

Digital Sustainability Report

RS 26000 Summary



Luch Essence

2023

SUSTAINABLE
DEVELOPMENT
GOALS

RightSupply

SUSTAINABILITY INDEX



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

We welcome feedback on its contents.



INFORME RS 26000:2023

LLUCH ESSENCE belongs to the network of suppliers Rightsupply and uses its platform for the analysis and digital reporting of sustainability, corporate responsibility and good governance.

This document is a summary-presentation of the full digital report, being available to the public and accessible through the QR-link code included on the front and back cover. The sufficiency and adequacy of contents are verified by the ECOMUNDIS technical validation team, taking as a reference the ISO 26000 standard, 2030 Agenda and the United Nations Global Compact, as well as other internationally recognized references.

This is our Communication on Progress in implementing the principles of the United Nations Global Compact.



Lluch Essence



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Commitment

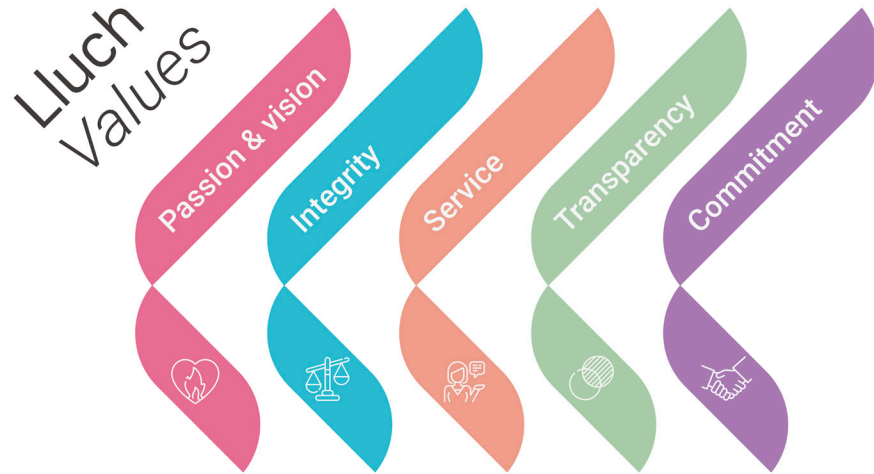
In a world increasingly aware of environmental challenges, the fragrances and flavours sector is growing at a solid and continuous rhythm. For some time now, we have been facing a change of direction in the sector towards Innovation and Sustainability. For Lluch Essence, in line with this significant change in the business mentality, being sustainable is essential. We understand sustainability as the ability to endure, to guarantee present needs without compromising future ones, thus ensuring a balance between social welfare, care for the environment, good corporate governance and economic growth.



LLUCH ESSENCE'S VALUES

Lluch Essence is a family-owned company with a tradition of more than 75 years supplying aromas and fragrances to the perfumery, cosmetics, animal feed and food industries. Lluch Essence has an absolute commitment to people, the environment and quality of service. We work with the firm conviction of growing together in a sustainable environment full of opportunities. Our pillars are our values and thanks to them we are the company we are today.

- **PASSION AND VISION**
Our passion and vision lead us to constantly seek opportunities for development and growth, which generates great long-term value.
- **INTEGRITY**
Our ideas, actions and values always go hand in hand. Integrity defines the way we work.
- **SERVICE EXCELLENCE**
Offering the best service means taking care of the smallest detail. We strive for excellence in our products and solutions and, above all, in the relationships we build.
- **TRANSPARENCY**
Transparency and cooperation are an intrinsic part of our DNA. Being open strengthens us and makes us not only more skillful, but also wiser.
- **COMMITMENT**
Our commitment to our employees, to society and to the planet is and will always be the basis of all our actions.





REPORT ORGANIZATION AND SCOPE



As a company dedicated to aromas and fragrances, Lluch Essence guarantees the traceability and transparency of all its products, in order to guarantee responsible consumption within the sector.

Main products distributed

- ORANGE OIL
- CIS-3 HEXENOL
- CITRAL
- PHENYL ETHYL ALCOHOL
- PATCHOULI OIL

4,000
products

+60
countries
global presence

+960
Customers

Contract
Manufacturing
Business Unit

Affiliates in
Colombia, Mexico
and Singapore

Geographic location of the main commercial operations and location of our production centres.





