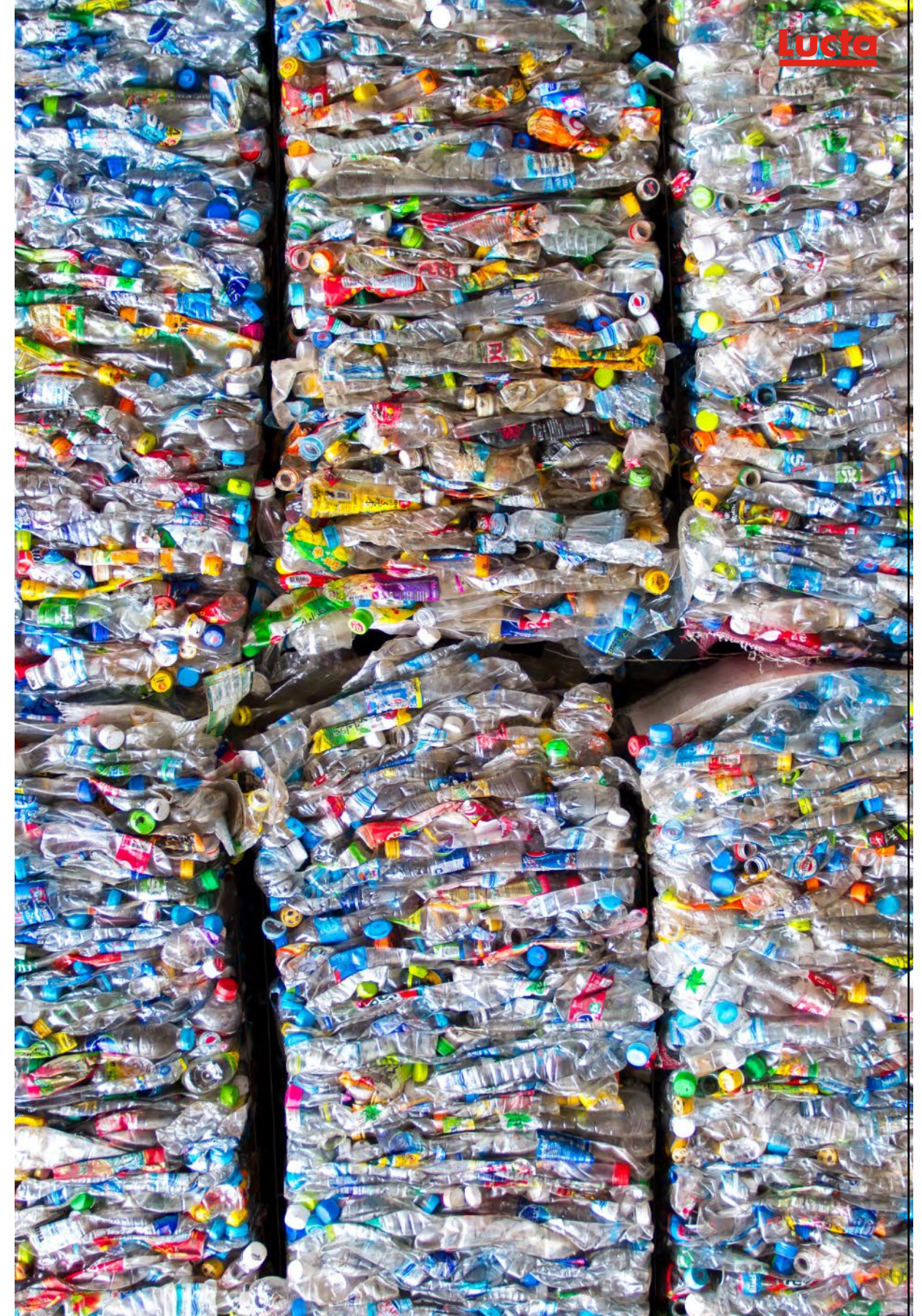
The main aim of Lucta's technological additives is to improve the preservation of ingredients and foodstuffs.

- **Antioxidants**
Their purpose is to protect against oxidation, guaranteeing a better preservation of ingredients and of the feeds containing them, helping to avoid food waste.
- **Bioactive compounds**
These are used to stabilize the physiological condition of animals. Bioactive compounds have the ability to counteract oxidative stress at the cellular level and extend the shelf-life of meat products.

Use of sewage sludge as fertilizer

Sewage sludge contains significant amounts of organic matter and nutrients that can be used to improve soil fertility.

The sludge generated during our treatment processes is composted for soil application. In the case of Colombia, this sludge is analysed externally to ensure that its composition is free of any unwanted components; it is dewatered and applied at Lucta's own facilities that have landscaped areas.



Operational eco-efficiency



In 2022, the consumption of the planet's natural resources was already 50% higher than its regenerative capacity.

GRI 2-22

Operational eco-efficiency seeks to **optimize the use of natural resources and reduce environmental impact.** This involves using resources responsibly, minimizing waste and maximizing reuse and recycling. It is applied in different areas, from waste management and energy consumption to water management and biodiversity.

Air quality

GRI 3-3, 2-22, 305

Atmospheric pollutants

Air pollution is an issue that affects both the environment and human health alike. Our production activity generates volatile organic compounds (VOCs) and particles. That is why we carry out continuous monitoring of our purification systems and measurements to ensure that our emissions comply with all standards and regulations related to air quality.

Fluctuations in emissions from one year to the next are due to the variability of scent and fragrance types produced during sampling.

Annual emissions



● 2021 ● 2022

Notes: No measurements are available for the production plants of Lucta Colombia and Lucta USA. No VOC measurements are available for the Lucta Mexico production plant.



We have different emission treatment systems, mainly using activated carbon filters and scrubbing towers.



Odors generation

GRI 305, 413

We create odours with our scents and fragrances and we are well aware that we emit a number of substances that can cause odor nuisance. The impact of these odors on the environment is complex as it depends on physical and chemical factors specific to the emissions, climatological and orographic factors, but also on more subjective factors related to the perception of receptors of such odours.

At Lucta Spain, where, due to its location close to towns, it is particularly important to minimize odors. An Odor Mitigation Plan has been put in place for the period 2020-2025, which includes 4 main lines of action:

Performance of periodic odor studies using dynamic olfactometry

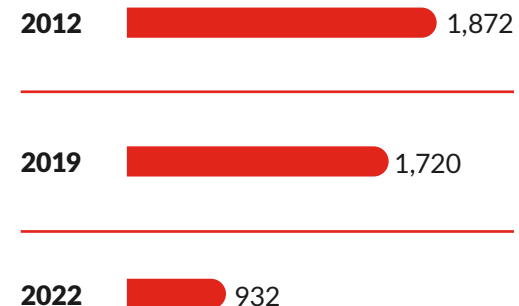
Improvements to and optimization of the purification and dispersion systems at the main sources of emissions

Reduction of diffuse emissions

Implementation of good practices in chemical storage and handling

Periodic odour studies make it possible to quantify different emission scenarios and to evaluate the performance of the improvements made, as well as to focus efforts on the most relevant odour emission sources.

Odor emission at Lucta Montornès del Vallès



Notes: The unit of measurement of odour emission is 10⁶ ou_E/h. Periodic odour studies based on UNE-EN 137725. Odour emission level according to the most representative scenario for each study.



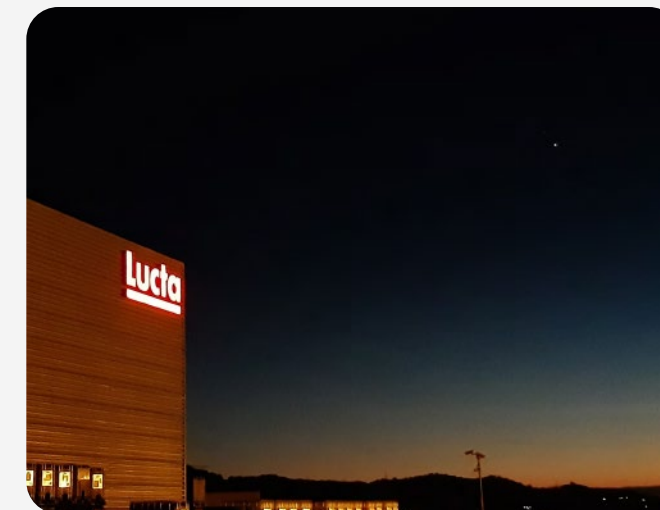
Light pollution

GRI 403, 304

Inappropriate design or use of outdoor lighting can lead to light pollution, which negatively affects the environment, biodiversity and human health.

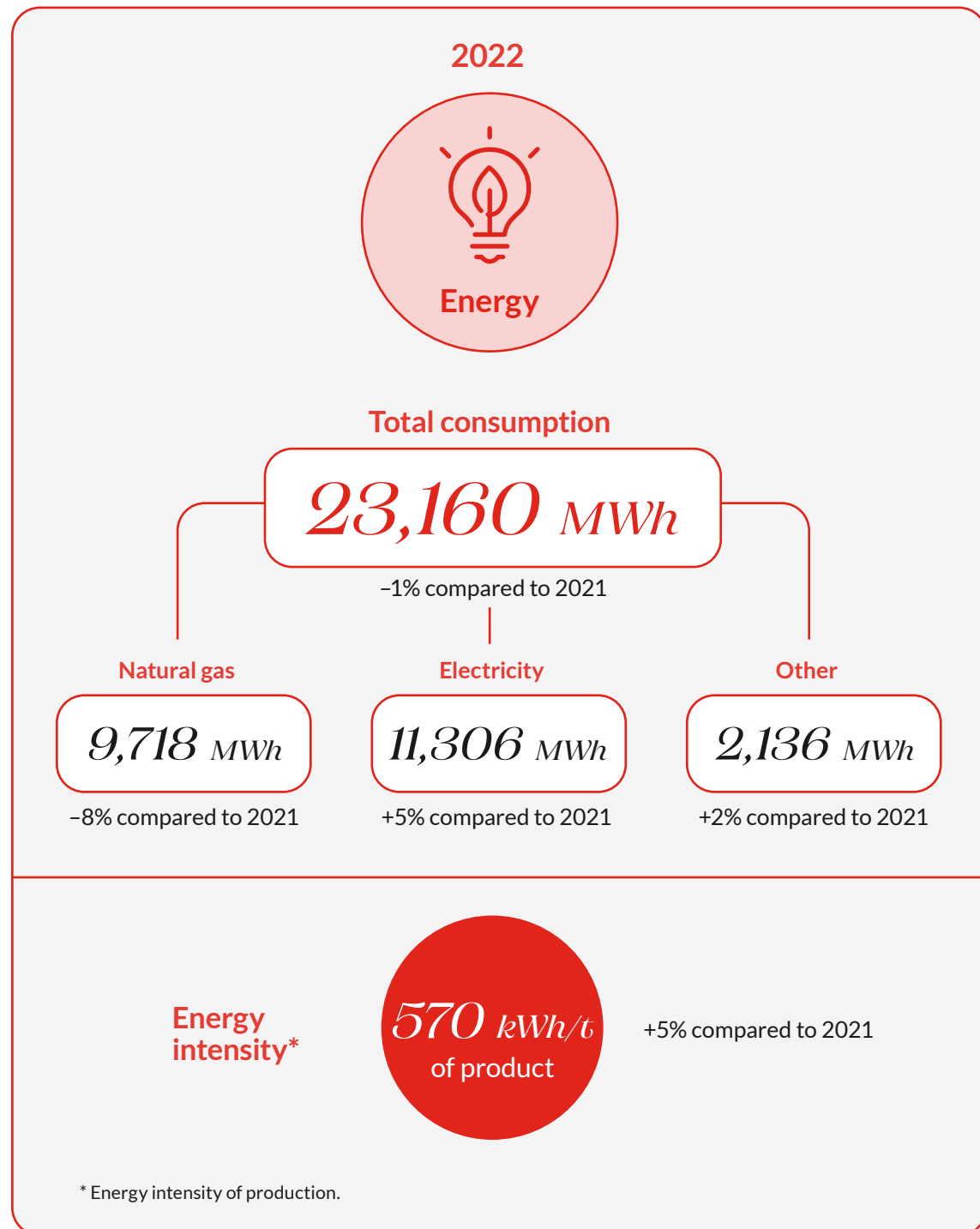
Light pollution has harmful effects on fauna and flora, including nocturnal animals and light-sensitive plants. It can disrupt the animals' sleep-wake cycles, affecting their behaviour and ability to reproduce. It can also affect the navigation of migratory birds, which are guided by the stars and the moon during their movements. It can also attract insects, which may have a negative impact on the food chain.

Lucta's facilities in Montornès del Vallès have more than 300 outdoor luminaires with a power of 37Kw. In 2022, we invested €180 K in their renovation and improvement with LED technology and adaptation to avoid light pollution.



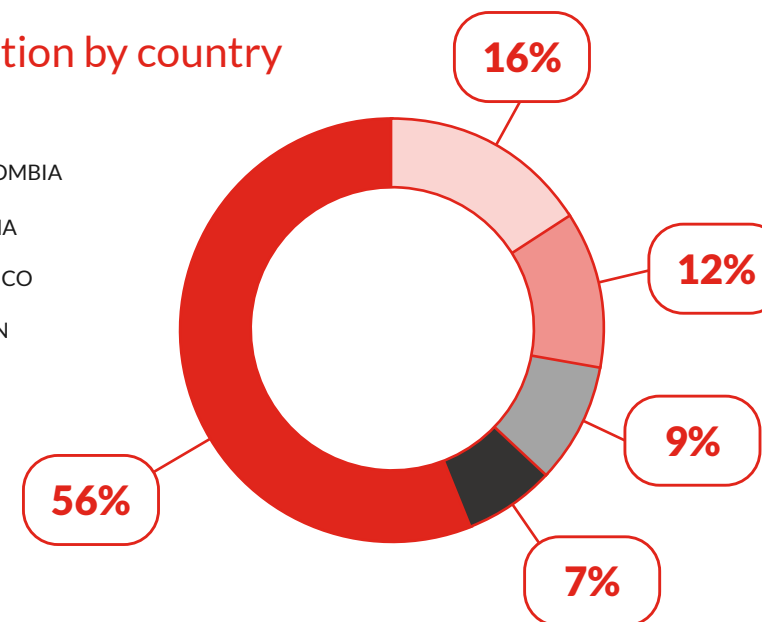
Energy

GRI 302



Consumption by country

- LUCTA USA
- LUCTA COLOMBIA
- LUCTA CHINA
- LUCTA MEXICO
- LUCTA SPAIN

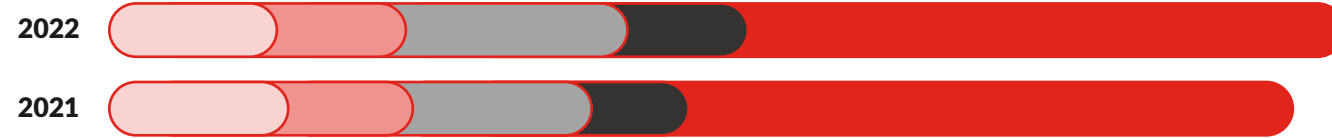


Total energy consumption remained stable compared to 2021. However, given the 6% reduction in production, energy intensity increased.



