



Sustainability

Report
2019



We promote Innovation and Sustainable Production in Northwestern Argentina

We are a family business group, professionalized and committed to the progress in Northern Argentina. We are known for our entrepreneurial spirit, which motivates us to continue investing in the country, guaranteeing sustainability, transparency and integrity through our entire value chain.

Mission

To Produce and Industrialize agricultural and livestock raw materials for the Manufacture and Commercialization of Foodstuffs and Bioenergies, based on Excellence, Sustainability and the Satisfaction of our Key Stakeholders, achieving our Internationalization, the Growth of the Group, and the Maximisation of its Profits.

Vision

We aim to be a benchmark business group from the north of Argentina on primary production, agribusiness and bioenergy, with a global presence.

Values

- ✓ Reliability
- ✓ Passion
- ✓ Integrity
- ✓ Leadership
- ✓ Sustainability
- ✓ Commitment
- ✓ Excellence

Our Companies



Responsible Management

Grupo Lucci carries out a strategic management to encourage the balance between its economic, social and environmental performance.



5.744 Ha.
of preserved
native forest



1.354
permanent employees



3 MW
of power generated from
renewable sources



4.348
formal harvest
workers



We calculated our carbon
and water footprints



29%
decrease of accidents in
harvesting personnel



250 Trees
planted in the
community



95%
Local Suppliers



102.971,7 MT of CO2
Carbon stock in lemon
orchards

Our Trajectory

Committed to Sustainability

We build sustainable businesses in Northern Argentina, producing safe and healthy products with international quality standards. We care for the environment and contribute to the social progress of communities.

Our management is based on:



Corporate values



Code of ethics



Good Social Practice Policies



Sustainability Policy



Global Compact Principles

Actions engaged upon **Sustainable Growth**

Throughout our history we have committed to aligning economic growth with sustainable development, highlighting the following milestones of our company:



We contribute directly to **10 of the Sustainable Development Goals (SDGs)**



World leader in **Responsible Agribusiness**



Citrusvil is one of the largest producers, processors and exporters of lemon and its derivatives in the world, supplying more than 50 countries.

It has more than 7,000 gross hectares of lemon orchards, which produce around 250,000 tons of fruit to supply its Industrial Plants and Packing Houses.

Innovation and Development

Innovation is one of the main focus of Citrusvil. Our R&D&I team works to develop specific solutions, tailored to the requirements of our clients and constantly improving our value chain and commercial offer.

In 2019 we expanded our product portfolio, through two new additions:

Concentrated lemon oil

demanding in the flavor industry, particularly for the elaboration of carbonated beverages.

Lemon terpenes

mainly used as a flavoring additive for cleaning products.



We Validated Our **Responsible Business Practices**

- » Through the Sedex-SMETA audit methodology, Citrusvil verified its Responsible Business Practices on work, health and safety, environment and business ethics.
- » Our orchards achieved the highest rating in the Agricultural Sustainability Assessment, validating the control criteria of the FSA-SAI Platform.
- » Our Packing House in Ischilón (Tucumán) certified Global GAP and HACCP protocols, and also received the "Argentine Food" label which guarantees the best quality of an Argentine product.
- » We increased the volume of certified lemons in order to increase the traceability of our products.



Suppliers and Contractors

- » We were one of the promoters of the Union Co-responsibility Agreement. Its goal is to make more transparent the labor relations of citrus activity at the region.
- » We implemented in our orchards a Digital System of Access Control of Harvesters, to minimize risks of informal labor and child labor.
- » We increased internal audits on our orchards. We inspected 3,767 harvest workers in order to control their due registration.

We are a global pioneer in renewable energy generation from lemon effluent

Citrusvil added a new business unit, becoming in the first citrus company in the world to generate electricity and produce biogas from renewable sources. Within of the RenovAr Program, we were awarded the project that enables us to generate 3MW of power to be injected into the public grid, equivalent to the consumption of between 2,500 and 3,000 homes.

Energy efficiency: Light Reconversion Program

We managed to fulfill 80% of our program of replacing conventional luminaires with LED lamps. This meant the reduction of 45% in the annual energy consumed in lighting.



Biodiversity

After the incorporation of new lands, together with Proyungas Foundation we carried out the updating of the surfaces of our lemon orchards. This survey showed an increase of almost 4% in the areas of preserved native forests, reaching 5,744 Ha.



We Measured Our Carbon and Water Footprints

For the first time, we carried out measurements of carbon and water footprints in the different stages of the production chain of Citrusvil and its main products. This analysis allows us to generate indicators of water and fuel consumption, and identify the sources of CO₂ emissions in our operations. In this way, we will be able to define future actions to achieve more efficient processes and more responsible management of resources, in order to minimize the impact of our activity on the environment.