STAKEHOLDERS & MATERIALITY

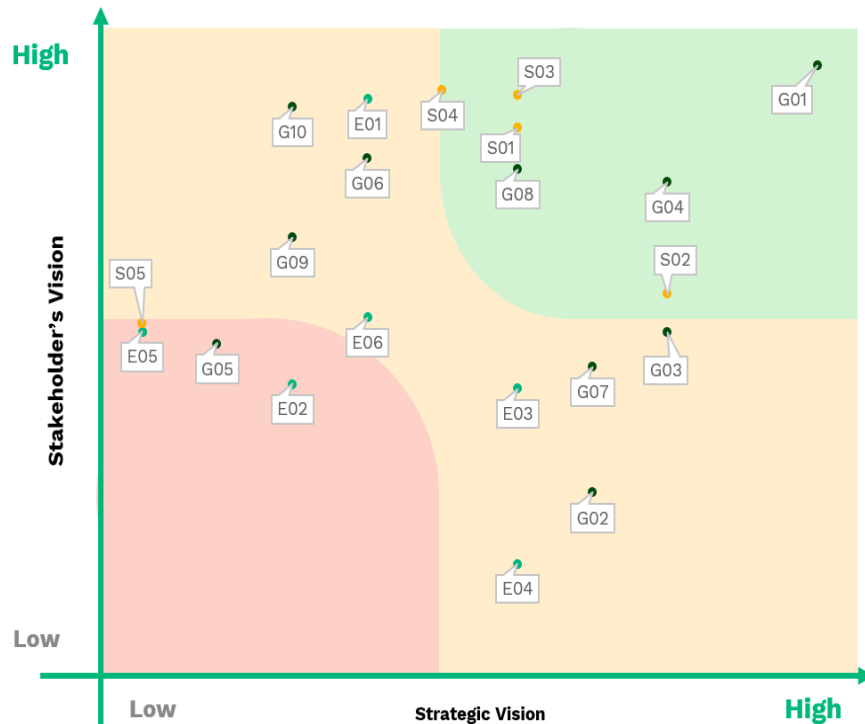
Materials aspects

Lluch Essence updated its Materiality Matrix in 2023 to work on identifying and prioritizing the most relevant matters for the company and its stakeholders. The Matrix was included in the 2030 strategy.

For this process, 9 strategic commitments were defined:

- Climate action.
- Circular Environmental Management. Sustainable Products and Impact Business Model.
- Work climate, professional development and talent management.
- Diversity, equity and inclusion.
- Local community.
- Ethical behavior, risk mitigation and transparency.
- Corporate communication and reputation.
- Value chain management.





Prioritization levels: ● High ● Medium ● Low

PRIORITIZATION OF MATERIAL TOPICS

↑ High prioritization

- G01 - Customer service
- G04 - External Communication and Company Reputation
- S03 - Corporate Benefits and Employee Satisfaction
- S02 - Talent attraction and retention
- S01 - Professional development and staff training
- G08 - Data protection and cybersecurity

→ Average prioritization

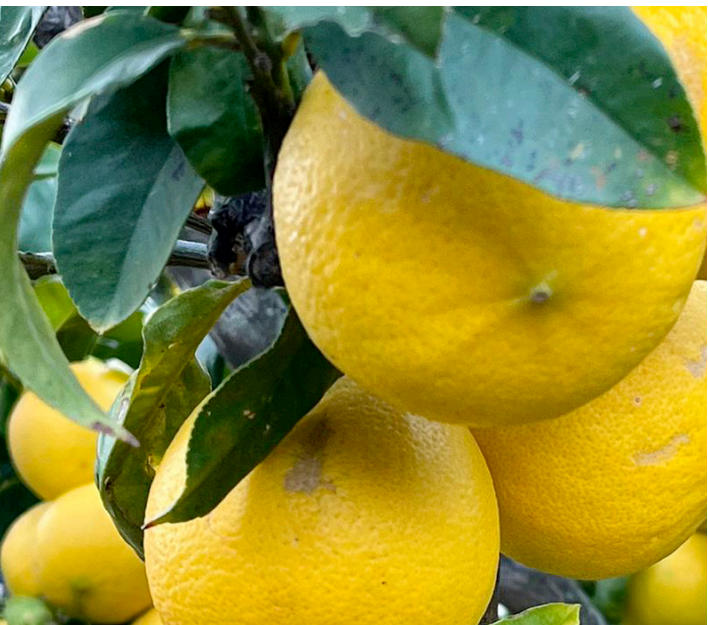
- G03 - Internal Communication
- S04 - Diversity, Equity and Inclusion
- E01 - Management of environmental impacts in the production process
- G07 - Digitalization of processes
- G06 - Ethics and Compliance
- G10 - Traceability of the Value Chain
- E03 - Efficient and renewable energy model
- G02 - New business lines
- E06 - Product innovation and quality
- G09 - Sustainability regulation
- E04 - Sustainable mobility

