

BOTANICAL EXTRACTS MANUFACTURER



[SUSTAINABILITY REPORT **2022**]





MESSAGE FROM THE CEO

Dear readers,

This past year has continued to be characterised by our growth as a company, both in relation to economic performance as well as in the development of a sustainable model that contributes to a positive impact within our environment and throughout the entire value chain.

Thus, we are **firmly committed to maintaining a viable and sustainable business model, that generates wealth and value that is shared with society**, and in harmony with the United Nations Sustainable Development Goals. Our goal is to positively impact our environment, while ensuring a stable supply of high-quality, healthy ingredients that improve the lives of consumers.

One of the fundamental milestones this year has been the **inauguration of our commercial offices in Singapore** to expand our commercial and logistics operations within the Asia-Pacific region. This investment in the APAC region makes Natac a global company that distributes its botanical plant extracts throughout the world. Furthermore, during this year **our factory has obtained the environmental certification ISO 14001**, which is a certification that ratifies our commitment to sustainability and respect for the environment.

To strengthen our commitment to sustainability and the use of sustainable raw materials, **we have published our code of ethics for the company and**

a code of conduct for suppliers. We have disclosed the code of conduct to our suppliers, and we have encouraged them to commit, in relation to the aspects of social and environmental responsibility, thereby aligning our whole supply chain with our values and commitments to people and the planet.

Moreover, we also want to reiterate here our sincere thanks to the local and regional institutions and organisations that continue to support us in this project. Thus, **Natac contributes in a decisive way to the progress of the region, through a sustainable business based upon the circular bioeconomy** that generates quality employment and helps to resolve the demographic challenge.

We would also like to especially thank our suppliers, employees and clients for their constant support, who every day encourage us to maintain a corporate strategy that is respectful to the environment.

This document ratifies our commitment to sustainability and, like other years, has been drafted in accordance with the reporting standard known as **the Global Reporting Initiative (GRI), which constitutes a global standard.**

Thus, we now invite you to review this report, which is based upon our ethical commitment to the fundamental pillars of sustainability: the environment, people and good governance. This report includes the most relevant actions that Natac has developed during the past year, and we trust that it will serve as an inspiration to continue improving. **Happy reading!**



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01

"OVERVIEW"

1.1 NATAC

1.2 2022



NATAC

"OVERVIEW"

Natac is dedicated to **researching, developing, and sustainably manufacturing healthy extracts and ingredients of a botanical origin**, with a significant focus on Mediterranean plants.

The ingredients have a technological or health-related functional action, which allows people's quality of life to be improved.

Our portfolio includes both conventional and organic extracts, all of which are manufactured in a sustainable way while respecting the environment.



OUR MISSION

Transferring scientific knowledge to industrially viable and sustainable projects that create value and improve people's lives.

OUR VISION

Become a company that is a global benchmark in improving quality of life by applying nature's benefits through scientific knowledge.

OUR VALUES

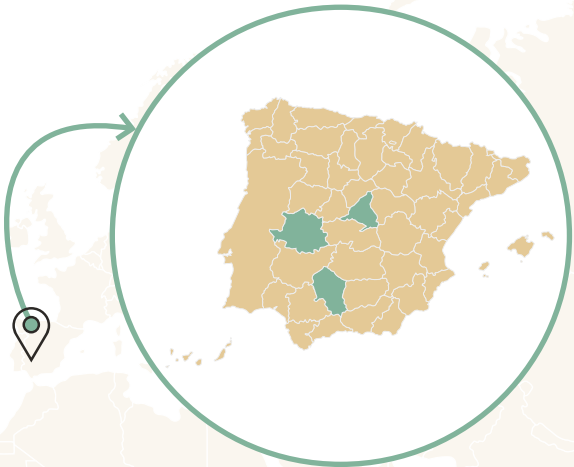
- **Creation of value** which is shared with society and our stakeholders.
- **Sustainable innovation** by improving day to day through scientific knowledge and moving forward towards making full use of available resources efficiently.
- **Social commitment** by making a positive impact on our workforce and the community that surrounds us.
- **Being a trusted partner for our customers** by producing ingredients, ensuring supply, quality and traceability, and strengthening responsible production and consumption through our value chain.
- **Commitment to the environment** by designing circular bioeconomy strategies and driving carbon neutrality to mitigate our environmental impact.



OFFICES AND SITES

The strategic location of our **Production, R&D and Quality units in Spain** ensures European standards are fulfilled. We also have our own sales office in the United States (Salt Lake City, Utah) to be in closer touch with the American market. In addition, we have recently opened a new production plant in Hervás, Extremadura, which has significantly increased our production capacity and meets the strictest efficiency, safety and environmental requirements. Continuing our international expansion, the **opening of a new sales office in Singapore** is currently planned in order to consolidate our sales positioning in the Asian market.

At the same time, we maintain the strategic location of our Production, R&D and Quality units in:



USA

COMMERCIAL OFFICE

2825 E Cottonwood Parkway
Suite 500
Salt Lake City
Utah 84121

SINGAPORE

COMMERCIAL OFFICE

3 Shenton Way, #08-04,
Shenton House,
068805 Singapore

SPAIN

HEADQUARTERS

C/ Electrónica 7
28923 Alcorcón
Madrid

OLIVE FACTORY

Ctra. Córdoba-Málaga Km. 98
14915 El Tejar
Córdoba

MULTIPRODUCT FACTORY

Polígono Industrial
Las Cañadas
Hervás
Cáceres

2022 "OVERVIEW"

TRUSTED PARTNER



9%+ in sales revenue.



430 customers in 48 countries and capacity to extract over 40 different types of plants, and over 100 active ingredients.



New offices in Singapore. Makes Natac a global company as it has expanded its commercial operations to the APAC region.



Natac ratifies its internal code of ethics and a code of conduct for our suppliers.

THERE IS NO PLANET B



Natac obtains the **ISO 14001 certification**.



Natac **coordinates Oleaf4value**, a European project for disruptive innovation in circular economy in which 16 partners try to optimise the comprehensive use of the olive leaf.



Circular economy strategy:
Natac has used 7,925 tonnes of upcycled raw materials in 2022.



Natac calculates its corporate **carbon footprint** and registers it in the National Carbon Footprint Register of the Ministry for the **Ecological Transition and the Demographic Challenge (MITERD)**.



Solar panel installation at the Hervás plant.
Capacity to generate 536,000 kWh, thereby reducing by 45% the electricity consumption from non-renewable sources.



Natac recycles 98% of the waste that it generates.

PEOPLE



16%+ in job creation.



58%+ job creation in rural areas, doubling the workforce.



57% of women on the Management Committee.



Team formed by **13 different nationalities** working in an intercultural environment.



0 serious accidents.



Collaboration with the community: Natac leads an Adaptation project of aromatic and medicinal plants for obtaining phytochemicals of interest in Extremadura.



02

ABOUT US

2.1 WHO WE ARE AND WHAT WE DO

2.2 OUR HISTORY

2.3 CIRCULAR ECONOMY-BASED
BUSINESS MODEL

2.4 SECTORS AND MARKETS

2.5 ETHICAL AND SOCIALLY
RESPONSIBLE MANAGEMENT

2.6 STRATEGIC PARTNERSHIPS



WHO WE ARE AND WHAT WE DO

We are a business group dedicated to **researching, developing and sustainably manufacturing plant extracts and ingredients of natural origin**, with a significant focus on Mediterranean plants. Natac is fully geared at research and development, basing its differentiation in the market on the ability to create innovative products adapted to the specific needs of each customer and the peculiarities of each case with the ability to transfer science to the market (Science to Market concept).