Consumption by energy type

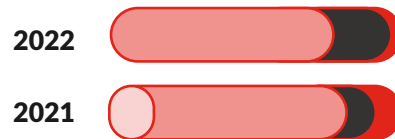
49%
Electricity



42%
Natural gas



9%
Other



- LUCTA USA
- LUCTA COLOMBIA
- LUCTA CHINA
- LUCTA MEXICO
- LUCTA SPAIN

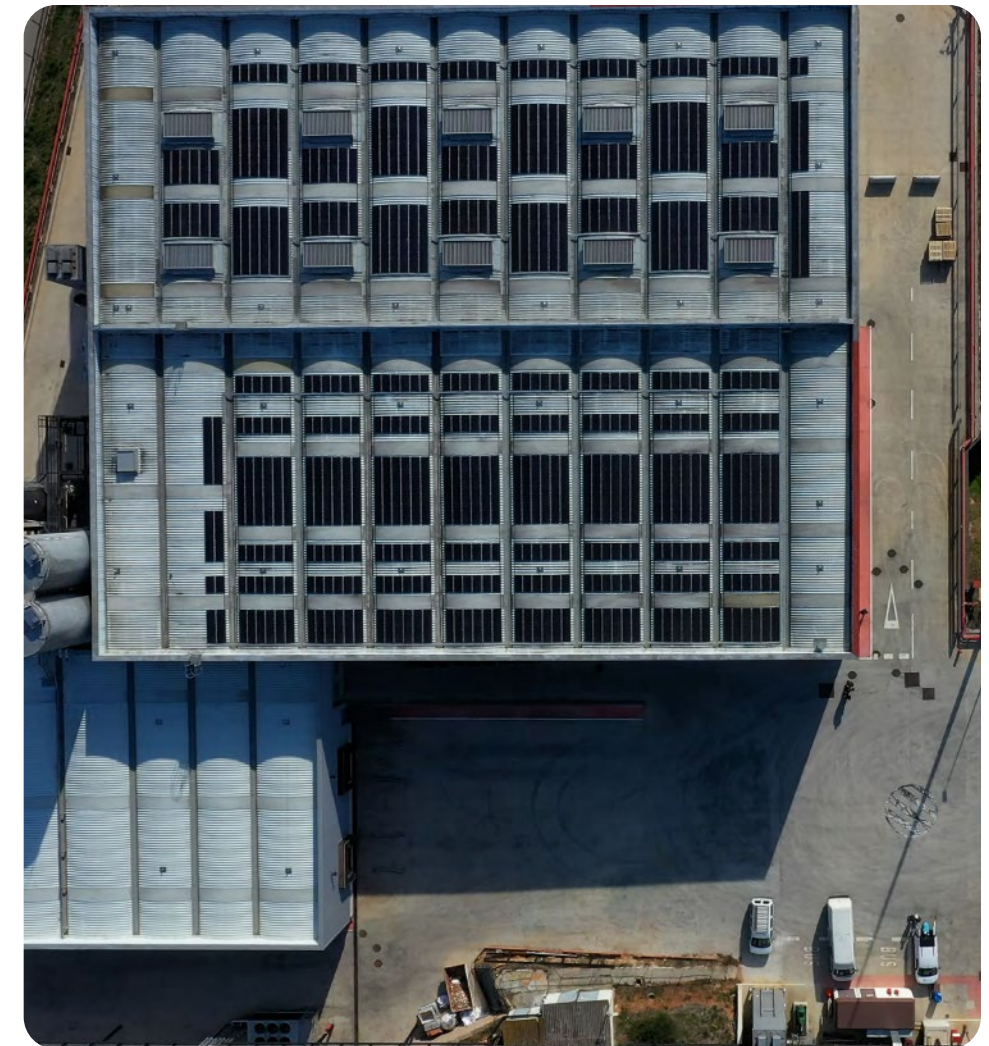
We can highlight the reduction of our natural gas consumption by 8%, which is due to the decrease in consumption at Lucta Spain, the plant that accounts for more than 75% of total gas consumption.

In terms of electricity, the increase in consumption is partly due to the new Querétero plant, which was operational for the first time year-round in 2022 and has a surface area 5 times larger than the old facility.

The “Other” category groups together minor energy consumptions, such as propane gas, liquefied petroleum gas (LPG), diesel and petrol. The consumption of these energies tends to be irregular since in many cases we have deposits that store these fuels and they are occasional purchases.

We are committed to solar energy

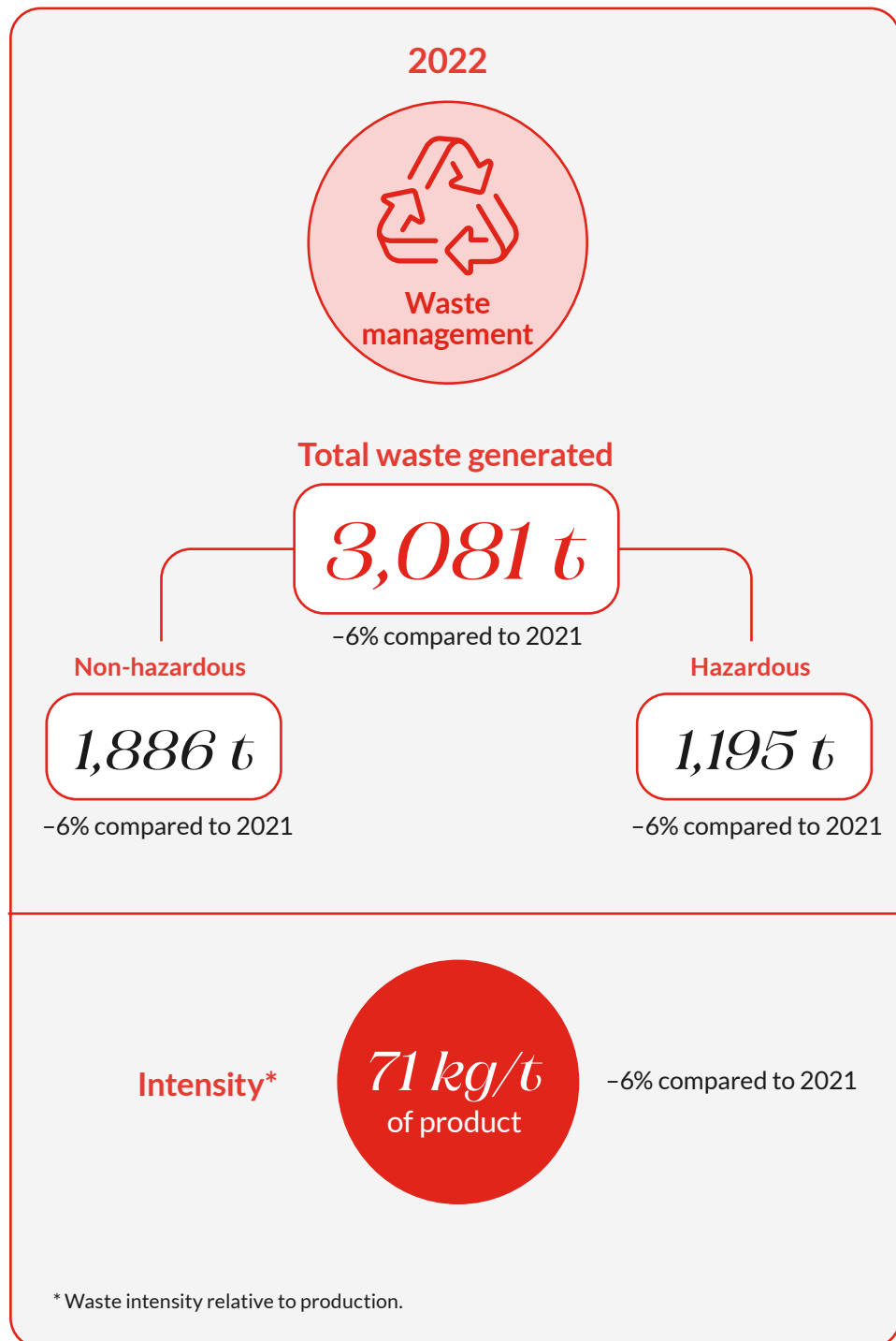
Since 2018, in Montornès del Vallès we have generated 100 MWh of electricity per year for self-consumption at our photovoltaic facility.



[Find out more about our energy consumption](#)

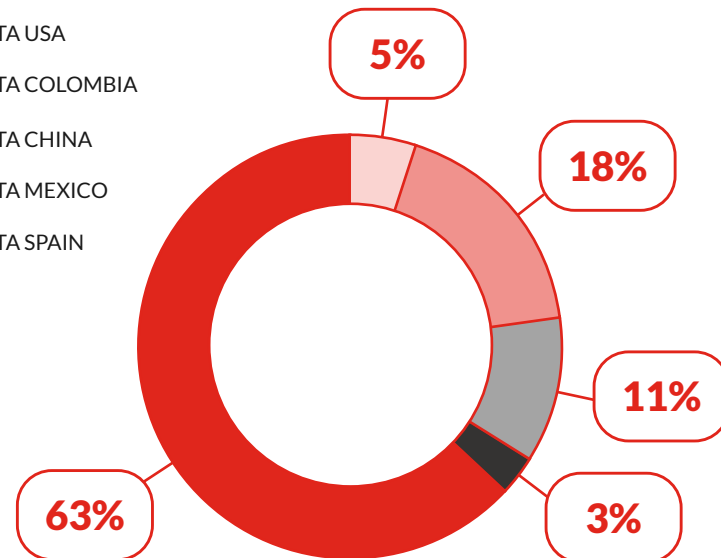
Waste management

GRI 306



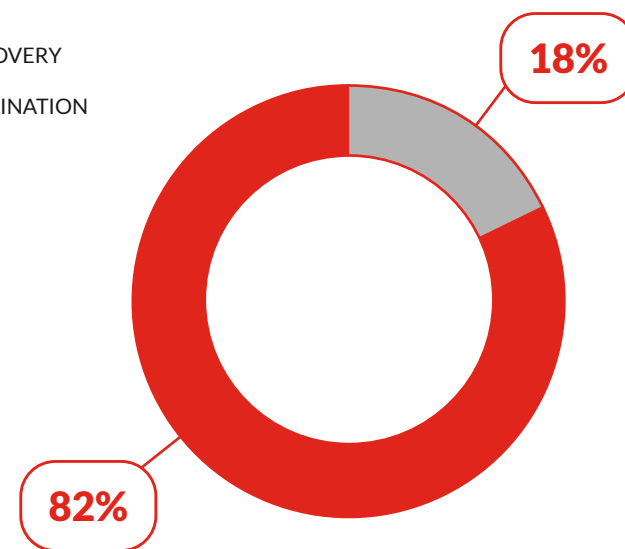
Waste generation by country

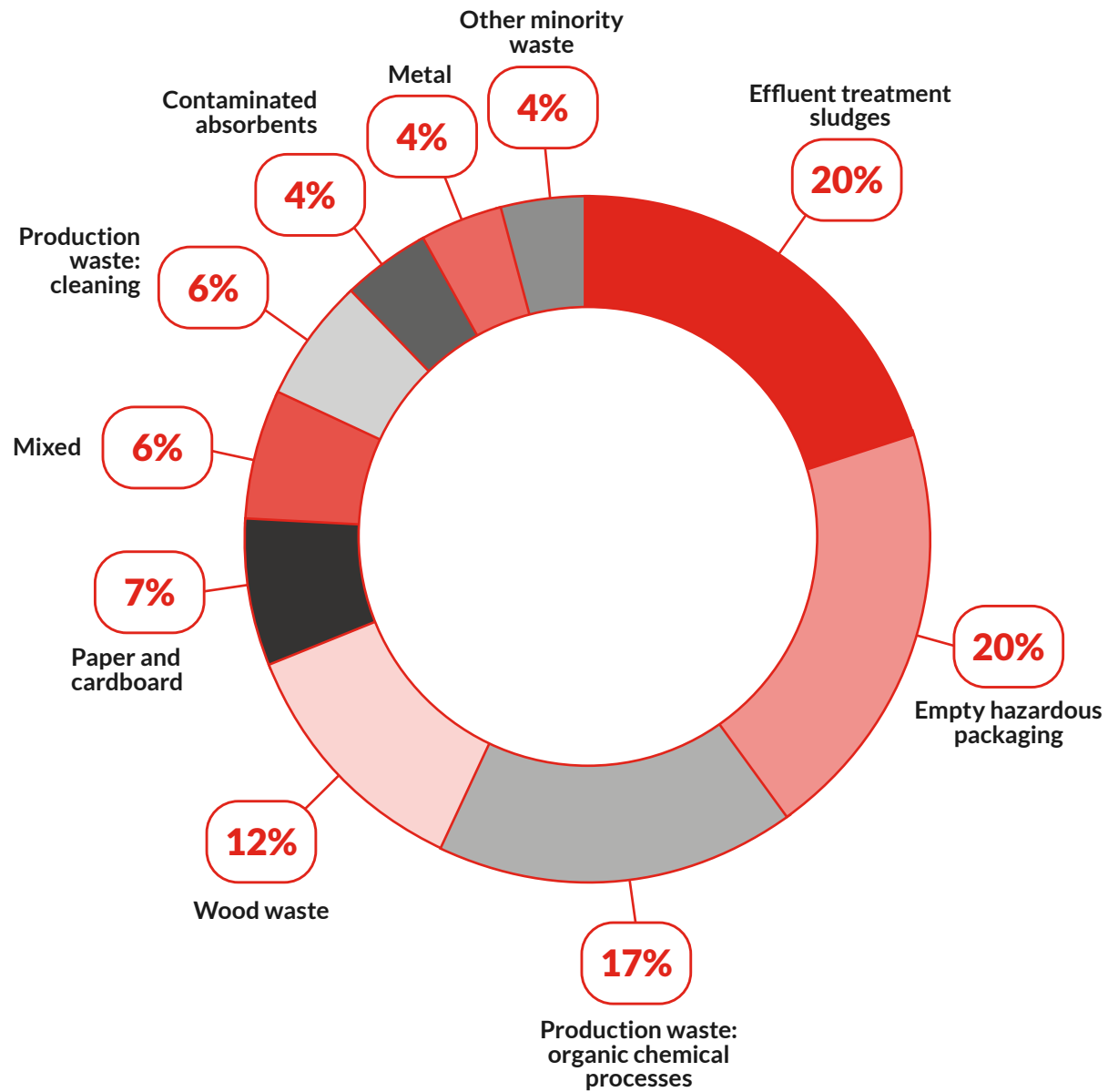
- LUCTA USA
- LUCTA COLOMBIA
- LUCTA CHINA
- LUCTA MEXICO
- LUCTA SPAIN



The year-on-year changes do not include non-hazardous waste at Lucta China, as no non-hazardous waste was recorded in 2021.