↓ Low prioritization

- G05 - Transparency and reporting
- E02 - Action against climate change
- E05 - Product environmental impact
- S05 - Relationship with and contribution to the local community



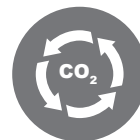
ACTING ON CLIMATE CHANGE



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 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.



100%
Renewable Energy



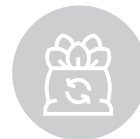
100%
Scope 1 and 2 offset



87%
Local suppliers of
indirect material



83%
Waste Valorization



40%
Natural & Organic
Reference



80%
Suppliers who have signed
our ethical charter

CARING ABOUT PEOPLE

Lluch Essence’s commitment is “Thriving Together”, which is why we work in a culture of sustainable development that promotes the growth of those who trust in the company, including customers, suppliers and workers. Lluch Essence is committed to generating 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 and supporting communities.



174
Workers



94,93%
Permanent Contract



59.14%
Women employees
relative to the entire
organization



6,44h
Training per employes



0,03%
Company Incidents
(injuries per worker)

PARTNERSHIP





OUR COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

Initiatives

Magic Line



In 2023 Lluç Essència participated in the Magic Line, a solidarity walk organized by San Juan de Dios, whose purpose is to raise funds for different social causes.

Local Energy Community



Since February 2023 Lluç Essència is part of Energía del Prat, a local energy community whose purpose is to promote clean and proximity energy.

Inclusive Sant Jordi's Day



In collaboration with the Eurofirms Foundation, we celebrated an inclusive Sant Jordi, through a cupcake decorating workshop in conjunction with Lluç Essència workers and people with intellectual disabilities.

SDG Commemoration



As part of our internal awareness program, we have produced various communications on the importance of sustainable development and the 2030 Agenda.

Corporate well-being



In 2023, the first session of our Well-Being program was carried out, where training was given on the importance of skincare and learning how to perform a correct self-diagnosis.

Awareness of the values



The year 2023 Lluch Essence has updated its values: passion and vision, integrity, service, transparency and commitment. Through a flashmob and a personalized song with the values of Lluch Essence, workers have been able to learn and be part of this change.

Index and certifications

It is essential to have indexes and partners that certify in an external and partial way the responsible and ethical management of the business activity, as well as to ensure the transparency and reliability of the good practices and data shown. That is why Lluch Essence has the following indexes and certifications:



WE SUPPORT



SOCIAL RESPONSIBILITY

RS26000 report

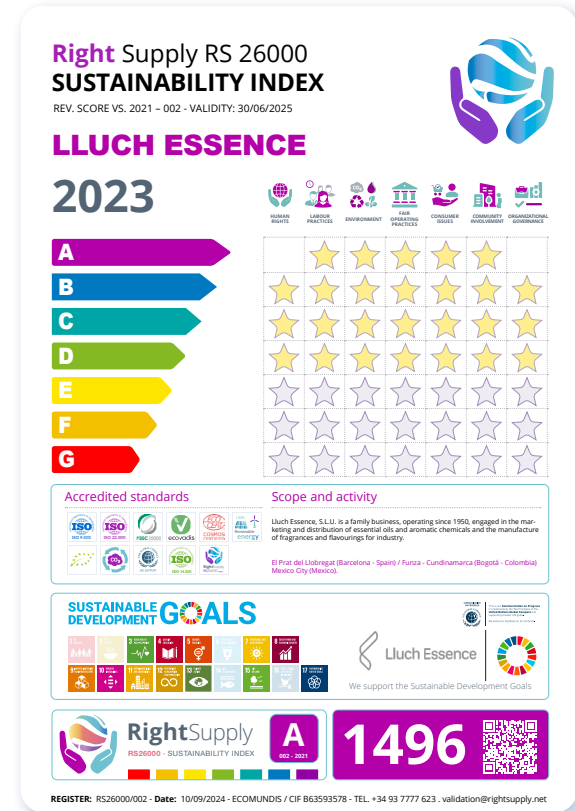
Results of the assessment

Since 2019, LLUCH ESSENCE has been assessing its impact in terms of corporate social responsibility and good corporate governance based on the core subjects of the ISO 26000 standard.