Natac manufactures and markets natural ingredients from plants grown in different Mediterranean regions. It specialises in plants such as olives, saffron, artichoke or pomegranate, which are closely associated to the Mediterranean, but also in plants from northern Europe like Rhodiola.

Our products are of the very highest quality, exceeding the industry's strictest standards. The raw materials are certified through our HABOID method, a registered process of analysis that ensures the botanical identity of any plants used.

The ingredients have a technological or health-related functional action, which allows people's quality of life to be improved.

The diversity of their botanical extracts offers a wide range of health benefits and these have the necessary scientific backing to validate their action. All our ingredients are manufactured according to the quality standards required by the different industries which make use of them, namely the nutraceutical, pharmaceutical, food, animal nutrition and cosmetics industries. Our portfolio includes both conventional and organic extracts, all of which are manufactured in a sustainable way while respecting the environment.



Natac's industrial
production unit in Hervás,
Cáceres.

OUR HISTORY

Natac initiated its operations in 2010 at the Fundación Parque Científico (Science Park) in Madrid. In 2012, it commissioned the first olive biorefinery in Spain: Innovaoleo. This is a manufacturing plant for innovative olive-based products. In 2017, the company moved to its own premises located in Alcorcón, Madrid, where its headquarters are located.

Natac Group ended 2021 with a sales revenue figure exceeding €20 million and is currently undergoing a strategic expansion process that has resulted in the construction of a new modern manufacturing unit in Hervás, Extremadura, where the company's operations are centralised.

In the year 2021, Natac Group inaugurated a multi-product factory in the municipality of Hervás, Extremadura, where the manufacturing activities of the company are centralised. At this factory, a range of different extraction technologies are carried out, with state-of-the-art equipment and machinery, with an **annual processing capacity of approximately 3,000 tonnes of raw material.**

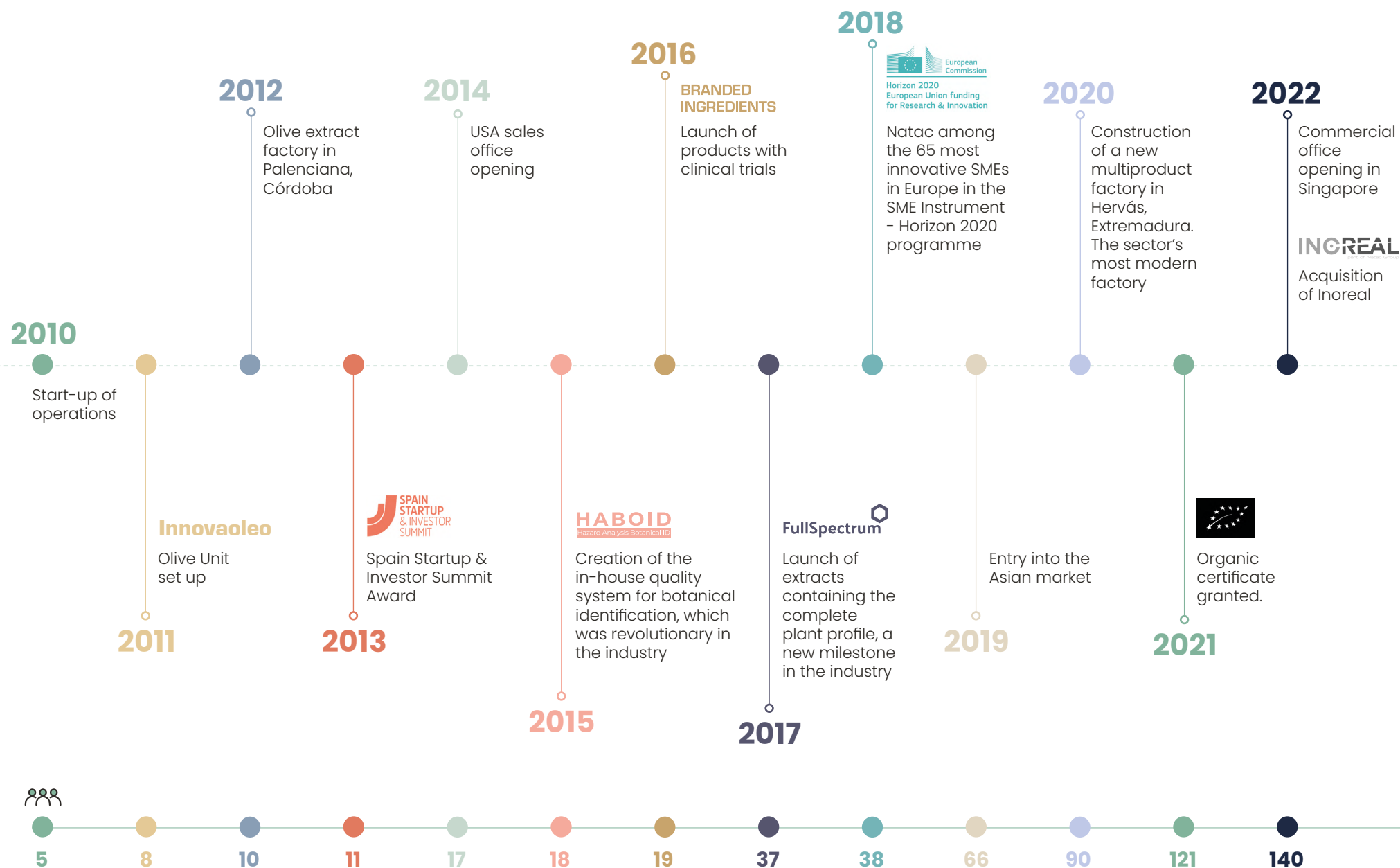
Natac Group closed the year 2022 with a **sales revenue of more than €22 million and** is currently undergoing a process of strategic expansion that has culminated with the inauguration of a new **commercial office in Singapore**, to expand the group's commercial and logistics operations within the Asia-Pacific region (APAC).

This investment in the zone of Singapore and more broadly in the APAC region, aims to help Natac satisfy the needs of its current and future clients. The new office has trained and qualified staff from the area, who can help with all kinds of natural product requirements. Moreover, our APAC office **will largely take responsibility for the commercial sales and logistics activities.** Clients shall benefit from being in contact with staff that speak their native language, that understand the local culture and that share the same time zone.