- RECOVERY
- ELIMINATION





Our priorities in waste

- More preventive action on waste generation.
- Adapt and improve waste segregation systems in production areas, laboratories and offices.
- Continuously train and raise awareness of waste issues among our staff.
- Promote the circularity of resources.
- Seek new forms of reuse and waste recovery opportunities.

Our goal is to achieve Zero Waste to Landfill. At present, **we recover 82% of the waste we generate**. The main waste types are packaging derived from raw materials and sludge generated by the wastewater treatment plant.

Over the last few years, we have achieved significant improvements in most of the indicators related to waste management, which has enabled us to **reduce the amount of waste going to landfill by around 100 tonnes**, largely as a result of improved segregation at our plants.

Our challenge is to establish strategic alliances with suppliers, technology centres, waste managers and other organizations to find new solutions that facilitate circularity and recovery of waste.

[Find out more about our waste generation](#)



Water and effluents

GRI 303

ABOUT LUCTA

GOVERNANCE

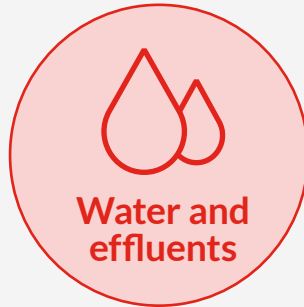
ENVIRONMENT

SOCIETY

ABOUT THIS REPORT

ANNEXES

2022



Total consumption

104,005 m³

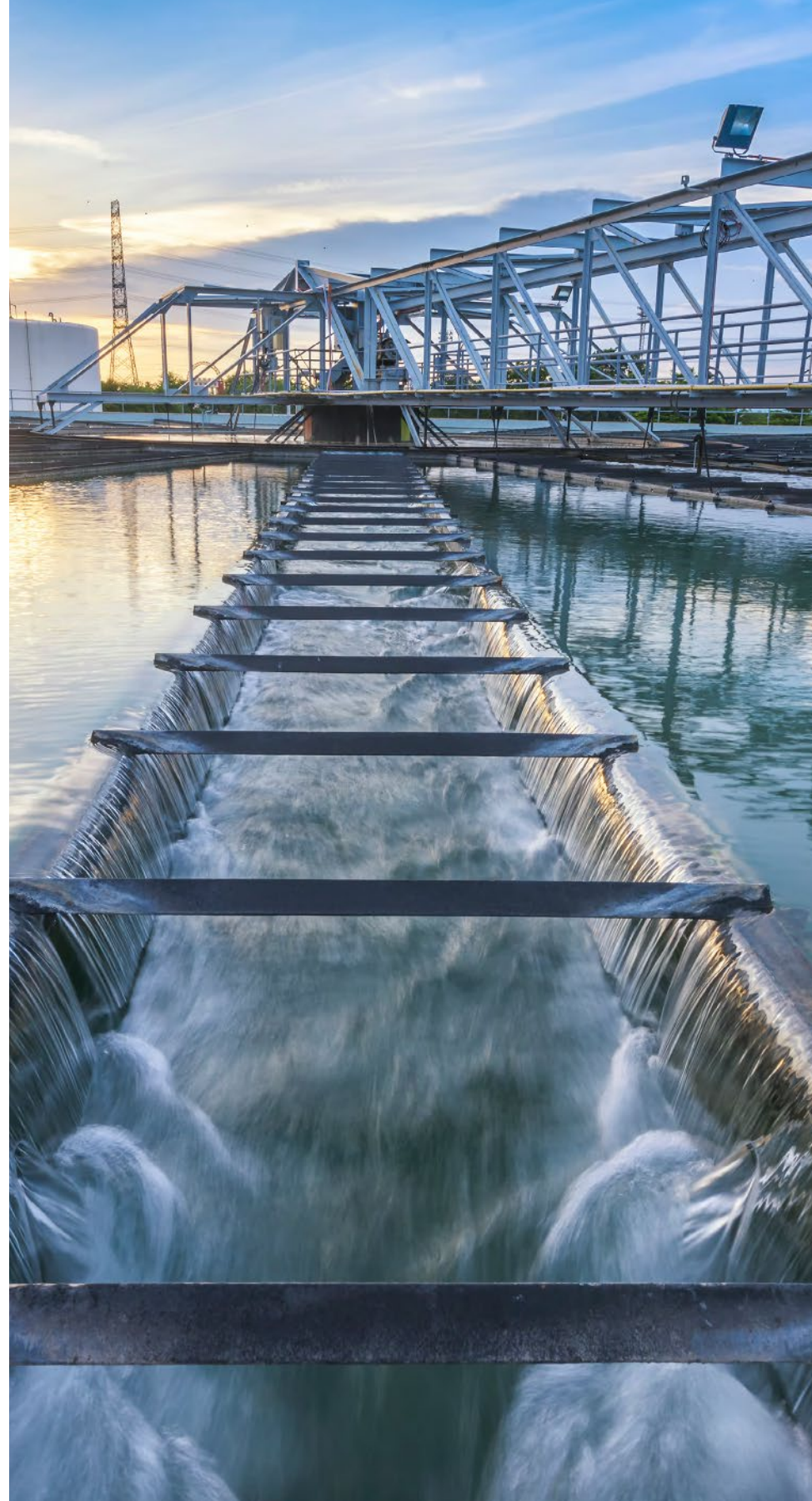
+7% compared to 2021

Intensity*



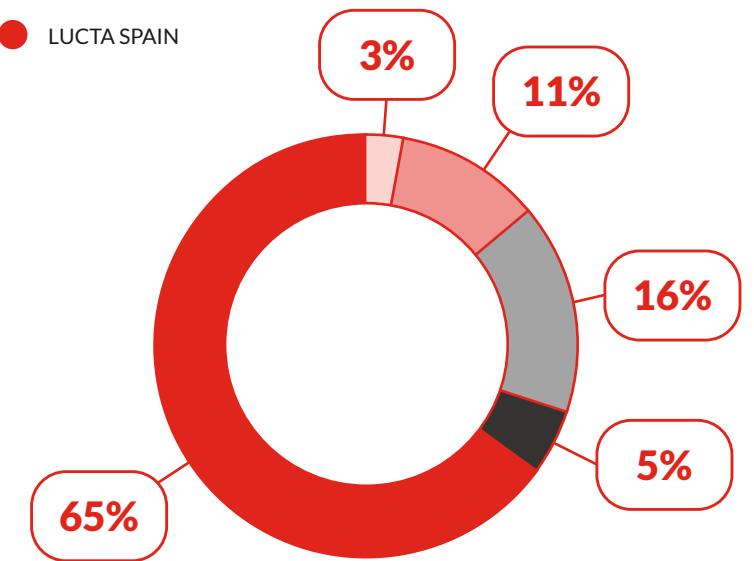
+13% compared to 2021

* Intensity relative to production.



Water consumption by country

- LUCTA USA
- LUCTA COLOMBIA
- LUCTA CHINA
- LUCTA MEXICO
- LUCTA SPAIN



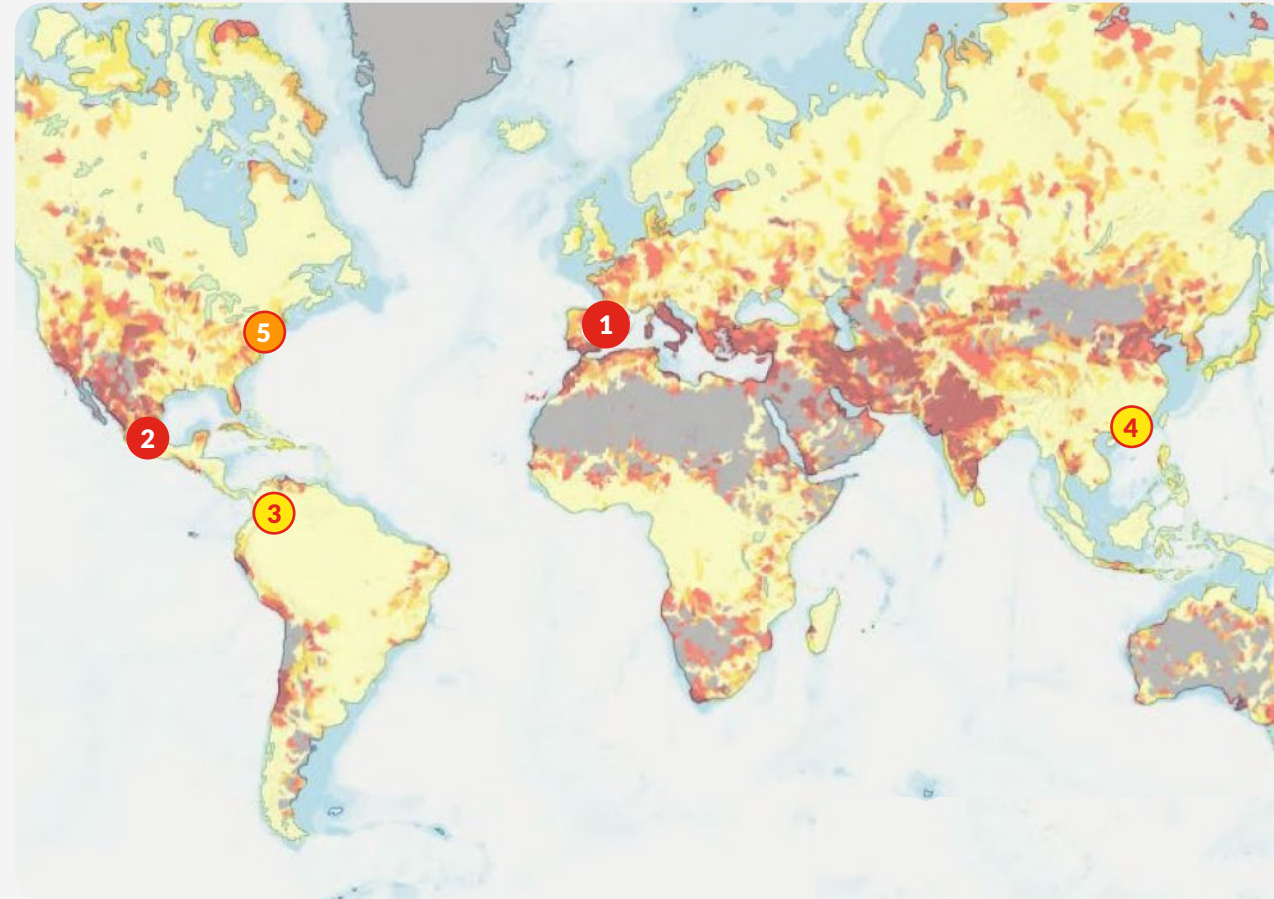
[Find out more about our water management](#)

The increase in water consumption is mainly linked to changes arising with the new Mexico plant in Querétaro, as well as increased activity in Colombia and improved data collection, incorporating more facilities in the 2022 report.

In a context of climate emergency and water scarcity, we are particularly concerned about water consumption in the plants located in **Montornès del Vallès (Lucta Spain)** and **Querétaro (Lucta Mexico)**, which are situated in areas of water stress, according to the Aqeduct Water Risk Atlas.

WATER STRESS

- LOW
- LOW-MEDIUM
- MEDIUM-HIGH
- HIGH
- EXTREME
- ARID, LOW CONSUMPTION ZONES
- NO DATA AVAILABLE



- 1**
Lucta Spain
Montornès
Montornès del Vallès, Barcelona
Granja
Sant Aniol de Finestres, Girona
Granollers
Coll de la Manya, Granollers
UAB
Cerdanyola del Vallès, Barcelona

- 2**
Lucta Mexico
Querétaro
San Ildefonso, Colón, Querétaro
Coltongo
Industrial Vallejo, Mexico City

- 3**
Lucta Colombia
Lucta Colombia
Tocancipá, Colombia

- 4**
Lucta China
Feed Additives Production
Guangzhou, Guangdong
Flavors Production
Guangzhou, Guangdong

- 5**
Lucta USA
Maryland
Baltimore, Maryland
New Jersey
Mahwah, New Jersey

Our main water consumption is linked to the cleaning of production equipment.