In 2023, as a result of the analysis of more than 200 metrics and specific indicators, Lluch Essence obtained a total of points having a grade of A on the RightSupply platform.

The analysis takes into account the provision of verified management systems, products, activities or practices, the degree of implementation of the Sustainable Development Goals of the 2030 Agenda and the evolution of various environmental sustainability indexes.

The RS26000 Sustainability Report and Index are available to all interested parties.





SUSTAINABILITY INDEX

RightSupply RS26000

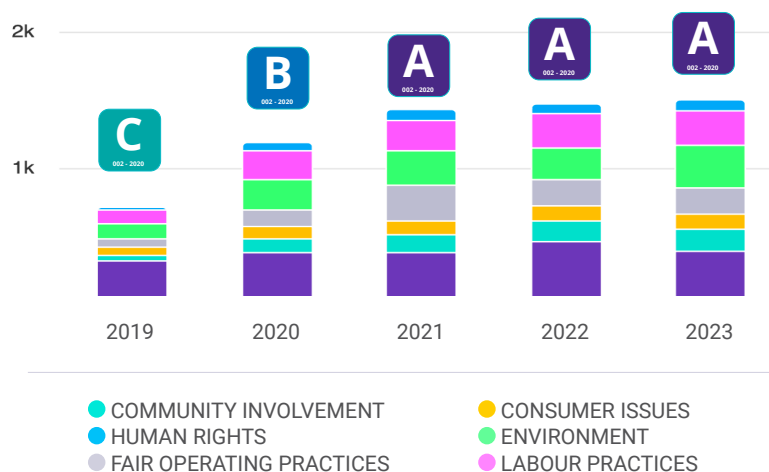
Continuous improvement

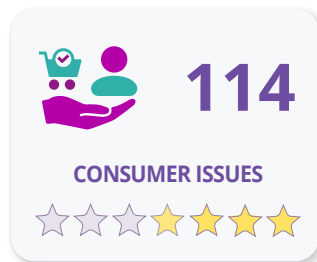
LLUCH ESSENCE assesses its impact in terms of social responsibility and good corporate governance on the basis of the fundamental issues set out in the ISO 26000 standard. As a result, the RightSupply platform generates quantitative values associated with the analysis of more than 200 metrics or indicators. Said result takes into account the degree of implementation of the Sustainable Development Goals of the 2030 Agenda and the evolution of several environmental sustainability indexes.

In 2022 we obtained a score of 1471 points, categorized as A, while in the 2023 Sustainability Report we have obtained: points and an A categorization, a significant improvement that rewards the effort, commitment and developments that are being carried out.

ISO 26000 CORE SUBJECTS

Disclosed data in RS 26000 reports





Other outstanding awards and certifications





Agenda 2030

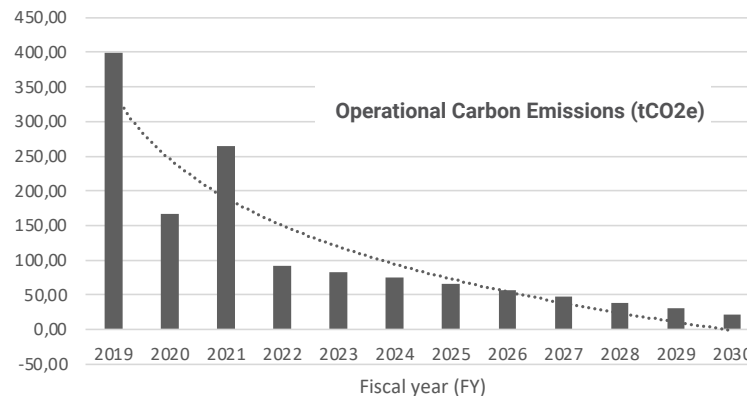
The 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015, offers a shared roadmap for peace and prosperity for the people and the planet, now and in the future. It is a global agenda, based on five dimensions: People, Planet, Prosperity, Peace and Collective Participation,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

For years, scientists have been warning us that the environmental problems resulting from human activity represent a danger to both, the health and the planet. The global health crisis highlighted the vulnerability to these threats and their great impact, so it is imperative that we do not lose focus on the great challenge: the fight against climate change.