CORPORATE STRUCTURE

Natac Group is comprised of:

Natac Biotech
Natac Pharma
Innovaoleo
Natac USA
Natac Singapore

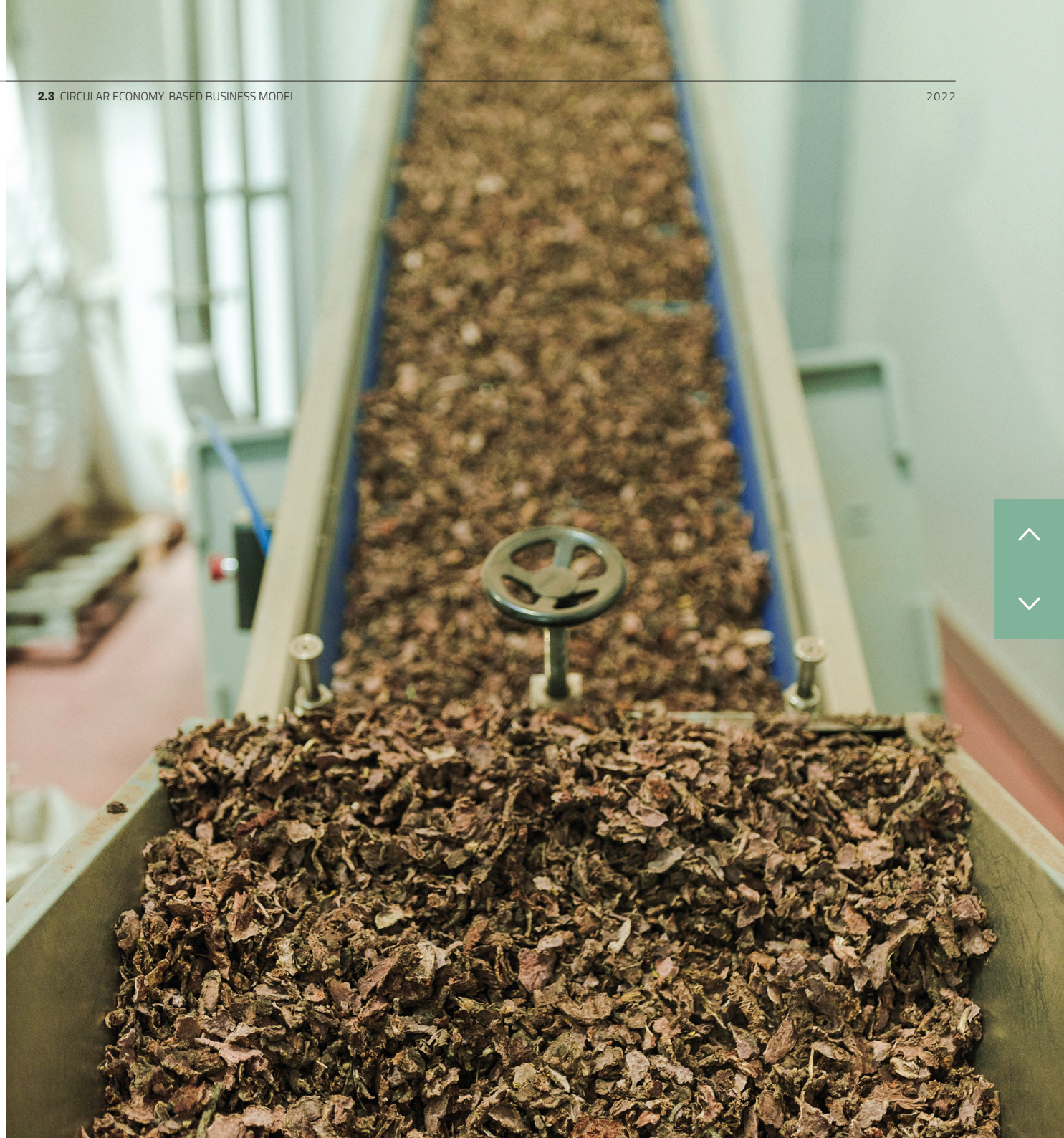


History of the Natac Group since the start-up of its operations.

CIRCULAR ECONOMY- BASED BUSINESS MODEL

Natac has developed a totally innovative business model in the plant extracts sector since it was first set up, which is based on **upcycling agri-food biomass**. This model is based on establishing strategic partnerships with different players in the value chain, both downstream and upstream, in order to weave together integrated sustainable business networks, thus ensuring traceability, sustainability, and economic development.

Natac analyses agricultural processes across the entire agri-food industry to find production points having the potential for making full use of plants in order to access all their benefits and reduce environmental impacts.



SECTORS AND MARKETS

Thanks to our experience, at Natac we produce and offer **natural ingredients of the highest quality** for the following sectors:



NUTRACEUTICALS

We work closely in conjunction with companies in this sector on the **development of innovative natural extracts backed by solid scientific evidence concerning cardiovascular health, metabolic syndrome, intestinal function, neuroprotection, and joint health improvements**, along with products aimed at women's health and well-being.



PHARMACEUTICALS

We provide **active pharmaceutical ingredients** for the development of plant-based medicines, along with **pure molecules of botanical origin** that are used as the starting materials for synthesising active pharmaceutical ingredients.



ANIMAL NUTRITION

The animal nutrition industry is undergoing significant changes brought about by legislation that is increasingly geared at **natural solutions** which end consumers are increasingly demanding. We offer a wide variety of ingredients and additives for aquaculture and terrestrial animals (swine, equine, poultry, and livestock) **which improve animal health and production parameters**.



FOOD

We help our customers develop innovative **functional foodstuffs** with health claims authorised by the EFSA (European Food Safety Authority) by taking into account all the stages and areas needed for the successful development of a new functional food product.



COSMETICS

Today this industry's consumers are demanding the use of **highly reliable natural ingredients that maintain the benefits of traditional cosmetics**. At Natac, we have worked on extracts obtained from microalgae and other plant extracts offering a high degree of protection against the oxidative stress that causes skin damage.





ETHICAL AND SOCIALLY RESPONSIBLE MANAGEMENT

Natac is focused on integrating ethics and transparency in its corporate management. We are committed to the creation of value that is shared by society at large and our stakeholders.

As an exercise in transparency with our stakeholders, **we undertake to submit our sustainability report each year, which demonstrates our performance and progress concerning ESG criteria** (environmental, social, and good governance).

The commitment undertaken by the company's management to quality and the environment has been set forth in the **Quality and Food Safety policy** documents as well as in the **Environmental Policy**, which were approved this year and posted on our website.

Additionally, **Natac conducts an independent external audit** of its accounts on an annual basis.

In 2022 **our code of conduct was approved** which sets out the company's internal **code of ethics** that shall govern the actions and conduct of all Natac staff. Furthermore, we have approved a **code of conduct for our suppliers** and we have encouraged them to commit in relation to the aspects of social and environmental responsibility. Thereby aligning our whole supply chain with our values and commitments to people and the planet.

During 2022, Natac carried out a campaign to disseminate our ethical commitments to all our suppliers. In 2023, both the code of ethics and the code of conduct are available in a specific area related to our ethical commitments, located on our website.

In both documents, in addition to the establishment of a mandatory framework and guidelines for the conduct of our staff and suppliers that have a commercial relationship with Natac, **they also establish the rules regarding conflicts of interest that may arise in relation to the company's activities.**

Accordingly, all staff and suppliers are required to safeguard all confidential, sensitive or insider information that they have knowledge of because of their position and must not use said information outside the scope of their employment or commercial relationship nor disclose said information to any third parties, without the prior written consent of the company.

Moreover, suppliers must not allow biases, conflicts of interest or inappropriate influences of third parties to override their professional judgments and responsibilities. Nor should they carry out transactions that may create a conflict of interest with respect to the supply of goods and/or services. For said reasons, suppliers with whom we work must take all of the necessary measures to safeguard, collect and properly handle the confidential information obtained from Natac at all times.