Some of the measures implemented during 2022:

- **Optimization of water consumption** in the cleaning of production equipment, with review of procedures and programming of cleaning-in-place (CIP) washing cycles.
- **Maintenance and inspection** of the water network to control and minimize possible leaks.

More than 90% of the water used at our plants is treated directly in our own water treatment facilities.





ABOUT
LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS
REPORT

ANNEXES

60

SOCIETY

Lucta



Investing in innovation, transparency and wellbeing of people at all levels of our business enables us to be an increasingly efficient organization, capable of developing, attracting and retaining talent in our teams.

Without their dedication, motivation and commitment we would not be where we are today – nor would our future be so exciting.

During this year, we have focused on consolidating a culture of shared responsibility and leadership, improving operational working conditions in matters of health and safety, and reinforcing staff training.

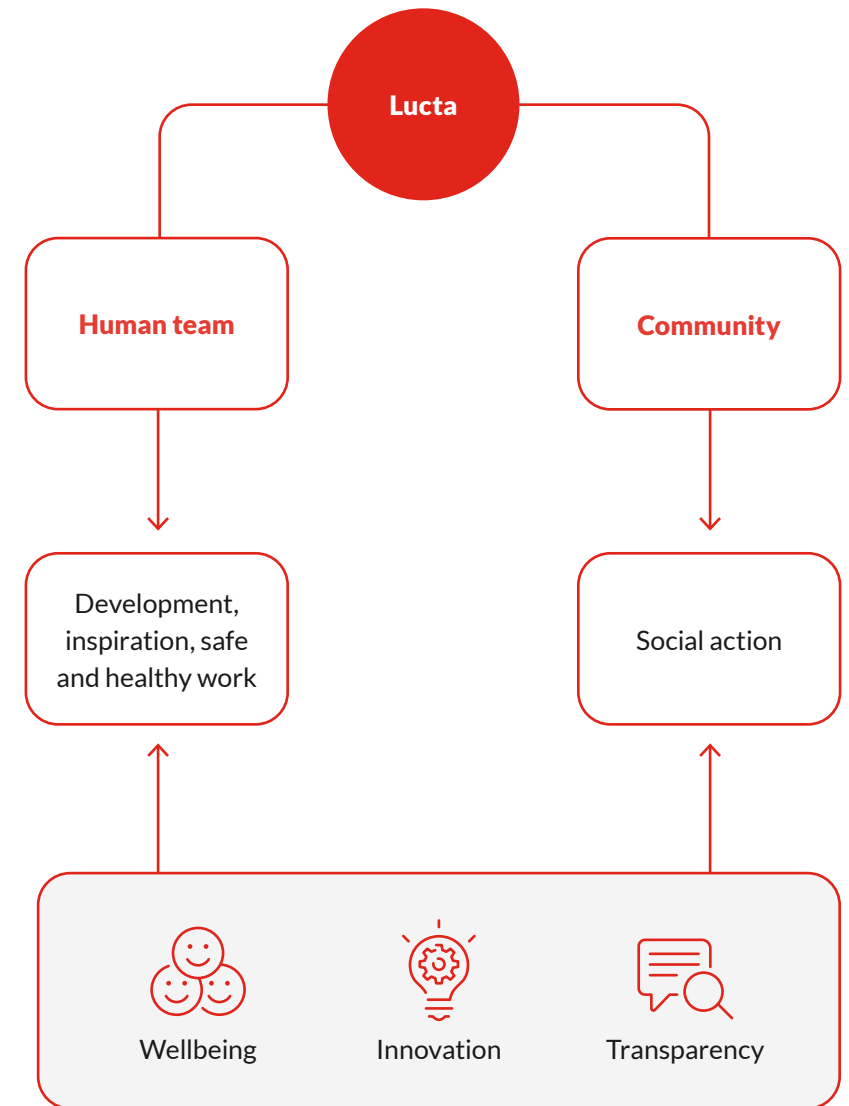
These objectives are key to achieving our commitment to sustainability and long-term business success. By fostering a culture of shared responsibility and leadership, we seek to promote a healthy and collaborative work environment that enables our employees to develop their full human and professional potential.

In addition, by improving operating conditions and work processes, and providing our team with ongoing training, we can offer increasingly specialized and higher quality services to our clients.

We have also put in place measures to ensure the health, safety and wellbeing of our staff, both in and outside the workplace, by promoting healthy lifestyles and preventing occupational accidents and illnesses.



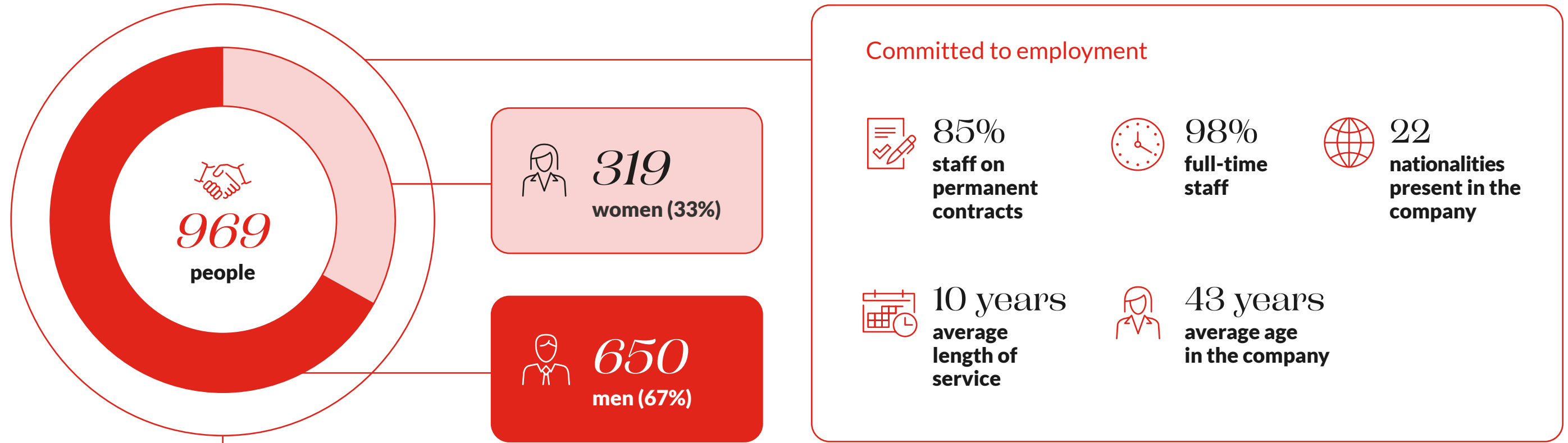
Social dimension



Our team, our future

GRI 2-7, 2-22

Data from 2022



Employees by country



[Find out more about our team](#)

Inclusive and quality employment

GRI 2-23, 401, 402, 405

By fostering the development of everyone in our company and maintaining the highest ethical standards in our operations, we reinforce our commitment to business success and to the personal and professional growth of our people.

We also know that diversity is a source of richness and a multiplier of ideas. That is why we seek to include people with very different skills, abilities and socio-professional backgrounds in our teams.

In Spain, we comply with the General Law on the Rights of People with Disabilities and their Social Inclusion, which means we offer jobs adapted for people with disabilities and collaborate with employment integration organizations. In this way, we can contribute to the social and labour inclusion of people with disabilities, and promote a more diverse and inclusive working environment in our different workplaces.



Relationships based on respect, fair and equal treatment so that each person can genuinely develop their full potential.

Equal opportunities and non-discrimination

Our Code of Ethics reflects our values of equality and diversity, including the prevention and sanctioning of all forms of harassment in the workplace. We uphold a zero tolerance policy for any behaviour that violates people's dignity and have a specific protocol for dealing with such situations.





Lucta Spain moves forward with its second Equality Plan

At Lucta Spain, we have an Equality Plan that reflects our commitment to establishing policies that promote equal treatment and opportunities for all people, without any discrimination whatsoever. This was updated with specific targets in 2021.

Furthermore, we are committed to promoting measures to achieve real equality within the organization and to establish equality as a fundamental strategic principle.

Main lines of action

Raise awareness and train our personnel managers to avoid bias in recruitment, promotion and training.

Facilitate work-life conciliation for our staff.

Ensure a non-discriminatory pay policy for all our staff.

Use inclusive language in all our internal and external communications.

Establish neutral systems for promotion and access to training throughout the company.

Keep a work environment free of sexism according to the biological characteristics of all people in our workforce.

We strive to create a safe and respectful work environment, free from any kind of discrimination based on gender, culture, disability, age or sexual orientation.

Our work on equality focuses on two priorities:

- **Promoting a greater presence of women in senior roles and in technical and scientific posts.**
- **Ensuring that staff selection and promotion processes are carried out in a transparent manner and without gender discrimination, taking into account individual performance evaluation as the main criterion.**



54%

women in science

women in our research and innovation team



27%

women in governing bodies

women on the Board of Directors and the Management Committee




Fair pay and employment benefits

GRI 2-19, 2-20

Lucta's remuneration system is geared towards fair and equitable pay for its staff based on their level of responsibility and performance. It also adapts to the labour market practices in each country where Lucta operates with the aim of maintaining competitive and attractive positions for our employees.

We also provide a range of benefits, from medical care to school support, flexibility to choose from various services and flexible pay.

 [Find out more about our pay and benefits](#)

Employment benefits package

- **Medical service**
A medical team is available for consultations and emergencies during working hours.
- **Subsidised canteen service**
We offer healthy and varied options for all our workers.
- **Scholarships**
We award scholarships for work-related studies to all our employees.
- **School aid**
We provide a financial contribution to help with the education of children up to the age of 18.
- **Social assistance**
We provide a financial allowance for children with disabilities.
- **Childcare vouchers and health insurance**
Flexible remuneration may include these services.
- **Additional accident insurance**
We offer additional protection for our team.
- **Gifts**
We recognize and reward people's loyalty and commitment with Christmas hampers and a prize for 25 years of service.

Work-life balance

People increasingly value trust and flexibility in managing their working time, given the value of maintaining a balance between the personal and professional spheres for people's full development.

This commitment to the quality of life of each person encompasses the right to disconnect from work outside established working hours, except in exceptional circumstances. At Lucta, quality of life is promoted through various measures to facilitate a work-life balance, adapted to the particular circumstances of each of the Group's companies.

Measures to ensure a work-life balance

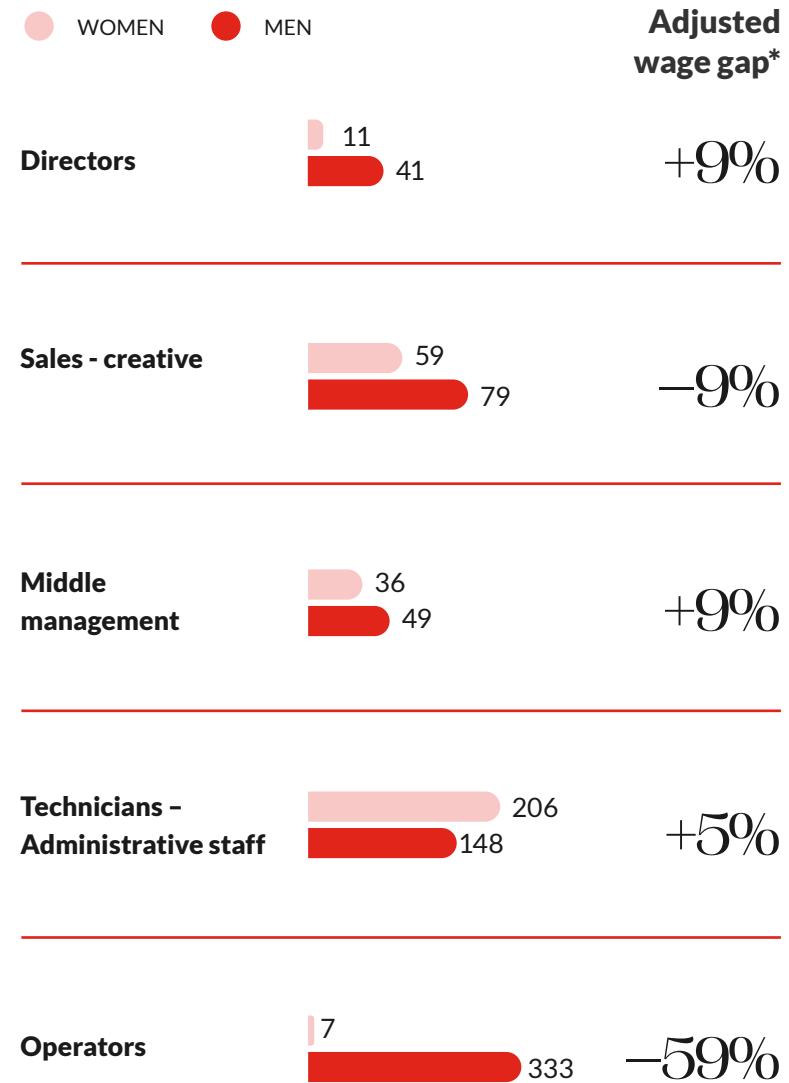
- **Flexible working hours so that people can adapt their working time to their personal and family needs.**
- **Paid leave for specific circumstances.**
- **Irregular distribution of annual working time, allowing employees to exchange longer working days for more days of rest.**
- **Day off for employees to celebrate their birthday.**



Gender pay parity

With the aim of advancing equality and raising awareness of the gender pay gap, we carry out an annual adjusted pay gap analysis and assess situations that may be inconsistent.

There is a significant pay gap in the “Operators” category, where 98% of our employees are men. The difference in salaries, which are greater for women, is explained by the particular cases of the 7 women included in this group. These female employees are mainly located in the United States and Spain, countries which, due to their labour market situation, have higher salaries. The employees in question also occupy positions with a greater level of responsibility according to the relevant job classification.



* Percentage difference between the average salary of men and the average salary of women, based on the base salary at the end of 31 December 2022 and including only the part corresponding to fixed monetary remuneration.



So what is the situation in the regions where we operate?