Driving the change for carbon neutrality

Lluch Essence is aware that the carbon footprint is not just a calculation tool; it is also the first step on the path to improvement and reflects its commitment to reducing greenhouse gas (GHG) emissions. For this reason, Lluch Essence offers full transparency in the calculation of GHG emissions and its corporate strategy against climate change.

Lluch Essence quantifies the direct emissions from its facilities, such as those generated by company installations and vehicles (Scope 1), and the indirect emissions from the generation of the electricity it purchases (Scope 2). It also quantifies activities outside the organization’s boundaries, which correspond to the purchase of goods and services, capital goods, transport and distribution (upstream and downstream), waste, employee mobility, and business travel (Scope 3).



Once the emissions have been quantified and with an understanding of the carbon footprint value, we voluntarily offset our Scope 1 and 2 emissions. Carbon offsetting systems allow us to invest in environmental and social projects around the world to balance our carbon footprint. Most of these projects are in developing countries and are designed to reduce future emissions.

In 2019, Lluch Essence established an ambitious Net Zero strategy with the goal of achieving carbon neutrality by 2050. This strategy is complemented by medium-term targets for Scope 1 and 2, aiming to reduce emissions by 57% by 2030.

SUSTAINABLE DEVELOPMENT GOALS IN ACTION

3 GOOD HEALTH AND WELL-BEING



GOOD HEALTH AND WELL-BEING

As a company, we are committed to providing our workers with “Good Health and Well-being” by implementing annual health prevention plans, training to avoid accidents and incidents, and offering medical insurance at affordable prices. We promote collective bargaining through our works council and equality committee, facilitating open dialogue between employees and senior management to create a positive and safe environment. Additionally, we ensure that our operations respect the human right to health through a rigorous supplier approval system and policies on Human Rights and Responsible Purchasing.

4 QUALITY EDUCATION



QUALITY EDUCATION

At Lluch Essence, we support “Quality Education” by consolidating a culture of sustainable development and implementing internal policies on equality, human rights, the environment, and responsible value chains. We raise awareness among our employees about sustainability goals aligned with the 2030 Agenda. Additionally, we promote education through the Escola Lluch program, empowering young university students in their first steps into the professional world.



5 GENDER EQUALITY



GENDER QUALITY

At Lluç Essence, we are committed to “Gender Equality,” promoting equal treatment and opportunities between women and men. We ensure there is no direct or indirect discrimination based on sex and promote measures to achieve true equality within our organization. We implement an equality plan that outlines our commitments, specific measures, and objectives, and we have an equality committee composed of employees who oversee its compliance.

Additionally, we conduct annual training for all staff on equality of opportunities, raising awareness and educating our employees about the importance of this matter.

7 AFFORDABLE AND CLEAN ENERGY



AFFORDABLE AND CLEAN ENERGY

At Lluç Essence we are committed to a more “Affordable and clean” energy. We have our own photovoltaic installations and energy from renewable sources to cover the energy needs of the company.

We invest in technologies to reduce our electricity consumption and improve energy efficiency through periodic reviews. We have a decarbonization plan that supports continuous improvement and the company’s commitment to sustainability. One of our short-term targets is to obtain ISO 50001 certification, which together with ISO 14001, which we already have, will implement a combined energy and environmental management system.

Finally, we are founding members of Energías del Prat, we contribute to provide energy to local communities by promoting clean and proximity energy.

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

For Lluçh Essence, it is crucial that employees feel that they belong to the company. To achieve this, we are committed to ensuring “Decent Work and Economic Growth” by creating jobs in decent conditions for our staff.

Internally, we promote a culture that upholds human rights, guided by an internal policy aligned with the UN Guiding Principles on Business and Human Rights.

Externally, we conduct human rights due diligence processes throughout our value chain to identify and prevent potential negative impacts, taking steps to mitigate them where necessary.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



At Lluçh Essence we believe that industrial processes must avoid having an impact on the environment. We are currently immersed in a transformation focused on automation, digitization and optimization of processes to innovate and adapt to the so-called Fourth Industrial Revolution. In addition, we are committed to circular economy projects aimed at a sustainable and low-carbon industry, thus promoting the achievement of SDG 9.

10 REDUCED INEQUALITIES



At Lluçh Essence we strive to create an environment free of inequalities, we firmly believe in “Reducing inequalities” by fostering a culture based on respect for human rights and implementing policies and procedures that guarantee equality among all employees.