Finally, it is important to highlight that the code of conduct for suppliers establishes the rules regarding corruption and bribery in order to establish legitimate and productive relationships. Thus, suppliers must not offer or accept bribes, nor must they influence a third party to offer or receive bribes on their behalf. It is forbidden to offer, give, request or receive any kind of bribe; or to offer or provide anything of value to a third party for an improper purpose or to take any type of unfair advantage. Furthermore, suppliers must make reasonable efforts to prevent crimes of bribery in all its forms and must support efforts to combat corruption.

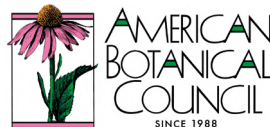
It is also worth to unpack that Natac operates fully in accordance with the laws that govern the market, both in relation to competition law as well as international trade.

Accordingly, Natac does not accept any misleading, deceptive, fraudulent or malicious conduct that aims to evade customs obligations or that, in any way, distorts, restricts or tends to eliminate competition, such as price fixing, misleading advertising, or the denigration of our competitors, among others.



STRATEGIC PARTNERSHIPS

We are aware that we cannot walk alone if we wish to go far along the path to sustainable development. Natac actively collaborates with several national and international organisations that make **a significant contribution to advancing the development of phytotherapy and the natural ingredient production industry with sustainability as a basis.**



American Botanical Council (ABC), an international organisation whose mission consists of offering education placed in service to the public, researchers, educators, health professionals, industry, and the media by using traditional and science-based information to foster the responsible use of herbal medicine. We are sponsors (adopters) of olives and grapevines, promoting and disseminating the benefits of these botanical species, which are crucial for Natac.



American Herbal Products Association (AHPA), an association we are members of that promotes responsible sustainable trade in herbal products to ensure consumers have informed access to a broad range of safe herbal products.



Spanish Phytotherapy Society (Sociedad Española de Fitoterapia – SEFIT), an association dedicated to the development and study of medicinal plants and their application. This is a scientific society that brings together professionals from diverse fields who are working on the study and therapeutic application of medicinal plants.



Spanish Biomass Platform (Plataforma Española de la Biomasa – Bioplat), a national non-profit organisation which has been fostering the sustainable development of biomass and the bioeconomy in Spain since 2006. It is the main group that integrates all public-private players that make up the biomass sector's value chain in Spain in order to jointly promote the sector's progress and thus achieve an economy based on this abundant renewable resource. Natac is an associate member of Bioplat and the Bioproduct Group's coordinator.





ACUIPLUS Aquaculture Cluster, a grouping of entities related to the aquaculture sector that promote competitiveness and sustainability in the value chain of suppliers, which therefore includes both products and services and thereby strengthens commercial, research, innovation and sustainability processes.



Spanish Association of Bio-Enterprises (Asociación Española de Bioempresas - ASEBIO), whose vision is to transform the country's culture by placing value on research, development and innovation in service to society, sustainability, and the competitiveness of the Spanish economy.



The Bio-Based Industries Consortium (BIC), a non-profit organisation set up in Brussels in 2013 that brings together several European companies having the shared goal of developing solutions and responses dedicated to the bioeconomy. BIC represents the private sector in a Public-Private Partnership (PPP) with the European Commission called Circular Bio-Based Europe (CBE), which aims to invest €4 billion in innovation between 2021 and 2031.



Circular Bio-Based Europe Joint Undertaking (CBE JU), a new consortium which has been allocated €2 billion.

On November 19, 2021, the Council of the European Union approved the creation of the new partnership involving the European Union and the Bio-Based Industries Consortium (BIC), which they have called the Circular Bio-Based Europe Joint Undertaking. The CBE JU joint initiative is governed by the rules of Horizon Europe, an EU research and innovation programme for the period 2021-2031. The new CBE will be earmarked a budget of €2 billion to develop the bioeconomy and the circular economy on a large scale in Europe. As member of BIC, Natac has collaborated in setting up this new initiative and in devising the new Strategic Research and Innovation Agenda (SRIA).



OUR COMMITMENT TO **SUSTAINABLE DEVELOPMENT**

3.1 OUR SUSTAINABILITY STRATEGY

3.2 OUR AIMS AND GOALS

3.3 COMMITMENT TO OUR
STAKEHOLDERS AND MATERIALITY
ANALYSIS

3.4 COMMITMENT TO SDGs

3.5 COMMITTED TO HUMAN RIGHTS



OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

In recent decades and in particular over the past few years, the world we know has been facing new challenges to which a response must be given from society at large, including civil society, business, and government. The climate emergency, sustainable development, the demographic challenge, and efficient natural resource use are just some of the key topics in today's environment, all of which have been aggravated even more by exceptional situations like the COVID-19 pandemic or international conflicts.

We find ourselves at a key moment in which society at large is **asking us for responses and commitments to successfully face these challenges and attain sustainable long-term social progress.**

In addition, the UN has set some shared goals to help us focus on the priorities and actions that need to be taken to contribute to sustainable development.

At Natac, **sustainability forms part of our corporate roots.** Even before our impact was quantified and a sustainability strategy was developed, **our business model was conceived from a circular economy model.** We are committed to attaining a production model that has a positive impact on society and the climate, and which creates value that is shared with society and the local community.



OUR SUSTAINABILITY STRATEGY

In 2022, the sustainability strategy of Natac was ratified and **in 2023 the Sustainability Policy and the Sustainability Committee shall be created**. The main objectives of this committee will be to ensure the transversal compliance with Natac's Sustainability Policy, the integration of objectives and to supervise the implementation, communication and review of the sustainability strategy.

This strategy was designed in close collaboration with our stakeholders, by reason that at Natac we believe that local action contributes decisively to the global change that the world needs and that society demands. Moreover, the strategic location of our production units in rural areas of the so-called "España vaciada" (Empty Spain) requires a specific approach toward local development and collaboration with stakeholders and entities that are close to us.



OUR NEW SUSTAINABILITY STRATEGY IS BASED UPON 3 STRATEGIC PRINCIPLES:

RELIABLE PARTNER

We want to become **our customers' trusted partner**, producing ingredients while ensuring supply, quality, traceability, and safety. We are committed to a **continuous innovation-based model that promotes sustainability across our entire supply chain**.



Guarantee the supply, quality, and safety of our products.



Foster sustainability across the entire Natac supply chain by including United Nations and human rights principles.



Promote innovation and digitalisation as drivers for sustainable development.

THERE IS NO PLANET B

We have set the clear firm goal of reducing our environmental impact by implementing **circular bioeconomy strategies and reducing our carbon footprint**, while committing to a zero waste goal by **making efficient use of natural resources**.



Apply the circular bioeconomy to our business model by upcycling plant-based raw materials.



Attain carbon neutrality.



Improve natural resource and waste management, and implement environmental risk management tools and standards.

PEOPLE

At Natac we have made a **firm commitment to our human team and the community that surrounds us**. We wish to make Natac an attractive environment in which to work by fostering equality, safety, and training, while we create value that is shared with the community that surrounds us, thus contributing to rural development, combatting depopulation and the demographic challenge, and our community's economic development.



Create quality employment by promoting equal opportunities.



Implement training programmes for our employees.



Promote and ensure our employees' health and safety.



