

Sustainability  
Policy &  
Commitment



Lluch Essence

Thriving together



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## Introduction

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Lluch Essence is a family company with a tradition of more than 70 years supplying aromas and fragrances to the perfumery, cosmetics, food and feed industries.

Lluch Essence understands sustainability as the ability to endure and to guarantee present needs without compromising future ones, thus ensuring a balance between social wellbeing, care for the environment, good corporate governance and economic growth.

In terms of sustainability, its main ambition is to:

***“To drive the F&F sector towards a sustainable future”***

This is aligned with the 8 principles that conform the basis of ethical conduct of all business activity at Lluch Essence and are described in the company's Code of Ethics. Being an example of how Lluch Essence integrates within its operations a sustainable and integral strategy focused on a social, environmental and business ethics perspective.

### Principles of Lluch Essence

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| 1. | Compliance with the law                             |
| 2. | Equality and non-discrimination                     |
| 3. | Human Rights  |
| 4. | Occupational health & safety                        |
| 5. | Business ethics                                     |
| 6. | Relations with third parties: customers & suppliers |
| 7. | Respect for the environment                         |
| 8. | Transparency and financial control                  |
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## Purpose & Scope

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The purpose of this Policy is to promote the company's values and introduce sustainability criteria that serve as a reference in the organization's decisions and strategy, such as in the evaluation and prioritization of suppliers, in the development of products and/or services and in the relationship with the main stakeholders, among other relevant and priority aspects.

Likewise, to show the company's commitment to integrate environmental, social and good governance aspects in all the company's activities.

The scope of the present Policy is based on the latest materiality analysis carried out by Lluch Essence, and is binding on all Lluch Essence employees and all its personnel, regardless of the subsidiary to which they belong and the function they perform.

The materiality analysis revealed the most relevant issues for the company and its stakeholders. On this analysis, the most significant social, environmental and economic impacts were measured, based on five vectors: (i) care for the planet, (ii) care for the organization’s people, (iii) care for society, (iv) good governance and (v) prosperous business.

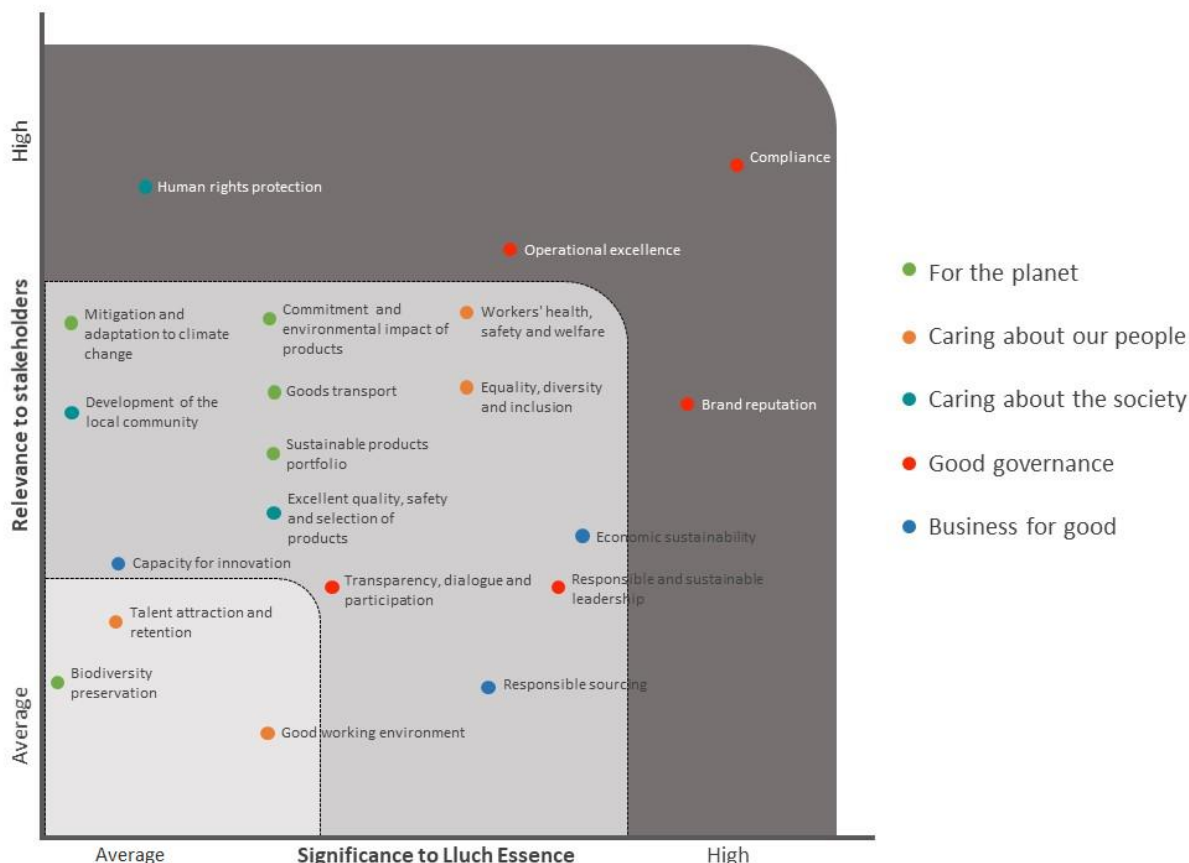


Figure 1: Materiality Matrix made in 2021 by Lluch Essence.

## Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015, provides a shared plan for peace and prosperity for people and the planet, now and in the future. It is a global agenda, based on five dimensions: People, Planet, Prosperity, Peace and Collective Participation, articulated in 17 Sustainable Development Goals (SDGs), further divided into 169 targets to be achieved by 2030, which are an urgent call to action for all developed and developing countries.

Lluch Essence is firmly committed to the 2030 Agenda, implementing concrete actions and committing to be more ambitious. The main SDGs to work on are SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

## Commitment

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Each step on Lluch Essence's path towards sustainability is designed to minimize the impact of its activity, through actions that can make a substantial difference in the future.

Lluch Essence wants to inspire a change of behavior in companies, thinking about how their actions affect people and the environment, making decisions with responsibility, transparency and accountability.

Lluch Essence's commitment is to "Thriving Together", with this objective it promotes a culture of sustainable development that encourages the growth of its stakeholders: customers, suppliers, employees, associations, local community...

Lluch Essence is committed to generate value with its actions, understanding that its responsibility as an economic agent is to contribute to a healthier community, generating a positive impact on people, communities and the environment.

Lluch Essence aligns its purpose in sustainability with its business strategy by establishing commitments in the 3 pillars of sustainability according to the most relevant material aspects, as shown below:

### Action for the environment

- Adopt the necessary measures to prevent and mitigate environmental damage that may be caused by the direct and indirect activity of the organization.
- Reduce water consumption in the company by promoting and implementing internal policies and programmes for responsible water consumption.
- Work on the company's energy transition, prioritizing self-consumption, energy efficiency and the use of renewable energies.
- Annually review the company's greenhouse gas emission reduction plan and set ambitious targets to help mitigate the effects of climate change.
- Commitment to innovation in processes and products to make them safer, more environmentally friendly and socially responsible.
- Incorporate life cycle analysis criteria into products in order to achieve decarbonization of the portfolio.
- To implement circular economy processes in the responsible management of waste.
- Incorporate eco-design principles in the optimization of primary, secondary and tertiary packaging.
- Prioritize technologies to prevent and minimize the generation of greenhouse gases and waste as much as possible.
- Participate proactively in associations and other interest groups that promote initiatives that contribute to greater environmental awareness and the improvement of production processes, based on the sustainable management of resources.

## Action for People

- Guarantee compliance with the Code of Ethics and the internationally recognized human rights reflected in the Universal Declaration of Human Rights (UDHR).
- Guarantee and safeguard equality among all Lluch Essence employees, establishing internal measures to ensure equal opportunities within the company.
- Guarantee health and safety conditions at work, as well as to continuously update the control measures for the prevention of occupational risks.
- To promote the training and development of the Lluch Essence team through internal management programmes focused on highlighting the talent of the employees.
- Contribute to the creation of a working environment based on respect, collaboration, equality, trust and transparency.
- Guarantee the right of workers to freedom of association and to form trade unions in accordance with the legislation in force.
- Guarantee a fair and living wage in accordance with the applicable legislation and market conditions in which it operates.
- Promote social responsibility through active participation with foundations and associations that are aligned with the principles and values of Lluch Essence.

## Good Governance

- To inform stakeholders in a transparent way about the sustainable strategy of Lluch Essence, through an annual sustainability report in accordance with the new European directive CSDR (Corporate Sustainability Reporting Directive).
- To guarantee a continuous improvement of the external sustainability indexes to which Lluch Essence submits itself each year.
- Promote sustainability throughout the value chain.
- Understand, analyze and manage the important material aspects of sustainability for the different stakeholders of Lluch Essence.
- Prioritize working relationships with those suppliers that comply with the Lluch Essence Code of Conduct and that have been satisfactorily evaluated through the ESG criteria required by the organization.
- Ensure the active fight against corruption and fraud in all its forms by promoting a preventive culture based on the principle of "zero tolerance" towards corruption.

## Policy Monitoring and Compliance

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In case of detecting non-compliance with this Policy or having doubts about it, you can contact through the following email:

- [canal.denuncias@lluche.com](mailto:canal.denuncias@lluche.com)

On the other hand, if you want to know more about sustainability in Lluch Essence you can do it through the following email:


- [esg@lluche.com](mailto:esg@lluche.com)

For more information, please consult the following documents:

- Code of ethics (website)
- Sustainability Sel-Assessment Questionnaire ([esg@lluche.com](mailto:esg@lluche.com))



**Technical Director**



**General Manager**