Likewise, we adapt our strategy to focus on social issues through partnerships with associations and foundations aligned with our sustainable commitment, supporting the reduction of inequalities.



11 SUSTAINABLE CITIES AND COMMUNITIES



SUSTAINABLE CITIES AND COMMUNITIES

At Lluç Essence we prioritize sustainable infrastructures and processes, implementing processes that reduce pollution and improve energy efficiency.

We have an installation of photovoltaic plants that cover 12% of our energy needs, while the rest of the energy comes from 100% renewable sources. This reflects our commitment to sustainable cities and communities, in support of the SDGs.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

At Lluç Essence we are aware of the damage and wear that our activity can cause in ecosystems, so we incorporate SDG 12 to our business vision ensuring traceability and transparency of all our products to ensure responsible consumption within the sector.

We prioritize sustainable products and services. In 2023, we conducted our first LCA study to assess the carbon emissions of Lavandino Grosso de Murcia essential oil.

We have also integrated circular economy criteria into our organization through good waste prevention practices, encouraging reduction, reuse and appropriate recycling.

13 CLIMATE ACTION



CLIMATE ACTION

At Lluch Essence we are aware of the important role that companies play in combating climate change. Aligning with the 2030 Agenda and taking into account the Sustainable Development Goals (SDGs), below, we present our actions implemented in 2023 in favor of SDG 13:

- Lluch Essence uses the GHG protocol to quantify its Carbon Footprint. In 2023, we updated the inventory with five categories of indirect emissions (Scope III).
- We conducted our first Life Cycle Analysis (LCA) to assess the carbon emissions of Lavandino Grosso oil from Murcia.
- We collaborated with Green Touch on a project to reduce environmental impact through the recycling of scent strips.
- We participated in the Ecomégot project to reduce the environmental impact of cigarette butts.
- We evaluate our suppliers to ensure responsible sourcing, promoting fair labor practices, respect for human rights and international labor standards, and the protection and promotion of the sustainable use of ecosystems throughout the supply chain.
- Promoting responsible practices related to products containing palm oil through the Roundtable on Sustainable Palm Oil (RSPO), of which we are members (Membership number: 9-5190-23-000-00).
- We are working on a sustainable mobility plan to significantly expand the fleet of electric vehicles.



15 LIFE ON LAND



LIFE ON LAND

At Lluch, we work to enhance “life on land”. We integrate environmental, social, and governance criteria into all our operations, with a strong focus on ecosystem impact.

We have established a biodiversity policy to promote corporate values and implement a Product Approval System that ensures compliance with international standards such as the Nagoya Protocol, CBD, RSPO, and CITES. Furthermore, we ensure that the natural products we source are sustainably managed in forest ecosystems.

17 PARTNERSHIPS FOR THE GOALS



PARTNERSHIPS FOR THE GOALS

Lluch Essence recognizes the importance of cooperation between various actors in the public and private sectors to achieve SDG 17, creating partnerships to promote sustainable development.

Our sustainability strategy encompasses environmental, social and governance aspects, aligning with the Sustainable Development Goals, thus promoting shared value.

During 2023 we have undertaken national and international cooperation projects in collaboration with foundations and associations, thus reinforcing our Corporate Social Responsibility.



2020 - 2030 CHALLENGES

ACTIONS FOR A NEW DECADE



Strategic lines

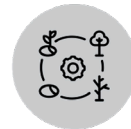
At Lluç Essence we are committed to creating value with our actions. We understand that it is our responsibility to contribute to a more sustainable community, creating a positive impact on people and the environment. To this end, we will work to be more ambitious in meeting our goals, which are aligned with the 2030 Agenda for Sustainable Development, investing in an action plan in favor of people, the planet and prosperity.

Similarly, we take the environmental impact of our actions very seriously.

That is why our commitment to reducing greenhouse gas emissions is in line with the targets set out in the Paris Agreement, setting out a Net Zero strategy for 2050, complemented by a medium-term strategy to achieve a 57% reduction in emissions for Scope 1 and 2 by 2030.



100%
Suppliers evaluated



100%
LCA Lluch products



EC
Energy for workers



SBTi
Validated targets



100%
Electric vehicles



50%
Self-generation energy



ISO 50.001
Implementation



Energy
Efficiency Measures

We
are a
RightSupply
Company



Lluch Essence



We support the Sustainable Development Goals



SUSTAINABLE
DEVELOPMENT
GOALS

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