GLOBAL WAGE GAP*

Northern, Southern and Western Europe	13%
North America	15%
Latin America and the Caribbean	21%
Asia and the Pacific	20%
World	19%

* Weighted average of the gender pay gap. Source: *Global Wage Report 2018/19*, International Labour Organization (ILO).

People development

GRI 403, 404

People are our core value and it is part of our strategy to offer programmes and initiatives that enable our team to continue to grow as people and professionals.

In this respect, we place great importance on training and on the health and safety of all Lucta staff. We have implemented various initiatives to promote lifelong learning and to foster development and training adapted to the needs of each professional profile.

From targets to action

 Target	 Action
<p>To attract and retain the best talent</p> <p>To provide mechanisms for continuous development and growth</p> <p>Cultural transformation for wellbeing and efficiency</p>	<p>Training promotion</p> <p>Awareness-raising programmes</p> <p>Collaboration with educational institutions</p>



We promote training

At Lucta, training is a fundamental tool both for people's development and the long-term success of the company. We offer the training our staff need to stay at the forefront of the latest trends and technologies, and to further their personal and professional development.

Our training programmes



Corporate Culture

On these training courses, we learn more about Lucta, our values and the way we operate based on principles of ethics and transparency. We seek to imbue the organization with a culture of responsibility in the areas of health, safety and quality, as well as in the transformation towards sustainability.



Specialist Training

This training is considered essential for the correct performance of the procedures inherent to the job. It is configured according to the particular needs of the person and their job, with the aim of allowing them to acquire a higher level of knowledge in their specific area. .



Soft Skills

In keeping with our mission to create sustainable value with passionate, creative and committed human talent, we focus on constantly improving the training and development of our teams. That is why we have continued the Managerial Skills programme launched in 2021 – and this year we have invested even more in training our managers.

Thanks to this programme, we have trained a first class of 12 team leaders and have initiated training for a new class of 10 team leaders. Our primary objective is to foster the development of interpersonal and communication skills, as well as the acquisition of tools for leaders and teams focused on creating a favourable working environment that boosts creativity, cooperation and efficiency.

We are firmly committed to building a strong and effective leadership culture in our organization, and we are confident that our training programme is an important step towards achieving this goal.

In the same vein, we have launched an Executive Sessions programme, which favours the development of our management team so they can continue to improve the tools and skills they need to successfully lead their teams and face the challenges of today's market. We are confident that this programme will allow us to continue to grow and improve as an organization.





Training at Lucta



15,363

**training hours
in 2022**

+13% compared to 2021



16

**hours of training
per person**



4,099

**health, safety
and environment
training hours**



[Find out more about
our training](#)



Climate change training

During 2022, we provided training on climate change to all management and middle management across the Group. The training, spread over two sessions, covered topics such as the consequences and risks of climate change, initiatives and agreements related to the fight against this emergency or the Net-Zero targets. With this training we seek to influence our business environment to foster greater awareness and sustainable action.

Creative School

Lucta has a Creative School which consists of a long-running internal training programme that aims to develop young talent within the company. It prepares participants for key medium- to long-term positions in creative areas such as design, chemistry and perfumery.

Aimed at people from different areas of the company, the programme combines theoretical and practical training to provide the necessary skills and knowledge to excel in this field.

The Creation School is also a tool for attracting talent, since it appeals to young professionals in search of an innovative company with a project for the future.

Learning Management System

During 2023 we plan to implement a global training management module that will allow us to simplify processes and cover our information, security and systematization needs.

Awareness-raising programmes

We want to promote change in society and awareness-raising is a key tool to achieve this. We believe it is essential to raise awareness and involve everyone in the organization in health and safety, quality and environmental performance and improvement.

That is why we are **committed to a cultural transformation** that involves the whole team as part of the driving force for change to contribute to a much better shared future.

Tree planting

At Lucta Colombia, we have been planting native trees during our Family Days since 2019. In 2022 we began the process of planting and ecological recovery in Nemocón, a municipality close to our facilities, with a plantation of 400 native species.



Collaborations

Collaboration with different educational entities is a fundamental part of Lucta's strategy to train young talent.

In this regard, we have signed collaboration agreements with institutions such as IQS and ESADE to offer scholarships and internship opportunities to students in different areas of the company. We also establish collaboration agreements with universities according to the needs of the company and the growth projects being taken forward.

Within the framework of these agreements, we offer the possibility for students and young professionals to carry out internships with us in order to train and develop their talent. We also encourage their recruitment if there is a suitable vacancy for their profile. In this way, we foster the training and development of young talent and enrich our team with new ideas and perspectives.

Health, safety and wellbeing

GRI 3-3, 403

We have an organizational structure and health and safety management system in place in each of the countries where we operate. We continuously evaluate our operating procedures, implement hygiene measures, look for alternative, more environmentally friendly raw materials and conduct safety drills. That is how we provide and maintain safe and healthy workplaces.

Integrated management

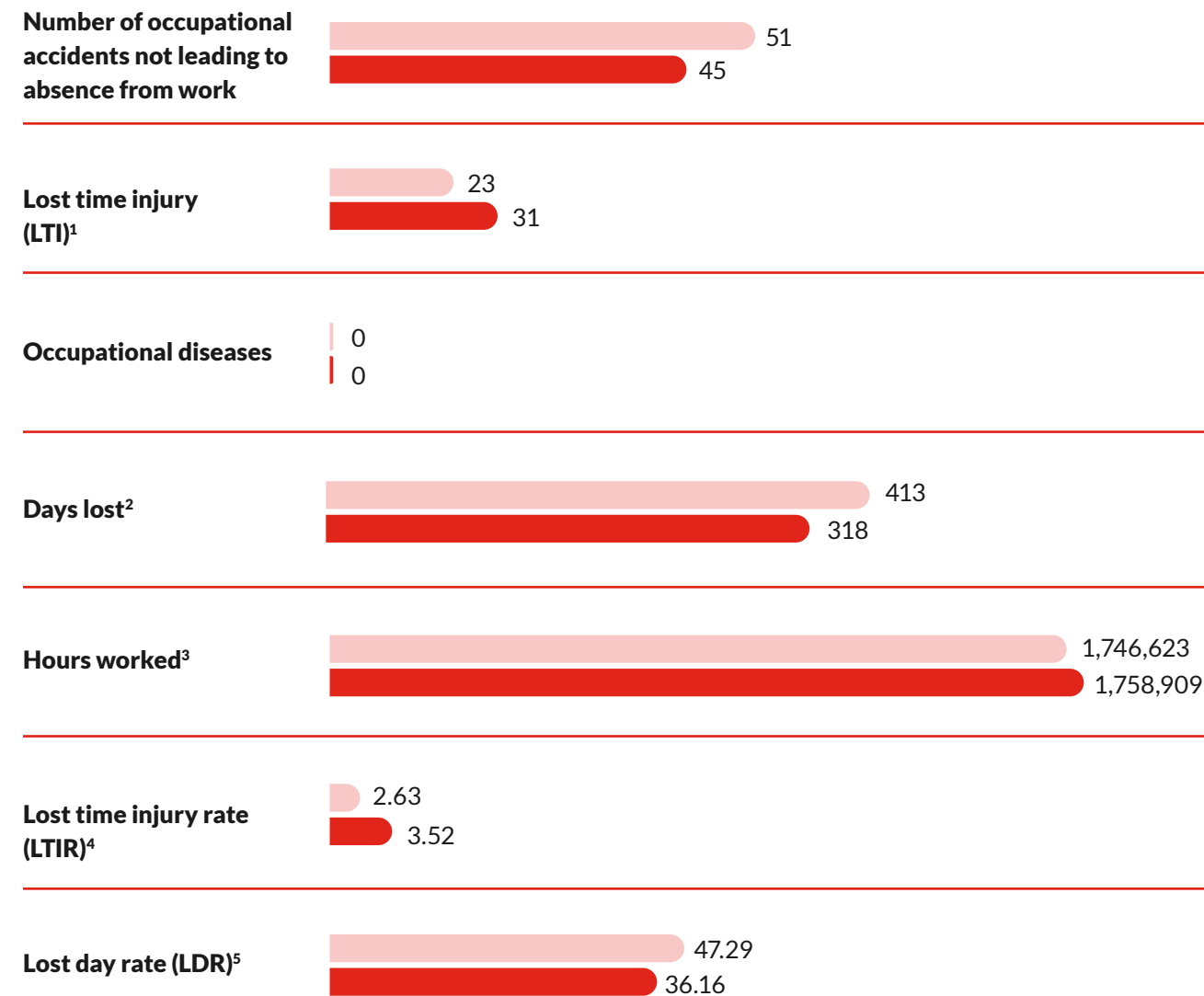
We identify hazards and minimize risks during the facility design phase with a special focus on process change management and new acquisitions.

- Health and safety training and awareness-raising when people join the company, when they change jobs and throughout their working life
- Promoting the wellbeing of the workforce through local education and training programmes
- We support our external employees on occupational risk management



Health and safety indicators

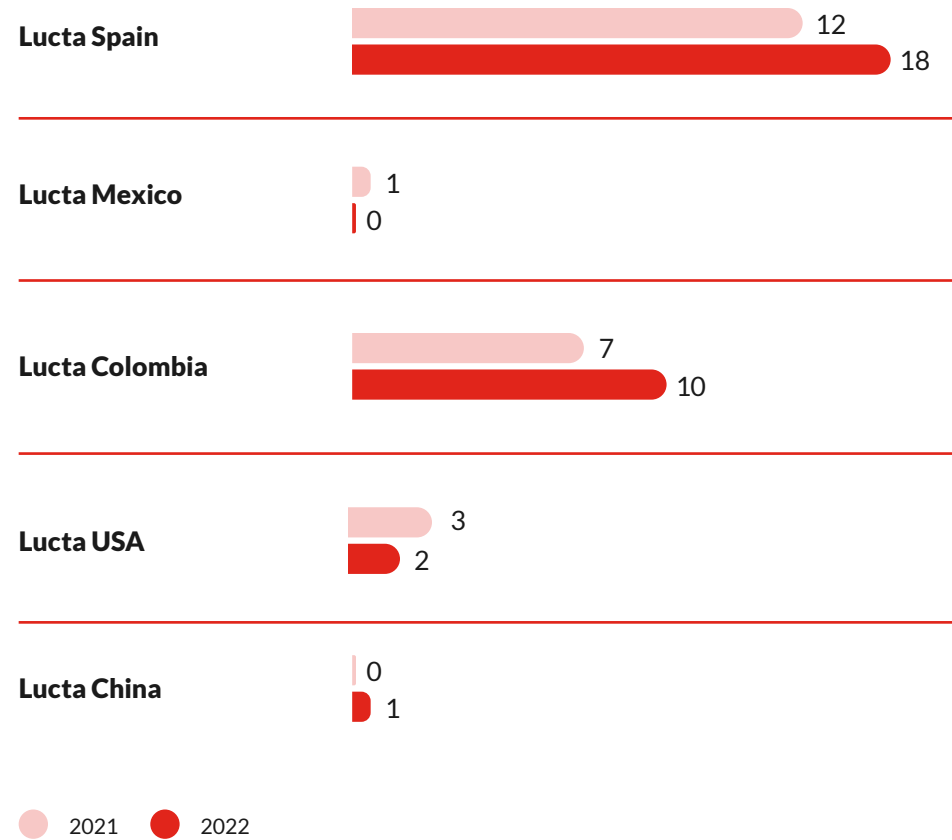
● 2021 ● 2022



1. Lost time injury measures the number of occupational accidents resulting in time off work.
2. Days of rest due to temporary incapacity due to an occupational accident or illness.
3. Total number of hours worked by active employees during the year.
4. The lost time injury rate is the rate of accidents that prevent a person from continuing to work for a certain period of time. That is, it measures the number of accidents occurring in a workplace that result in lost time. $LTIR = (\text{number of injuries resulting in lost time} / \text{hours worked by employees}) \times 200,000$.
5. The lost day rate calculates the number of working days lost due to an accident at work. That is, it measures the number of days a person is absent from work due to an occupational accident. $LDR = (\text{number of days lost due to injury} / \text{number of hours worked by staff}) \times 200,000$.



Lost time injuries by country




Note: Lost time injury is the number of occupational accidents resulting in time off work.

The data show an upward trend in the company's accident rate over the last three years. The COVID-19 pandemic with the omicron variant at the beginning of 2022 affected the accident rate in our plants.

In addition, the implementation of new procedures based on continuous improvement (mainly in production areas) made it necessary to adapt to and manage change, which is a challenge for the company, mainly during the transition periods generated by such changes.

Aware of the circumstances and the importance of the health and safety of our staff, several programmes were initiated in mid-2022 that will continue to be developed in the coming years to address this issue.

We can highlight our health and safety programmes, focused on zero accidents and zero exposure to hazardous chemicals. The continuous improvement of the ergonomic conditions of our work stations – especially in the manufacturing operations themselves – along with the improvement of air quality and mitigation of the environmental odours generated can be regarded as relevant lines of action.

 [Find out more about health and safety](#)

Zero accidents target

During 2022, we worked to fully consolidate our Zero Accidents programme with the aim of enhancing the health and safety of our staff. The programme focuses on:

Strengthening the culture of prevention

Involving managers and directors in accident investigations

Strengthening root cause analysis for unsafe acts and conditions

Disseminating accidents and incidents in a didactic way among all staff to analyse and prevent such events

Drafting preventive observations in production plants to identify potential risks

Undergoing external audits

Providing ongoing training and information

Health and wellness programmes

We strive to encourage self-care practices and create an environment that allows for work-life balance. We have created different initiatives to promote a culture of health, including sports activities, nutrition programmes and awareness-raising talks on the importance of mental and physical health.

To safeguard and strengthen the wellbeing of our staff, we have implemented various programmes in some of our centres that promote a culture of health and a healthy lifestyle. These will be extended and expanded in the coming years.

Ergonomics

- Biomechanics programme. Focused on physical activity and active breaks for production and administrative staff.
- Physiotherapy programme. Activities that help to manage musculoskeletal symptoms; leisure spaces to improve mental health, relaxation and teamwork.

Health culture

- Encouraging vaccination and flu jabs.