48.946,68 MT.
of CO₂ equivalent



6.252.845 m³



UKOSHER

Agricultural Innovation and **Sustainable Production**



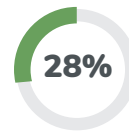
It is a company dedicated to agriculture. It works adding value to Argentine primary production by cultivating soybeans, corn, wheat, sorghum, cotton and legumes. Its activity is developed on 31,200 gross productive hectares distributed in 12 own fields located in the Northwest of Argentina.

Changes in organization: **Vilucos' Industrial Complex closure**

In April 2019 we decided to indefinitely close Viluco's Industrial Plant in Frías, Santiago del Estero. This decision generated the removal of 180 employees. Although the industrial complex remained closed along the year, its facilities were preserved keeping the assets for lease in good working order. This allowed the reactivation of the cereals collection plants by Bunge Argentina and Molinos Agro at the end of the year.

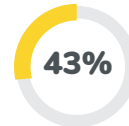
Good Practices for **sustainable agriculture**

Service crops: Implemented to protect the soil from water erosion, improve its fertility and pests and weeds controls.



Savings in herbicides
2018-2019 season

Selective Pulverization: Incorporation of Weedit System, reducing water and agrochemicals consumption.



Agrochemicals consumption reduction per Ha
2018-2019 season

Strategic Alliances



We joined ARCOR Group in its Certified Sustainable Corn Production and Supply Project. Our challenge for 2020, will be the validation of our own production under the Sustainable Agriculture Program of the FSA-SAI Platform.

Business Synergy: **Engordar-Viluco Agro**

After analyzing the possibilities of productive growth and value addition for Viluco-Agro and Engordar, which already shared productive establishments, in 2019 we carried out the unification of the agro-livestock sector through technical, productive, commercial, operational and administrative synergy between both companies.

Integrated Livestock and **Animal Welfare**



ENGORDAR
INTEGRATED LIVESTOCK FARMING

It is a livestock company dedicated to the productive activities of cattle breeding, pasture-rebreeding and lotfeeding. Its production is destined to domestic market. It has 34.000 cattle heads distributed in five agricultural-livestock establishments and two feed-lots. They are all located along 32,000 gross productive hectares, in the provinces of Tucumán, Santiago del Estero and Catamarca.

- » **We sold 15,500 heads to the local market**, and managed to increase the average weight of animals by 7%
- » **We began to generate finished products for export**, such as the heifer rebreeding after giving service, and the young steer rebreeding in a second instance.
- » We implemented sugarcane plantation for forage food production.

Quality Walnut Growing and **Productive Efficiency**



It is a company dedicated to the farming of Chandler walnut trees, and the production, packing, commercialization and export of walnuts in shell. From its establishment located in the valleys of Catamarca, at 1,150 masl, it offers the world a Premium quality product, which stands out for its high performance in pulp, optimal size and color. It has 215 gross hectares of walnut plantations, of which 65% are currently productive.

- » We reached a production of **300 Tons of walnuts**.
- » Because of the process automatization, **we reduced harvest times from 60 to 25 days**.
- » We incorporated **post-harvest new technologies**.
- » **We incorporated new markets** in Turkey, Lebanon, Dubai and Italy.

Sustainable Production of Sugarcane



EL PUCARÁ
SUGAR CANE

It is a company dedicated to the production of sugarcane and the commercialization of sugars. The company exploits, on three fields located in Tucumán and Salta, a total of 2,930 gross hectares planted. We develop comprehensive production processes, certifying quality and responsible practices. We adhere to the environmental management protocol by harvesting and managing RAC without the use of fire.

- » **180,221 tons** of cane harvested.
- » **90,361 bags of sugar** produced and sold in the local market, equivalent to 4,518 tons of sugar.

Employability in the Region

Grupo Lucci promotes, directly and indirectly, formal labor throughout the region.



+1300

permanent employees



+4500

collaborators in harvest



90%

from northern Argentina

Professionalization

We constantly promote welfare and development of our human capital. We increased the training and knowledge time of our collaborators by 4%.



14.190 hs

2017

14.986 hs

2018

15.562 hs

2019

Workplace Safety

- » We consolidated the 5S Methodology Program providing 315 hours of training and carrying out 43 internal audits.
- » We reduced accidents by 30% promoting awareness among employees. For these efforts in accident prevention, we received recognition from Galeno ART.
- » We reduced the level of road accidents in our fleet of 56 vehicles by 13%, compared to 2018, and decrease its fuel consumption by almost 30%, thanks to monitoring and prevention measures.



Our Corporate Social Responsibility We Strengthen Communities

Since 2003, Fundación Vicente Lucci has the purpose of working on the development of rural communities in northwestern Argentina, in order to provide responses to social and educational needs that affect the region.



9.091 people benefited



270 teachers of 40 schools trained



300 volunteers participated in our CSR programs



We donated **80 computers** and **20 printers** to 20 rural schools



With ProYungas Foundation we **afforested 10 schools** with **250 trees**



69 producers participated in our Regional Livestock Entrepreneur Program