Contribute to local development of the community that surrounds us.



OUR AIMS AND GOALS

It is essential for Natac to comply with the sustainable business model and with our orientation towards the creation of social, environmental and economic value for all our stakeholders.

For this reason, Natac's new sustainability strategy is based on 3 long-term strategic principles: **Trusted Partner, There is no Planet B and People**. These strategic principles determine our goals and the horizon of sustainability towards which we are heading.

The sustainability strategy was approved in 2022 and we are currently implementing specific objectives and projects in the medium-term, which will allow us to advance in our commitments to sustainability, and the results of which will allow us to communicate the evolution of our strategy.

Our upcoming projects include commitments such as **obtaining the acknowledgement from a certification firm that ratifies our strategy and to ratify the United Nations Global Compact**.

We hope to continue developing our strategy, responding quickly to the expectations of our stakeholders, new scientific ideas and emerging issues.



COMMITMENT TO OUR STAKEHOLDERS AND MATERIALITY ANALYSIS

Materiality analysis is an internationally used tool to identify the economic, environmental, and social impacts of companies and their value chains, which are critical to designing their strategy, decision-making, and defining the communication strategy both internally and externally.

Global Reporting Initiative (GRI) has recently published the 2021 update of its GRI standards. This update has represented significant changes to the process for materiality analysis.

In this new version, **the concept of materiality is understood to refer to the most significant impacts of an organisation**. The influence on the assessments and decisions of stakeholders is no longer an independent factor for determining whether an issue is material or not. The matrix disappears and the evaluation and prioritisation of impacts is established.

However, the 2022 Sustainability Report will be based on the materiality analysis carried out in 2021, by reason that work is currently underway for the adaption to the new GRI methodology. It should be noted that the correspondence tables have been updated to the contents of the new GRI version.

The steps taken to establish materiality are described below:

To begin the analysis, we identify the organisation's stakeholders, taking into account the degree of influence that each of them exerts on our work areas, as well as the capacity for our activities to impact them.

At Natac we have maintained a **close dialogue with our main stakeholders**, both internal as well as external stakeholders, **in order to assess our priorities in relation to sustainability** and to define our material issues, that the GRI standard defines as the issues related to sustainability that are considered important by the company and by the stakeholders thereof, and that have "a direct or indirect impact in the capacity of an organisation to create, maintain or distribute economic, environmental and social value for itself, its stakeholders and society in general. We have carried out intense discussions with clients, suppliers, local and regional administrations, investors, employees, the local community, etc.

Through said conversations, we have addressed a series of environmental, social and good corporate governance issues that cover, as far as possible, both the three pillars of sustainable development as well as the concerns of our environment. In order to select and



prioritise these relevant issues we took into account several internationally recognised benchmarks, such as the Principles of the Global Compact, the requirements established in Act 11/2018, on non-financial information and diversity, and other trends identified in the strategies of our clients that are most committed to sustainability.

The issues selected were then prioritised by our stakeholders (internal and external stakeholders), during a phase of **dialogue and active listening**. This exercise has represented a significant development within the process for the **strategic transformation of Natac**.

The main aim of this engagement is to strengthen the link with the people and groups in our environment, thereby establishing appropriate communication channels to ensure communications are direct and fluid, while at the same time **aligning our priorities with the environment that surrounds us and on which we have the greatest impact**.



ANALYSIS OF RELEVANT TOPICS AND MATERIALITY MATRIX

By cross-referencing all the results obtained in the stakeholder engagement stage, we obtained the **Materiality Matrix**, where we can glimpse the truly important topics among the ones which were initially selected.

These topics are known as material topics and

correspond to the strategic lines around which the details of our Sustainability Plan will revolve.

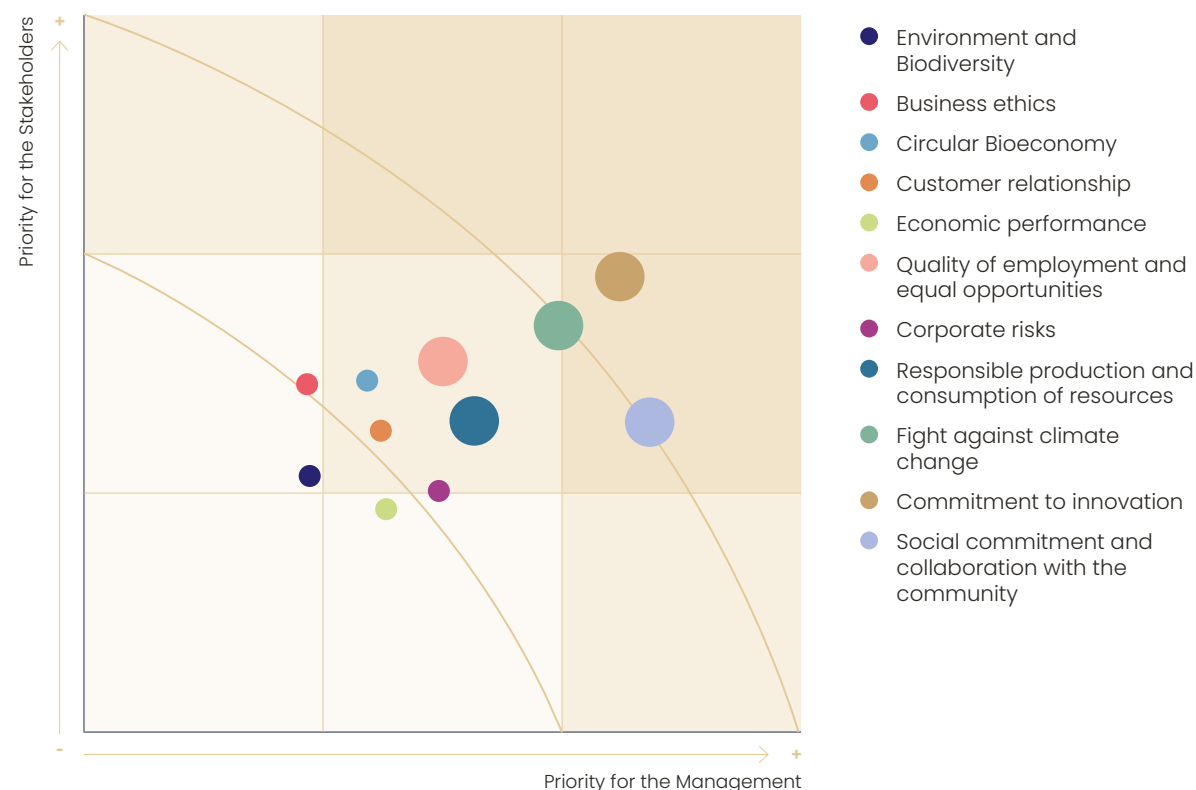
Material topics are any sustainability topics that were prioritised during the stakeholder engagement stage and validated by the company's management.

The topics which turned out to be material for Natac and on which we focus our sustainability strategy are the following:

1. Commitment to sustainable innovation.
2. Climate action and combatting climate change.
3. Social commitment and commitment to strategic partnerships with the local community.
4. Production and responsible resource consumption.
5. Creating decent, stable, and quality employment that is accessible to all under equal conditions.