Healthy lifestyle

- Recreational activities and communications on healthy habits, nutrition, reproductive health, etc.



Health Week

We celebrated our first Health Week at Lucta Colombia in 2022. The event features training sessions and recreational activities that aim to promote healthy habits, safe behaviour, road safety and environmental awareness in the proper separation of waste, among others.



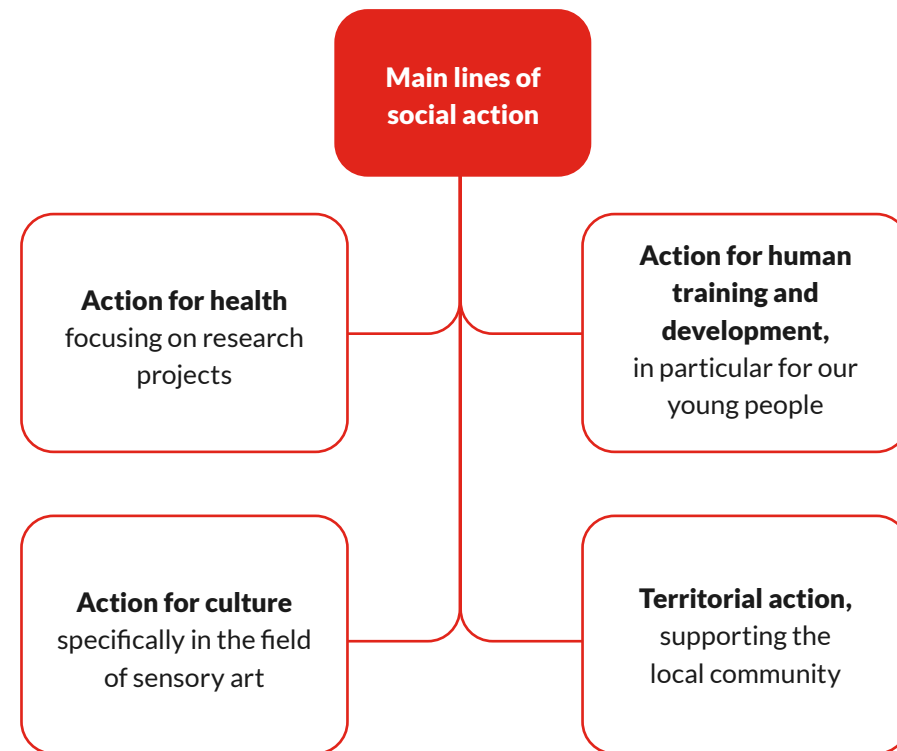
Social action

GRI 2-28, 203, 204

Lucta focuses its social action on 4 main lines of action with the intention of sowing a seed in different areas that will contribute to a better world.



We collaborate with various projects with the aim of generating a positive impact on both local communities and society at large.



Financial support is offered to various organizations that carry out social activities in the communities where they operate, with the aim of:

Promoting the education of young people

Promoting research in the field of animal nutrition

Promoting the cultural and educational aspects of the artistic creation of fragrances

Integrating groups affected by physical or mental illnesses

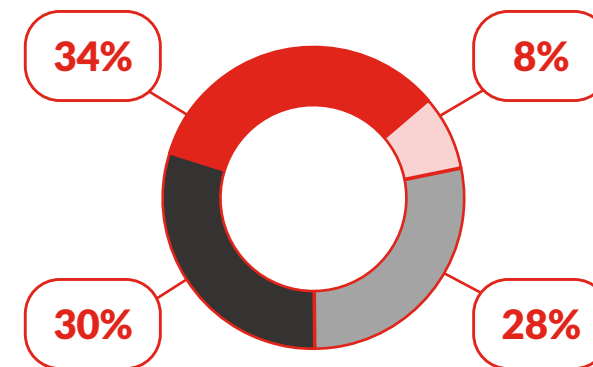
Contributions

€396,545
(+11% compared to 2021)

1.54%
of profits

Social action by area in 2022

- CULTURE
- TRAINING
- TERRITORIAL
- RESEARCH
- EMERGENCIES



Following the health emergency caused by the COVID pandemic in 2019 and 2020, we doubled our social actions to offer maximum support to our closest community. However, we are aware that our impact on solving emergencies is minimal, so our aim is to focus on contributing to making the planet a better world through young

people, our future. We act from the conviction that, by contributing to a more sensitive society, appealing to and cultivating their creativity through art, we can help make society fairer and more cross-cutting.

Action to train and develop people

ABOUT
LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS
REPORT

ANNEXES



Training young people is the best investment.

In 2022, a total of 8 direct scholarships were awarded and we collaborated with different scholarship programmes with funding of more than €98,000.

We collaborate with organizations whose purpose is to provide scholarships for university and vocational training students, as well as employability programmes for young people. Promoting equal opportunities for young people, accompanying them in their training and personal growth, with the support of local people and organizations. In particular, we provide financial support for young people who are committed and motivated to continue their education, but find themselves in a situation of socio-economic vulnerability.

With the aim of **advancing the digital transformation of society and the economy, 15 high school teachers have received scholarships** to teach computer science and technology in their classrooms, thus helping to shape a new generation of young people who are better prepared for the digital future.

We are trustees of the Fundación Princesa de Girona, which promotes free programmes and activities to improve young people's employability and support them in achieving their goals, while working with the new generation of teachers to revolutionize education.

We have hosted more than 50 trainees from various vocational training and university specialities.

We collaborate with Acción Social, an organization whose aim is to help, care for and strengthen families. It also promotes the protection of all their members and especially the most vulnerable – the elderly, women, children and minors. Acción Social achieves its aims through training activities for families and educators, with psychological guidance and support and with volunteer activities, as well as with research and family studies, providing knowledge and raising awareness in society about their problems.

We contribute directly to the **training of future researchers at the international level**. We provide support to Master's students, promote and co-direct doctoral theses, as well as establish external collaborations with projects that contribute to the development of new post-doctoral researchers, all focused on strategic areas for LUCTA, such as healthy and sustainable nutrition, and the planet's resilience and adaptation to climate change.



In the centre: Àngels Peris, Head of Fragrance Applied Research, with two Lucta scholarship students.

Action for culture

ABOUT LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS REPORT

ANNEXES



“Learn to smell and discover the world”.

The Fundació Ernesto Ventós is a non-profit organization founded in 1994 in Barcelona by the perfumer and former president of Lucta of that name, with the mission of using art to teach people how to develop their sense of smell.

It aims to promote and develop social, cultural and educational projects and has worked in different areas such as social inclusion, education and culture, environment and development.

In schools, the senses are worked on from a very early age in a wide variety of ways, often experientially. The Fundación Ernesto Ventós’s educational offer focuses on the development of our sense of smell, highlighting its creative potential. With this aim in mind, the foundation develops workshops in schools and institutes to promote this cross-cutting proposal, relating, for example, mathematics and chemistry through the formulation of aromas and fragrances; or natural sciences through physical and neurological explanations of the sense of smell. In the sphere of

biology, our sense of smell is explored in different animal living beings, while art and creative stimulation work to develop creative processes based on olfactory stimuli and artistic expressions linked to olfactory evocations. Finally, in literature and written texts the foundation demonstrates how our imagination can be stimulated by smells and fragrances linked to different scenes, characters and emotions.

Lucta strongly identifies with the values transmitted by the foundation and collaborates in the dissemination of its work.

In 2022 a collaborative project was launched with the foundation for the exhibition of works of art from the various collections in the workplaces of the entire Lucta Group with the aim of sharing the sensitivity and creativity aroused by the sense of smell.



Action for health



We support research into local projects that can have a universal impact on society.



We also provide funding to OAFI, the Osteoarthritis Foundation International, the world's first and only foundation exclusively for people with osteoarthritis. The aim is to take the lead in the fight against **osteoarthritis** promoting education, prevention, treatment and research into all aspects of joint health and offering solutions to people suffering from this pathology so that they can feel supported, alleviate their pain and improve their quality of life.

Osteoarthritis is an under-recognized disease that affects more than 500 million people worldwide. In a society where the life expectancy of the population is getting longer and longer, this type of condition should be considered a major concern.



We collaborate financially with Fundación FERO, a foundation dedicated to cancer research. The project emphasizes translational research, which involves the transfer of results from basic to clinical research. The integration of these two areas helps shorten the approval time for new drugs, allowing patients to benefit more quickly from scientific advances against cancer.



We have fully funded the research project entitled **Proyecto de investigación identificación de mutaciones germinales mediante la secuenciación del genoma completo en hermanas con cáncer de mama** whose main objective is to use whole exome sequencing to identify gene mutations and genomic instability in the germline DNA of blood cells that are related to the development of breast cancer. We have carried out this project through the Contigo Foundation against female cancer.

Territorial action

Our territorial action involves helping to ensure the sustainability of smaller projects located in our immediate environment. To cite a few examples, we participate in sporting events, chess competitions in local schools and popular festivals. We help children from underprivileged schools and collaborate with associations whose objectives are linked to social projects in the different municipalities where our branches are located. While the financial contribution required is less than for other projects, our awareness and involvement are very important to sustaining these initiatives, which favour cohesion in the communities closest to us.



Children's chess tournament in Montornès del Vallès.



Students at a school in Guangzhou.



Fourth-grade students from Anna L Klein School, New Jersey.



ABOUT THIS REPORT



Report structure

GRI 2-2, 2-3, 2-4

This report for the financial year 2022 (1 January – 31 December) contains detailed information on the sustainability aspects of the Lucta Group’s economic, environmental and social performance.

The report has been prepared in accordance with the 2021 revised Universal Standards of the Global Reporting Initiative, the entity that sets the global standards for sustainability reporting, helping companies to understand and communicate their economic, environmental and social impacts related to business performance and setting a global benchmark for sustainability reporting.

All aspects identified as material are included in this report, and such information is cited in this GRI content index using the GRI-referenced claim option.

In the preparation of the report, the following principles, aligned with the GRI 1-Fundamentals 2021 indicator of the *Global Reporting Initiative*, were applied:

Principle of comparability

Set out in GRI 1: Foundation 2021 as *comparability* (“The organization shall select, compile, and report information consistently to enable an analysis of changes in the organization’s impacts over time and an analysis of these impacts relative to those of other organizations”) and *timeliness* (“The organization shall report information on a regular schedule and make it available in time for information users to make decisions”).

Principle of reliability

Set out in GRI 1: Foundation 2021 as *accuracy* (“The organization shall report information that is correct and sufficiently detailed to allow an assessment of the organization’s impacts”), *completeness* (“The organization shall provide sufficient information to enable an assessment of the organization’s impacts during the reporting period”) and *verifiability* (“The organization shall gather, record, compile, and analyze information in such a way that the information can be examined to establish its quality”).

Principle of relevance

Set out in GRI 1: Foundation 2021 as *balance* (“The organization shall report information in an unbiased way and provide a fair representation of the organization’s negative and positive impacts”) and *clarity* (“The organization shall present information in a way that is accessible and understandable”).

Principle of materiality

Set out in GRI 1: Foundation 2021 as *sustainability context* – (“The organization shall report information about its impacts in the wider context of sustainable development”).

Scope of information

GRI 2-2

The information included in this report refers to all activities carried out by the Lucta Group both in the parent company and in its subsidiaries within the scope of financial consolidation.

Lucta, SA

Carrer de Can Parellada, 28
08170 Montornès del Vallès
Barcelona

Lucta Guangzhou Flavours, Co. Ltd.

Suida St., 20
Guangzhou, Guangdong

Lucta USA Holdings, Inc.

3 Industrial Ave.
07430 Mahwah, New Jersey

Lucta Mexicana, SA de CV

Ctra. Estatal 100 El Colorado-Higuerillas, 4200, San Ildefonso
76295 Colón, Querétaro

Lucta Grancolombiana, SAS

Ctra. Autódromo, km 2
Tocancipa, Cundinamarca

Lucta do Brasil, Com. Ltda.

Av. Juvenal Arantes 2500 - Galpão 10
13212-370 Medeiros,
Jundiaí, São Paulo

Lucta Polska Sp.zo.o

Kolejowa 57, 40-602
Katowice, Silesia

Flavor & Fragrance Specialties, Inc.

3 Industrial Ave.
07430 Mahwah, New Jersey

Double materiality analysis

GRI 3-1, 3-2, 3-3

In 2022, the Lucta Group carried out a materiality analysis based on the GRI reporting standard and integrating the concept of double materiality, taking into account the impact of the environment on the company and the company's effect on the environment and society, both from a financial and non-financial point of view.

Furthermore, based on the principle of inclusion, stakeholder expectations were consulted and integrated into the report, demonstrating the company's commitment to creating a shared Sustainability Strategy. In this process, a total of 517 opinions were collected from employees, corporate governance, suppliers, customers and the local community. The response rate of 83% obtained is broadly satisfactory, highlighting the willingness of suppliers to participate in the process.

The Lucta Group's material topics are derived from the results of this analysis, defining the path for decision-making in the areas of environment, social responsibility and governance.

Materiality is the result of identifying the environmental, social and good governance topics that are most relevant to the company, and assessing the needs and expectations of the organization's stakeholders. This is a key concept not only in the Sustainability Report but also in Lucta's sustainable development management.

Phases of double materiality analysis

1. Identification and prioritization of stakeholders

As part of the materiality analysis, the stakeholders who are considered to affect the company's operations and be affected by those operations were identified and selected.

2. Dialogue with stakeholders

The Group's relations with its stakeholders are based on ethics, trust and continuity. To this end, permanent dialogue with stakeholders is key, and is exercised under the rules of transparency, information, objectivity, impartiality and protection through the different communication channels established.

Identifying Lucta's stakeholders, defining them and detecting their needs and expectations is a priority in the Group's work strategy, with a view to building trusting relationships with stakeholders and optimizing the work and resources invested.

Stakeholders

Relevant sustainability topics

Staff

Quality working conditions (remuneration, work-life balance, equality), occupational health and safety, personal and professional development, communications.

Customers

Profitability, company growth, senior management commitment to sustainability topics, adequate risk prevention, reputational topics.

Suppliers

Planning compliance, clear formulation/production specifications, production safety, business continuity, timely payment collection, establishment of good business relations.

Community

Job growth, protecting the environment, education and training partnerships, capacity to incorporate students, follow-up of agreements.

3. Identification of potentially relevant topics

An analysis of global and sectoral trends, an internal Lucta analysis and an ESG risk analysis were carried out to identify topics that are potentially relevant to the Group.

4. Prioritization of potentially relevant topics

Considering the impacts of potentially relevant environmental, social and governance topics. Prioritization was carried out in consultation with stakeholders and based on feedback from participatory sessions with Lucta's senior decision-makers.

5. Review and validation of material topics

Main topics identified

GRI 3-2

Based on the results of the analysis, 9 topics of major relevance to the company and its stakeholders were identified. These topics are covered extensively in this report, and the Lucta Group is committed to making further progress in their management.

GOVERNANCE

- Risk policy and management (GRI 2-23)
- Responsible supply chain management (GRI 204)
- Product innovation and design (NO GRI)

ENVIRONMENT

- Emissions and climate change (GRI 305)
- Air quality (GRI 2-22, 305)
- Product life cycle (life cycle assessment) (GRI 306, 308)

SOCIETY

- Quality of employment (GRI 401)
- Occupational health and safety (GRI 403)
- Product safety and quality (GRI 416, 417)



ABOUT
LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS
REPORT

ANNEXES



Lucta

ANNEXES











Annex I:

GRI content index




The following table presents the index of basic general and organization-specific basic Global Reporting Initiative (GRI) content according to the GRI standards for the option “GRI-referenced claim”:

GRI STANDARD	PAGE OR DIRECT RESPONSE	GLOBAL COMPACT PRINCIPLES*	SDG
2-1 Organizational details	9-26		
2-2 Entities included in the organization’s sustainability reporting	79, 80		
2-3 Reporting period, frequency and contact point	79 Contact point: info@lucta.com		
2-4 Restatements of information	79 During 2022, progress was made on developing and redefining our global internal ESG reporting system. This generated differences in the data reported in the Non-Financial Information Statement (NFIS) 2022 and the Sustainability Report of the same year, due to new criteria, inclusion of new workplaces and greater detail on ESG aspects. These changes aim to improve data quality and ensure transparency in our reporting of non-financial information.		
2-6 Activities, value chain and other business relationships	11, 16, 17		
2-7 Employees	62, 95	3, 4, 5, 6	
2-9 Governance structure and composition	29, 30	1, 2, 10	
2-11 Chair of the highest governance body	6, 7, 29		
2-12 Role of the highest governance body in overseeing the management of impacts	29, 30		





GRI STANDARD	PAGE OR DIRECT RESPONSE	GLOBAL COMPACT PRINCIPLES*	SDG
2-19 Remuneration policies	65, 66	3, 4, 5, 6	
2-20 Process to determine remuneration	65, 66		
2-21 Annual total compensation ratio	96		
2-22 Statement on sustainable development strategy	6, 7, 12, 13, 14, 23, 24, 25, 26, 47, 52, 62	1, 2, 10	 
2-23 Policy commitments	6, 7, 23, 24, 31, 32, 34 (part 1), 63		
2-24 Embedding policy commitments	21, 22, 33, 34 Embedding is based on the principle of integrating commitments at all levels and in all activities of the Lucta Group.		
2-25 Processes to remediate negative impacts	28 In Lucta each department has specialized staff in each field of its activity and speciality. They are familiar with the applicable regulations and internal procedures, as well as the policies that apply to them; they also have external support, consultancy, certifications and audits for compliance. No complaints were registered through the Ethics Mailbox in 2022. Complaints and suggestions received from staff via ethical mailbox or from employee representatives (trade union associations) are handled by the Human Resources Department.		
2-26 Mechanisms for seeking advice and raising concerns	31, 32	1, 2, 10	
2-27 Compliance with laws and regulations	31, 32 In 2022 there have been no significant cases of non-compliance with laws and regulations. There are no open cases, sanctions or other relevant pending regulatory issues that could put the activity at risk.	1, 2, 10	
2-28 Membership associations	35, 74, 75, 76, 77		
2-29 Approach to stakeholder engagement	25 Lucta has identified its stakeholders on the basis of criteria such as: dependence (those stakeholders who depend on the activities, products or services or on whom the company depends for the continuation of its activities), responsibility (commercial, legal, operational, social, etc.), proximity (stakeholders at the most local level) and influence (those that can have an impact on the strategy or the business).	1, 2, 10	
2-30 Collective bargaining agreements	100% of Lucta Spain's employees are covered by the collective bargaining agreement for the chemical sector. In the rest of the subsidiaries, the employees are not covered by any agreement, with the exception of the staff in Mexico, who are affiliated to the Confederation of Workers and Farmers (Confederación de Trabajadores y Campesinos - CTC).		






GRI STANDARD	PAGE OR DIRECT RESPONSE			GLOBAL COMPACT PRINCIPLES*	SDG
DOUBLE MATERIALITY					
3-1 Process to determine material topics	23				
3-2 List of material topics	23, 24				
RISK POLICY AND MANAGEMENT					
3-3 Management of material topics	21				
2-23 Policy commitments	6, 7, 23, 24, 31, 32, 34 (part 1), 63				
RESPONSIBLE SUPPLY CHAIN MANAGEMENT					
3-3 Management of material topics	Material topic	Boundaries ¹	Involvement ²	3, 4, 5, 6, 7, 8, 9	
	GRI 204: Procurement practices	Within and outside the organization	Direct and potential		
<p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization.</p> <p>2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>					
PRODUCT INNOVATION AND DESIGN					
3-3 Management of material topics	Material topic	Boundaries ¹	Involvement ²	7, 8, 9	
	NO GRI: Product and service development	Within and outside the organization	Direct and potential		
<p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization.</p> <p>2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>					





GRI STANDARD	PAGE OR DIRECT RESPONSE	GLOBAL COMPACT PRINCIPLES *	SDG						
413-1 Operations with local community engagement, impact assessments, and development programs	36, 37, 38, 39								
413-2 Operations with significant actual and potential negative impacts on local communities	53								
EMISSIONS AND CLIMATE CHANGE									
3-3 Management of material topics	<table border="1"> <thead> <tr> <th>Material topic</th> <th>Boundaries¹</th> <th>Involvement²</th> </tr> </thead> <tbody> <tr> <td>GRI 305: Emissions</td> <td>Within and outside the organization</td> <td>Direct and potential</td> </tr> </tbody> </table> <p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization. 2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>	Material topic	Boundaries ¹	Involvement ²	GRI 305: Emissions	Within and outside the organization	Direct and potential	7, 8, 9	
	Material topic	Boundaries ¹	Involvement ²						
	GRI 305: Emissions	Within and outside the organization	Direct and potential						
	305-1 Direct (scope 1) GHG emissions	46, 92, 93							
	305-2 Energy indirect (scope 2) GHG emissions	46, 92, 93							
305-3 Other indirect (scope 3) GHG emissions	46, 92, 93								
AIR QUALITY									
305-5 Reduction of GHG emissions	<table border="1"> <thead> <tr> <th>Material topic</th> <th>Boundaries¹</th> <th>Involvement²</th> </tr> </thead> <tbody> <tr> <td>GRI 2-22: Air quality</td> <td>Within and outside the organization</td> <td>Direct and potential</td> </tr> </tbody> </table> <p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization. 2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>	Material topic	Boundaries ¹	Involvement ²	GRI 2-22: Air quality	Within and outside the organization	Direct and potential	7, 8, 9	
	Material topic	Boundaries ¹	Involvement ²						
GRI 2-22: Air quality	Within and outside the organization	Direct and potential							



GRI STANDARD	PAGE OR DIRECT RESPONSE			GLOBAL COMPACT PRINCIPLES*	SDG								
2-22 Statement on sustainable development strategy	46, 52												
305-6 Emissions of ozone-depleting substances (ODS)	52												
PRODUCT LIFE CYCLE ASSESSMENT													
3-3 Management of material topics	<table border="1"> <thead> <tr> <th>Material topic</th> <th>Boundaries¹</th> <th>Involvement²</th> </tr> </thead> <tbody> <tr> <td>GRI 306: Waste</td> <td rowspan="3">Within and outside the organization</td> <td rowspan="3">Direct and potential</td> </tr> <tr> <td>GRI 308: Supplier</td> </tr> <tr> <td>Environmental Assessment</td> </tr> </tbody> </table> <p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization.</p> <p>2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>			Material topic	Boundaries ¹	Involvement ²	GRI 306: Waste	Within and outside the organization	Direct and potential	GRI 308: Supplier	Environmental Assessment	7, 8, 9	 
	Material topic	Boundaries ¹	Involvement ²										
	GRI 306: Waste	Within and outside the organization	Direct and potential										
	GRI 308: Supplier												
	Environmental Assessment												
	2-22 Statement on sustainable development strategy	47											
	306-1 Waste generation and significant waste-related impacts	47, 48, 49, 50, 51, 56, 57											
306-3 Waste generated	56, 57, 93, 94												
306-4 Waste diverted from disposal	94												
306-5 Waste directed to disposal	94												
ENERGY													
302-1 Energy consumption within the organization	54, 55, 91			7, 8, 9									
302-3 Energy intensity	91			7, 8, 9									



GRI STANDARD	PAGE OR DIRECT RESPONSE			GLOBAL COMPACT PRINCIPLES*	SDG
QUALITY OF EMPLOYMENT					
3-3 Management of material topics	Material topic	Boundaries ¹	Involvement ²	3, 4, 5, 6	
	GRI 401: Employment	Within and outside the organization	Direct and potential		
	<p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization.</p> <p>2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>				
401-1 New employee hires and employee turnover	95, 96				
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	65				
OCCUPATIONAL HEALTH AND SAFETY					
3-3 Management of material topics	Material topic	Boundaries ¹	Involvement ²	3, 4, 5, 6	
	GRI 403: Occupational health and safety	Within and outside the organization	Direct and potential		
	<p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization.</p> <p>2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>				
403-1 Occupational health and safety management system	18, 71, 72, 73				
403-2 Hazard identification, risk assessment, and incident investigation	71, 72, 73				

GRI STANDARD	PAGE OR DIRECT RESPONSE	GLOBAL COMPACT PRINCIPLES*	SDG									
403-3 Occupational health services	71											
403-5 Worker training on occupational health and safety	69											
403-6 Promotion of worker health	73											
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	41, 42											
403-9 Work-related injuries	71, 97, 98 In 2022, as in 2021, there were no deaths resulting from occupational accidents.											
403-10 Work-related ill health	71 In 2022, as in 2021, no occupational diseases were detected.											
PRODUCT SAFETY AND QUALITY												
3-3 Management of material topics	<table border="1"> <thead> <tr> <th>Material topic</th> <th>Boundaries¹</th> <th>Involvement²</th> </tr> </thead> <tbody> <tr> <td>GRI 416: Customer health and safety</td> <td>Within and outside the organization</td> <td>Direct and potential</td> </tr> <tr> <td>GRI 417: Marketing and Labelling</td> <td></td> <td></td> </tr> </tbody> </table>	Material topic	Boundaries ¹	Involvement ²	GRI 416: Customer health and safety	Within and outside the organization	Direct and potential	GRI 417: Marketing and Labelling				
	Material topic	Boundaries ¹	Involvement ²									
GRI 416: Customer health and safety	Within and outside the organization	Direct and potential										
GRI 417: Marketing and Labelling												
	<p>1. Indicates where the impact occurs: within the organization, outside the organization or within and outside the organization.</p> <p>2. Indicates the organization's involvement in the impact: direct (the organization has directly caused the impact) or indirect (the organization is linked to the impact through its business relationships).</p>											
416-1 Assessment of the health and safety impacts of product and service categories	40	7										



GRI STANDARD	PAGE OR DIRECT RESPONSE	GLOBAL COMPACT PRINCIPLES*	SDG
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<p>In January 2022, the Lucta Group was affected by an alert published in the European Union's Rapid Alert System for Food and Feed (RASFF). This was caused by the presence of traces of an unauthorized colouring agent in oleoresin paprika of Chinese origin. This ingredient was purchased by Lucta, SA, from an FSSC 22000 certified supplier. The origin of the contamination was likely the drying of the paprika fruits at source, as migration would have occurred from the plastic bags used in the process.</p> <p>Although the presence of this unauthorized colourant was not detectable in the flavourings manufactured by Lucta, SA, as a precautionary measure the health authorities ordered the withdrawal of the flavourings manufactured and distributed by Lucta, SA which contained the batch of oleoresin paprika concerned, as well as the final products manufactured from those flavourings.</p> <p>Lucta, SA, in accordance with its policy of total transparency and collaboration with the Administration, customers and supplier companies, carried out all the actions dictated by the Catalan Health Agency and the alert came to an end in April 2022. Following this case, the necessary actions and controls have been implemented to ensure that all batches of oleoresin paprika purchased are free of the unauthorized colouring agent based on which the product was recalled.</p>	3, 4, 5, 6	
417-2 Incidents of non-compliance concerning product and service information and labeling	There were no incidents of regulatory non-compliance related to product information and labelling in 2022.	7, 8, 9	
TRAINING			
404-1 Average hours of training per year per employee	69	3, 4, 5, 6	

* Principles of the UN Global Compact:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour.
- Principle 5: Businesses should support the effective abolition of child labour.
- Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Annex II: Environmental indicators

Energy

GRI 302

ENERGY CONSUMPTION (kWh)

	2022	2021
Electricity	11,306,426	10,751,839
Natural gas	9,717,789	10,617,231
Diesel	1,166,777	859,736
LPG	887,510	1,009,497
Petrol	81,450	97,740
Propane gas	0	120,921
Total	23,159,952	23,456,965

ENERGY INTENSITY (kWh/t PRODUCT)

	2022	2021
Electricity	278	250
Natural gas	239	246
Other	53	48
Total	570	545

ENERGY CONSUMPTION PER COUNTRY (kWh)

	ELECTRICITY		NATURAL GAS		OTHER		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
Lucta Spain	5,502,467	5,486,300	7,500,208	8,089,045	68,396	97,679	13,071,071	13,673,024
Lucta USA	1,566,399	1,637,941	2,010,982	2,312,449	0	120,921	3,577,381	4,071,312
Lucta Colombia	1,160,626	1,115,346	0	0	1,662,062	1,655,773	2,822,688	2,771,119
Lucta China	1,976,840	1,635,842	206,599	215,736	0	0	2,183,439	1,851,578
Lucta Mexico	1,100,094	876,410	0	0	405,280	213,522	1,505,374	1,089,932
Total	11,306,426	10,751,839	9,717,789	10,617,231	2,135,737	2,087,895	23,159,952	23,456,965



Water

GRI 303

WATER CONSUMPTION PER COUNTRY (m³)

	2022	2021
Lucta Spain	67,349	67,810
Lucta USA	3,192	3,211
Lucta Colombia	11,701	9,554
Lucta China	16,495	13,811
Lucta Mexico	5,268	3,123
Total	104,005	97,509

Note: Lucta China in 2021 does not include the Flavourings plant.