Our sustainability strategy revolves around these material topics and involves the implementation of a Sustainability Policy that will be approved by our Board of Directors, in addition to setting out and implementing an action plan that allows us to move forward along this path. The sustainability strategy has been structured around three essential lines to achieve progress in material topics. These lines group together specific topics for which certain goals are set.

Three lines have been established upon which to develop the strategy, each having specific areas.



COMMITMENT TO SDGs

Natac firmly supports the fulfilment of the United Nations Sustainable Development Goals as a nexus between the public sector and a common framework to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda.

On 25 September 2015, the **United Nations General Assembly** unanimously approved the **2030 Agenda** for Sustainable Development, **an action plan that favours people, the planet, prosperity, and universal peace**. It contains 17 Sustainable Development Goals (SDGs) and 169 specific targets to be achieved by 2030.

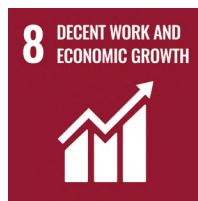
At Natac, **we are committed to working on fulfilment of the SDGs**, which constitute a common guide along the path to sustainable development. In order to achieve this, we have followed the guidelines set out in the SDG Compass, a tool developed by the UN that guides companies as to how they can align their strategies, as well as to measure and manage their contribution to the SDGs. **We conducted an in-depth analysis to locate our impact on the SDGs that are most closely related to our activity** and those on which we have the greatest impact. Over the course of the year, we updated this analysis and worked on aligning our impact with the strategy's lines and sustainability.



SDG 3 HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

- We produce healthy ingredients intended for the nutraceutical, pharmaceutical, and food industry that contribute to producing healthier food and products for the population. ^[1,2]
- We produce healthy bioactive extracts aimed at preventing and reducing the risk of many pathologies, thereby making a substantial contribution to people's health. ^[1,2]



SDG 8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

- At Natac, we grow every year and create value that is shared with our environment and our community. ^[1]
- We create decent direct and indirect employment that has a particular impact on rural areas and ensures equal opportunities. ^[3]
- We promote and drive full and productive employment, as well as decent work for all men and women, including young people and people with disabilities, as well as equal pay for work of equal value.
- We work on creating a safe work environment for our employees. ^[3]



SDG 9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Build resilient infrastructures, promote inclusive and sustainable industrialisation and foster innovation.

- We have a modern and sustainable production unit in the municipality of Hervás, (Extremadura, Spain) that promotes the circular bioeconomy, generates quality employment, and contributes to reindustrialising a rural area, and makes progress in the fight against the demographic challenge and depopulation. ^[3]
- Natac maintains a firm commitment to innovation as the driving force to achieve creative solutions and ensure sustainable growth. ^[2]

^[1] See **About Us** section.

^[2] See **Reliable Partner** section.

^[3] See **People** section.

^[4] See **There is no Planet B** section.



SDG 12 RESPONSIBLE PRODUCTION AND CONSUMPTION

Ensure sustainable consumption and production patterns.

- We contribute to reducing food waste by promoting a strategy of making full use of agri-food biomass. ^[4]
- We have developed a production model based on upcycling plant-based raw materials that generate value and decrease environmental impacts. ^[4]
- We have the organic product seal, which guarantees production with high quality and sustainability standards. ^[2]
- We have set the short-term goal of calculating our products' life cycle. ^[4]
- In 2022 we published the code of conduct for our suppliers, and we have called on them to move towards an ethical and responsible supply chain. ^[2]



SDG 13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

- We have calculated our carbon footprint and devised a medium-term reduction plan. ^[4]
- In 2022, we installed solar panels to reduce the consumption of fossil energy and to continue with our commitment to a renewable energy model. ^[4]
- We have made the commitment of moving forward towards zero waste in our process by seeking to valorise and make full use of our by-products and reduce waste generation. ^[2, 4]
- We envisage making full use of resources and agri-food biomass, which are currently underused, thereby reducing our environmental impact and contributing to a greener economy. ^[2, 4]
- In 2023, two measures will be implemented to minimise water consumption in our industrial activity, improving the cleaning system and the water recovery system.
- The environmental management system of the production unit located in the municipality of Hervás is certified in the ISO 14001 standard.



SDG 17 PARTNERSHIPS TO ACHIEVE THE GOALS

Strengthen the means of implementation and revitalise the global partnership for sustainable development.

- Natac is a member of associations and working groups aligned with the SDGs and sustainable development. These forums involve the creation of synergies that are a catalyst for a fair and sustainable transition. ^[1]
- We have an ecosystem of partnerships with over 100 public and private institutions with which we have developed innovative national and international projects. ^[1, 2]

^[1] See **About Us** section.

^[2] See **Reliable Partner** section.

^[3] See **People** section.

^[4] See **There is no Planet B** section.

COMMITTED TO HUMAN RIGHTS

Natac Group is firmly committed to human rights, to the United Nations Global Compact and to the International Labor Organization, and the foregoing is set out both in its internal code of ethics as well as in its code of conduct for suppliers.

The code of ethics of Natac is applicable to its directors, managers and, in general, to all of the Natac staff, irrespective of their position or the place of work. On the other hand, the code of conduct for suppliers establishes the guidelines for ethical conduct and practices required of all supplier companies that work with us, so as to establish a strong commercial relationship in harmony with our principles and values. Accordingly, **Natac ensures that in all its areas of action, its relationships with people are fair, respectful and equal.**

At Natac we promote responsible, dignified work and we respect the human rights of all our staff. Each person has a unique value, and their contribution is essential for the team in which they work. For this reason, each employee is respected, and we do not allow any type of discrimination, whether based on age, religion, sex, race, sexual orientation or that violates human dignity. The company rejects and will penalise any type of abuse of authority or harassment that may occur within the company.

Likewise, all Natac suppliers, regardless of the country in which they operate, must respect the internationally recognised human rights set out in the “International Bill of Human Rights”, and the principles related to rights included in the eight Fundamental Conventions of the International Labor Organization, in accordance with the Declaration on Fundamental Principles and Rights at Work.

Suppliers’ responsibility to respect human rights requires that they prevent their own activities from causing or contributing to negative human rights consequences.

This responsibility implies for all suppliers that work with Natac that the following aspects must be guaranteed:

- Maintain with their staff labour practices consistent with international human rights regulations.
- Eliminate all forms of forced labour.
- Facilitate the freedom of association and collective bargaining of their employees.
- Avoid discrimination based on race, religious, political or trade union ideas, nationality, language, sex, marital status, age or disability.
- Treat all their employees with dignity and respect.
- Eradicate the use of child labour.
- Ensure that the working conditions and environment (among others: wages, working hours, maternity protection, promotion of a safe, alcohol-free and drug-free work environment, etc.) are consistent with applicable international labour standards, and that promote the highest degree of physical, mental and social well-being of their employees.
- Recognise and respect the rights of individuals belonging to vulnerable groups or indigenous peoples when the supplier’s activities take place in areas inhabited by these groups.

Accordingly, Natac promotes the relationship between people based on mutual respect, tolerance, cordiality and solidarity. We must all comply with the law, act with integrity and honesty in all respects, and we must take responsibility for our actions.