CONSUMPTION BY WATER SOURCE (m³)

	2022	%
General network	99,673	96%
Well	4,332	4%
Total	104,005	100%

Emissions

GRI 305

CORPORATE CARBON FOOTPRINT BY SOURCE (tCO₂eq)

	2022	2021
Scope 1	3,368	3,868
Fuel	2,355	2,560
Leakage of refrigerant gases	189	251
Vehicle fleet	567	680
Manure and slurry management	44	40
Wastewater treatment	214	338
Scope 2	2,376	2,103
Electricity (Market-based)	2,376	2,103
Scope 3	171,044	180,565
Category 1 - Supply chain	130,237	127,445
Category 2 - Capital goods	4,155	9,249
Category 3 - Life cycle of fuels and energy used	3,361	3,805
Category 4 - Upstream transport and distribution of goods	7,440	7,042
Category 5 - Management of waste generated	337	386
Category 6 - Business travel	1,104	529
Category 7 - Employee commuting	1,215	1,277
Category 8 - Leased assets	362	321
Category 9 - Transport and distribution of goods downstream	2,371	3,064
Category 10 - Processing of sold products	19,932	26,985
Category 12 - End-of-life of sold products	447	428
Category 15 - Investments	81	33
Total (tCO₂eq)	176,789	186,535

Note: Categories 11, 13 and 14 are not included in our scope as they are not relevant to our activity.



Waste

GRI 306

EMISSIONS PER COUNTRY (tCO₂eq)

	2022				2021			
	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
Lucta Spain	1,802	9	76,631	78,442	2,146	9	77,248	79,403
Lucta USA	320	571	21,386	22,277	433	597	22,730	23,761
Lucta Colombia	704	168	29,865	30,737	796	161	24,299	25,256
Lucta China	224	1,221	24,375	25,820	215	1,010	30,669	31,895
Lucta Mexico	284	407	17,832	18,523	242	324	24,527	25,093
Lucta Brazil	21	-	153	174	24	-	135	159
Lucta Poland	13	-	803	816	13	-	957	970

Note: Emissions from fuels and electricity (scopes 1 and 2) for Lucta Brazil and Lucta Poland are included in scope 3.

WASTE GENERATION BY TYPE (t)

	2022	2021
Effluent treatment sludge	617	563
Contaminated empty industrial packaging	614	697
Wastes from organic chemical processes	512	565
Wooden packaging	369	217
Paper and cardboard	223	138
Non-hazardous waste	185	181
Cleaning wastes from organic chemical processes	176	203
Absorbents and contaminated material	130	123
Metals	127	124
Other minority waste	126	259
Total	3,081	3,068

Note: Waste generated from the plants of Lucta Spain, Lucta USA, Lucta Colombia, Lucta China and Lucta Mexico.

**WASTE GENERATION BY DEGREE OF HAZARD (t)**

	2022			2021		
	HAZARDOUS	NON-HAZARDOUS	TOTAL	HAZARDOUS	NON-HAZARDOUS	TOTAL
Lucta Spain	737	1,198	1,935	761	1,353	2,113
Lucta USA	9	134	143	9	154	164
Lucta Colombia	284	285	569	345	223	569
Lucta China	142	191	333	139	-	139
Lucta Mexico	23	78	101	17	67	84
Total	1,195	1,886	3,081	1,271	1,797	3,068

Notes: In Lucta China no non-hazardous waste was reported in 2021 as it was not logged until 2022.

WASTE GENERATION BY TREATMENT TYPE (t)

Composting	552	18%
Landfill	275	9%
Incineration	286	9%
Recycling	1,540	50%
Fuel for energy production	428	14%
Total	3,081	100%

Note: Waste generated from the plants of Lucta Spain, Lucta USA, Lucta Colombia, Lucta China and Lucta Mexico.

Annex III: Social indicators

Staff

GRI 2-7, 401

DISTRIBUTION OF STAFF BY COUNTRY

	2022	2021
Lucta Spain	350	345
Lucta USA (Flavor & Fragrance Specialties Inc.)	165	162
Lucta USA	0	3
Lucta Colombia	187	179
Lucta China	128	133
Lucta Mexico	130	130
Lucta Poland	5	5
Lucta Brazil	4	4
Total	969	961

Note: Staff as of 31 December 2022.

DISTRIBUTION OF STAFF BY AGE

	2022		2021	
18-36 years	287	29.61%	297	30.91%
37-50 years	427	44.07%	417	43.39%
>50 years	255	26.32%	247	25.70%
Total	969	100%	961	100%

Note: Staff as of 31 December 2022.

DISTRIBUTION OF STAFF BY JOB CLASSIFICATION AND GENDER

	2022						2021					
	WOMEN		MEN		TOTAL		WOMEN		MEN		TOTAL	
Directors	11	1.14%	41	4.23%	52	5.37%	9	0.94%	41	4.27%	50	5.20%
Perfumers	6	0.62%	4	0.41%	10	1.03%	6	0.62%	3	0.31%	9	0.94%
Aromists	13	1.34%	11	1.14%	24	2.48%	13	1.35%	13	1.35%	26	2.71%
Sales staff	40	4.13%	64	6.60%	104	10.73%	39	4.06%	67	6.97%	106	11.03%
Laboratory and innovation technicians	109	11.25%	82	8.46%	191	19.71%	105	10.93%	82	8.53%	187	19.46%
Mid- dle management	36	3.72%	49	5.06%	85	8.77%	38	3.95%	49	5.10%	87	9.05%
Operators	7	0.72%	333	34.37%	340	35.09%	5	0.52%	330	34.34%	335	34.86%
Adminis- trative staff	97	10.01%	66	6.81%	163	16.82%	96	9.99%	65	6.76%	161	16.75%
Total	319	32.92%	650	67.08%	969	100%	311	32.36%	650	67.64%	961	100%

Notes: Staff as of 31 December 2022. The category "Operators" includes production and warehouse workers. The category "Administrative staff" includes assistants and divisional administrative staff not included in the other categories.

Recruitment

GRI, 401

TYPES OF CONTRACT BY GENDER

	2022						2021					
	WOMEN		MEN		TOTAL		WOMEN		MEN		TOTAL	
Fixed-term contracts	278	28.69%	547	56.45%	825	85.14%	271	28.20%	555	57.75%	826	85.95%
Temporary contracts	41	4.23%	103	10.63%	144	14.86%	40	4.16%	95	9.89%	135	14.05%
Total	319	32.92%	650	67.08%	969	100%	311	32.36%	650	67.64%	961	100.00%

Note: Staff as of 31 December 2022.

Remuneration

GRI 2-21

AVERAGE REMUNERATION BY AGE

	2022	2021
18-36 years	€25,020	€23,358
37-50 years	€41,671	€38,954
>50 years	€69,390	€49,969
Total	€44,034	€39,842

Note: Staff as of 31 December 2022.

AVERAGE PAY BY GENDER AND JOB CLASSIFICATION

	WOMEN	MEN	WAGE GAP	NUMBER OF WOMEN	NUMBER OF MEN
Directors	€137,724	€152,141	9.5%	11	41
Sales - creative	€67,224	€61,420	-9.5%	59	79
Middle management	€54,255	€59,643	9%	36	49
Technicians - Administrative staff	€36,617	€38,549	5%	206	148
Operators	€36,841	€23,170	-59%	7	333
Total	€47,760	€42,205	-13%	319	650

Note: Staff as of 31 December 2022. Only fixed monetary remuneration is included.



Accident rate

GRI 403

ABOUT LUCTA

GOVERNANCE

ENVIRONMENT

SOCIETY

ABOUT THIS REPORT

ANNEXES

NUMBER OF OCCUPATIONAL ACCIDENTS LEADING TO SICK LEAVE

	2022		2021	
	WOMEN	MEN	WOMEN	MEN
Lucta Spain	0	18	2	10
Lucta USA	0	2	0	3
Lucta Colombia	1	9	0	7
Lucta China	0	1	0	0
Lucta Mexico	0	0	0	1
Total	1	30	2	21

NUMBER OF OCCUPATIONAL ACCIDENTS NOT LEADING TO SICK LEAVE

	2022		2021	
	WOMEN	MEN	WOMEN	MEN
Lucta Spain	9	27	10	36
Lucta USA	0	2	0	0
Lucta Colombia	0	3	0	3
Lucta China	0	2	0	1
Lucta Mexico	0	2	0	1
Total	9	36	10	41

INCIDENCE RATE

	2022		2021	
	WOMEN	MEN	WOMEN	MEN
Lucta Spain	0	7,968	1,575	4,405
Lucta USA	0	1,832	0	2,703
Lucta Colombia	2,625	6,245	0	20,000
Lucta China	0	1,177	0	0
Lucta Mexico	0	0	0	1,205
Total	321	4,609	487	3,853

Note: No. of occupational accidents with sick leave × 10⁵ / average no. of exposed workers.

SEVERITY INDEX

	2022		2021	
	WOMEN	MEN	WOMEN	MEN
Lucta Spain	0.00	0.47	0.18	0.46
Lucta USA	0.00	0.03	0.00	0.40
Lucta Colombia	0.03	0.44	0.00	0.07
Lucta China	0.00	0.01	0.00	0.00
Lucta Mexico	0.00	0.00	0.00	0.01
Total	0.00	0.27	0.07	0.24

Note: Days of sick leave × 10³ / total number of hours actually worked.

**FREQUENCY INDEX**

	2022		2021	
	WOMEN	MEN	WOMEN	MEN
Lucta Spain	0.00	45.48	9.02	25.06
Lucta USA	0.00	10.53	0.00	15.54
Lucta Colombia	13.67	32.53	0.00	26.97
Lucta China	0.00	6.13	0.00	0.00
Lucta Mexico	0.00	0.00	0.00	6.29
Total	1.76	25.18	3.55	17.76

Note: No. occupational accidents with sick leave × 10⁶ / total number of hours actually worked.

Training

GRI 404

HOURS OF TRAINING BY PROFESSIONAL CATEGORY

	2022	2021
Directors	912	833
Perfumers	207	240
Aromists	387	454
Sales staff	559	1,422
Laboratory and innovation technicians	3,027	3,504
Middle management	1,815	1,657
Operators	4,228	2,547
Administrative staff	4,228	2,964
Total	15,363	13,622

Annex IV:

Economic indicators

Profits

PROFITS AFTER TAX ATTRIBUTABLE TO THE PARENT COMPANY

	2022	2021
Lucta Spain	€7,403,436	€10,446,414
Lucta Mexico	€2,593,158	€2,693,614
Lucta Colombia	€6,663,161	€6,868,923
Lucta Brazil	€180,572	€273,717
Lucta China	€3,470,055	€4,658,458
Lucta Poland	€975,144	€1,268,758
Lucta USA (Holdings, Inc., and subsidiaries)	€64,067	€1,275,067
Maslina International Trade, S. L.	€173,805	€80,070
Total	€21,175,788	€27,404,881

Taxes

TAXES PAID ON PROFITS

	2022	2021
Lucta Spain	€1,502,726	€1,778,091
Lucta Mexico	€1,122,686	€1,524,794
Lucta Colombia	€2,955,780	€1,593,391
Lucta Brazil	€91,480	€154,043
Lucta China	€811,651	€1,406,418
Lucta Poland	€223,963	€299,513
Lucta USA (Holdings, Inc., and subsidiaries)	€5,033	€59,405
Total	€6,713,319	€6,815,654

Credits of the artistic works of Ernesto Ventós



Luznas, 2015
 NASEVO
Sculpture
 Private Collection
 Olfactory Note: Composition (Flowers, fruits, citrus, green, woods, vanilla, musk)



Llavesnas 2, 2004/2005
 NASEVO
Sculpture
 NASEVO Collection
 Olfactory Note: Metallic (Steel, iron, copper, brass, bronze, rust)



Alambiquenas, 2003
 NASEVO
Sculpture
 Private Collection
 Olfactory Note: Floral (Geranium, rose, lilacs, carnation, violet, honeysuckle, hyacinth)



Rambla V, 2017
 NASEVO
Pintura
 NASEVO Collection
 Olfactory Note: Floral (Geranium, rose, lilacs, carnation, violet, honeysuckle, hyacinth)



Tronconas 29
 NASEVO
Sculpture
 Private Collection
 Olfactory note: Patchouly, sandalwood, vetiver, cedar, iris, oak



S/T, 2014
 NASEVO
Sculpture
 NASEVO Collection
 Olfactory note: Metallic (steel, iron, copper, brass, bronze, rust).



Circuitos impresonas, 2004
 NASEVO
Sculpture
 NASEVO Collection
 Olfactory Note: Metallic (Steel, iron, copper, brass, bronze, rust)

More information

GRI 2-3

For more details of the Lucta Group's activities or the information set out in this sustainability report:



info@lucta.com

Contact us



lucta.com



[@lucta](https://www.linkedin.com/company/lucta)



[@luctagroup](https://www.instagram.com/luctagroup)



[Lucta](https://www.youtube.com/Lucta)



乐达创新



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



SUSTAINABILITY
REPORT
2022