RELIABLE PARTNER

4.1 OUR GOALS AND ACTIONS

4.2 OUR PRODUCTS

4.3 OUR QUALITY CERTIFICATIONS

4.4 BOOSTING TRACEABILITY IN
OUR SUPPLY CHAIN

4.5 BOOSTING THE SUSTAINABILITY
IN OUR SUPPLY CHAIN

4.6 SUSTAINABLE INNOVATION

4.7 TECHNOLOGICAL CHALLENGE
AND VALUE PROPOSAL

4.8 DIGITALISATION



OUR GOALS AND ACTIONS

We are committed to the sustainable development of our surroundings and have set ourselves the goal of **becoming a trusted partner for our customers, suppliers, and other stakeholders** by ensuring the production of safe high-quality ingredients, while at the same time fostering sustainability across the entire value chain.

GOAL	ACTIONS	TIME SCALE
Guarantee the supply, quality and safety of our products	Establish strategic partnerships and long-term agreements with suppliers to ensure the supply of raw materials.	Since 2021
	Store key raw materials to ensure supply.	
	Maintain benchmark quality and safety standards that certify the quality of our products.	Constant commitment since 2014
	Implement the exclusive HABOID system developed by Natac to analyse the potential risks of raw materials.	Since 2016
Promote ESG sustainability across the entire Natac supply chain	Disseminate the code of conduct for suppliers and promote the adhesion and implementation of the terms thereof.	Constant commitment since 2022
	Consider ESG aspects when screening suppliers.	
	Promote collaboration with suppliers that have been awarded sustainability and quality certificates.	Since 2022
	Increase the proportion of raw materials produced in a sustainable way.	
	Foster transparency across the entire supply chain.	
Promote innovation and digitalisation as drivers for sustainable development	Promote R&D through new collaboration projects.	On-going commitment since 2010
	Disseminate and convey the outcomes obtained by driving the transfer of technology.	Since 2012
	Contribute to digital transition within Natac and in our surrounding environment.	Since 2021

OUR PRODUCTS

We offer an extensive catalogue of innovative high-quality natural extracts.

- We only work with the best raw materials whose botanical identity has been guaranteed through the **HABOID** system.
- We use the most advanced extraction technologies.
- We manufacture by fulfilling the strictest food quality and safety standards.
- We offer innovative products like our **Full Spectrum®** extracts.



BIRCH

Betula pendula L.

Polyphenols	4%
Hyperoside	2.5%



ARTICHOKE

Cynara scolymus L.

Cynarine and derivatives	2 - 5%
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SAFFRON

Crocus sativus L.

Safranin	3%
Crocins	7.5%



MILK THISTLE

Silybum marianum (L.) Gaertn

Silymarin (HPLC)	50%
Silymarin (UV)	80%



HORSE CHESTNUT

Aesculus hippocastanum L.

Escin	16% and 20%
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HORSETAIL

Equisetum arvense L.

Silica	2%, 7% and 10%
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DANDELION

Taraxacum officinale Weber

Root

Inulin	20%
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Aerial part

Phenolic compounds (as luteolin-7-glucoside)	2%
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EQUINACEA PURPUREA

Echinacea purpurea (L.) Moench

Chicoric acid and derivatives	4%
Polyphenols	4%



POMEGRANATE

Punica granatum L.

Punicalagins	20 - 40%
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GUARANA

Paullinia cupana Kunth

Caffeine	1.5%, 10% and 22%
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FENNEL

Foeniculum vulgare Mill.

Anethol	0.25% and 1%
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HOPS

Humulus lupulus L.

Prenylated flavonoids	3.5%
Xanthohumol	2.5%
Bitter acids	10%



LEMON BALM

Melissa officinalis L.

Rosmarinic acid	5%
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OLIVE

Olea europaea L.

Leaves

Oleuropein	20 – 40%
Triterpenic compounds	30% and 70%

Fruit

Hydroxytyrosol and derivatives	1.5%, 10% and 20%
Maslinic acid	6% and 25%



NETTLE

Urtica dioica L.

Leaves

Ratio	5:1
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Root

Silica	2%
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PASSION FLOWER

Passiflora incarnata L.

Flavonoids	2%, 3.5% and 4%
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RHODIOLA

Rhodiola rosea L.

Rosavins	3% and 5%
Salidroside	1%



SAGE

Salvia officinalis L.

Polyphenols	4%
Rosmarinic acid	2.5%



SOY

Glycine soja Siebold & Zucc

Isoflavones	40%
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RED CLOVER

Trifolium pratense L.

Isoflavones	8% and 20%
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VALERIAN

Valeriana officianalis L.

Valerenic acids	0.3% and 0.8%
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GRAPEVINE & WINE

Vitis vinifera L.

Grape (whole fruit)

Polyphenols	80%
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Seed (Kosher Certificate)

Proanthocyanidins	95%
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Skin

Polyphenols	30%
Anthocyanins	2%

Wine

Polyphenols	30%
Red wine powder	

Also Ginger, Wild Yam, Marshmallow, Chamomile, Green Coffee, & many more!

OUR QUALITY CERTIFICATIONS

Since 2022, all of the quality certifications required by our clients have been maintained which, at the same time, certify our commitment to the quality and safety of our products. Namely, the standards **FSSC 22000**, **FAMI-QS** and **ISO 22716** and we have also obtained the **Halal** and **Kosher certifications**.

One of the fundamental milestones this year has been obtaining the **environmental certification ISO 14001** at our production plant of Hervás. This consolidates our commitment to the environment and the manufacture of sustainable products. With this new certification, we provide a clear response to our stakeholders in relation to our legislative compliance in respect of the environment.



Eco-certification ensures that products have been produced or made by following **ecological agriculture standards and that they have been checked throughout the production, preparation, packaging and marketing process.**



The FSSC 22000 **certificate certifies the effectiveness of food safety management.** This internationally recognised certification endorses us for the "Extraction, purification, drying, grinding, homogenisation, standardisation, blending and packaging of plant extracts (in liquid or powder form) for their use in food products and nutritional supplements".



The certificate ISO 14001 **ratifies the efficacy of the company's environmental management**, promotes environmental protection and the prevention of pollution from the perspective of the required balance between socio-economic factors. This internationally recognised certification ratifies the company's activities for the "Extraction, purification, drying, grinding, homogenisation, standardisation, mixing and packaging of plant extracts (liquid or powder) for use in food products and nutritional supplements".



The ISO 22716 standard is a good manufacturing practices (GMP) standard for the cosmetics manufacturing industry and sets out the basic principles for the implementation of GMP at a facility which produces finished cosmetic products. By means of this certification scheme, **the safety of cosmetics is ensured through a quality management system.**



FAMI-QS is a code aimed at **ensuring the safety, quality and legal compliance of animal feed.** The scope of our certification covers "Development, production, and marketing of premixtures and additives (flavourings) in the animal feed sector".



Halal and Kosher seals. Halal certification is a process which **ensures the characteristics and quality of products according to the rules laid down by Islamic Council**, while the Kosher seal certifies that the food it refers to meets the requirements of **Jewish Law**.

BOOSTING TRACEABILITY IN OUR **SUPPLY CHAIN**

Our raw materials are medicinal and aromatic plants, as well as other kinds of agri-food biomass which we use as the starting point in our production processes. Our procurement strategy is based on weaving **strategic partnerships with our suppliers**, thereby favouring access to nearby raw materials to the extent possible and attempting to ensure **traceability to source**.

Our suppliers must successfully undergo a **stringent screening process** in which they certify the quality and safety of our raw materials.

Furthermore, at Natac we have developed a quality assurance and control system for raw materials called HABOID (Hazard Analysis Botanical Identity). This system allows us to analyse traceability in our supply chain, and it is based on understanding how these resources were obtained (crop characteristics, associated risks, etc.). On the basis of these aspects, we carry out a classification of plants, among which we **differentiate those posing a low risk from those posing a medium and high risk. Based on this classification, we then subject the raw materials to a list of analyses in keeping with each risk level.**



BOOSTING THE SUSTAINABILITY IN OUR **SUPPLY CHAIN**

In an increasingly globalised world in which raw materials are shipped across long distances and pass through the hands of many players until they reach their final destination, one of the main challenges today is to **ensure the sustainability of the supply chain**. Natac has already incorporated the ESG (Environmental, Social and Governance) criteria in our supplier validation questionnaires. Nonetheless, we have set ourselves the fundamental goal of expanding this information and supporting and strengthening our suppliers so that they incorporate sustainability into their management on a day-by-day basis.

For said purposes, in 2022 a **"Code of Conduct"** for suppliers was approved and we have called on our main suppliers to sign it and comply with the terms. Moreover, we will include the ESG criteria in the supplier assessment criteria.

4.5 BOOSTING THE SUSTAINABILITY IN OUR SUPPLY CHAIN



SUSTAINABLE INNOVATION

Innovation is an essential element for Natac, which serves as a basis for attaining a differentiated sustainable model for the company.

Natac has taken part in and led more than 40 R&D projects with both national and international funding

since it was founded. Eight European projects from the H2020 call and a project of the SME Instrument programme ([AQUOLIVE project](#)), which funds Europe's most innovative companies, stand out. The company has also published over 20 scientific papers and holds nine patents.

Natac has made a great effort in R&D ever since it was founded and has now reached a **high level of technological maturity after having developed a wide range of differentiated innovative products.**

This innovation-based model allows the company to maintain product sales over time by combining already developed products with innovative products that join or replace other products. The project is therefore viable in the medium term since the spirit of "continuous innovation" allows the company to keep up with market trends.

CURRENT LINES OF RESEARCH

Natac is currently working intensely on five lines of research that are closely aligned with the company's strategy of seeking a sustainable model and in which traceability and quality are its hallmarks.

In this regard, Natac is working on **five strategic lines** for the company in R&D matters:

1. UPCYCLING AGRI-FOOD BIOMASS:

This has been one of Natac's strategic lines since it was founded. Natac starts off by assessing and understanding the supply chain. More specifically, it analyses agricultural and industrial processes that use botanical resources to understand which stages in the production process render the potential to exploit its biomass.

2. DEVELOPMENT OF MEDICINAL PLANT CROPS:

As part of Natac's responsible supply strategy, work is being done on developing an agricultural industry which cultivates medicinal plants that can serve as raw materials for the development of healthy ingredients. The aim is to develop a sustainable and traceable supply system.

3. TOWARDS ZERO WASTE:

Natac is kicking off this strategic line by focusing on the exploitation of the by-products we generate. We are currently working on designing strategies aimed at the full use of these resources to ensure the sustainability of the value chain and make the most of the materials used.

4. NEW HIGH-VALUE APPLICATIONS:

This line covers the projects aimed at developing the necessary scientific support that backs the marketing of certain innovative products.

5. STRATEGIC PRODUCTS/PROJECTS:

This line groups together projects which occupy a prominent place in Natac's strategy due to their uniqueness and market potential. It has to do with developing high-potential products, for which individual strategic projects are designed.



R&D AND INNOVATION PROJECTS

During this year, Natac has continued to work on the strategic lines established in the year 2021.

OLEAF4VALUE

OLEAF4VALUE PROJECT

“Olive leaf multi-product cascade based biorefinery: from an under-used biomass in the primary sector to tailor-made solutions for high added value international market applications”.

During the first 18 months of exhaustive work, OLEAF4VALUE has progressed significantly in each stage of the projects' development. Hereinbelow, we set out the main developments and achievements:

SMART DEVELOPMENT OF THE SUPPLY CHAIN: from underexploited biomass to standardised raw materials.

This stage served to examine the state of olive farms and the identification of the most suitable biomass suppliers. The samples were characterised in the laboratory and in the field, with portable spectroscopic instruments. An important activity was the systematic analysis of residual flows from the leaves, which

provided detailed quantifiers of the potential resources available for the biorefinery.

MAIN RESULTS: the activities mentioned hereinabove demonstrated that the supply chains of olive leaves vary fundamentally in the different regions represented in the OLEAF4VALUE project team. The amount of biomass available to biorefineries varies depending on the tree species, the pruning/harvesting methods, the waste handling, and the period of storage.

MULTI-VALUATION ROUTE: from standardised raw materials to fractions of added value and bioproducts.

This stage is focused on the development of the descending process routes through which the olive leaf raw material will pass. The partners involved in these actions have begun to draw up the subsequent processing schemes of the smart biorefinery to convert the olive leaf biomass into various products with high added value. The biorefinery will be equipped with a smart optimisation tool, a computer program that guides the subsequent processing of each batch of olive leaf towards different end products, taking into account the composition and the market demand at any given time.

MAIN RESULTS: one of the main achievements to date is that a total of 15 products have already been created in this phase, thereby fulfilling our first goal.

POST-EXTRACTION TECHNOLOGIES: from the fractions

extracted to tailor-made bioproducts with high added value.

In this phase, project partners have developed different formulations for oral administration and other molecularly imprinted polymers to aid the production of tailor-made bioproducts from various olive leaf extracts. Moreover, from minority molecules present in olive leaf extracts, new high-value molecules will be obtained (for the pharmaceutical, cosmetic and nutraceutical industries, and very difficult to obtain by chemical synthesis) and with excellent characteristics through biocatalysis, using recombinant microbial cells.

Main results: it has been demonstrated that it is possible to produce fractions rich in active compounds from complex olive leaf extracts containing these compounds. The formulations increased the solubility of the olive leaf compounds and demonstrated good stability at different temperatures and in simulated gastrointestinal fluids. In addition, it has been demonstrated that the production of new molecules derived from those present in olive leaf extracts is cost efficient.

THE ROAD TOWARD MARKETING

During this stage, the solubility of the olive leaf extracts that are available have been assessed and large concentration ranges have been applied in various experiments. For its application in cosmetics, the extracts were encapsulated in different formulation tests.

MAIN RESULTS: partners agree that, so far, there appears to be promising health benefits from various olive leaf extracts. However, there is still a lot to do and to learn over upcoming months.

Natac, at the forefront of sustainable innovation. During the year 2023, the most ambitious and innovative project that the company has faced since the construction of the new production unit in Hervás will begin.



SUSTAINEXT PROJECT

“New generation dynamic multi-product zero-waste biorefinery for the sustainable production of healthy ingredients: Demonstrating an inspiring model from Extremadura to the European bioindustry”.

The ultimate purpose of the SUSTAINEXT project is to transform Natac’s current production plant, situated in Hervás, to the north of Extremadura, in **the most modern, digital, innovative and sustainable plant extract factory in the world**, and thereby placing the company and the region at the forefront of the global sector. The project, with a **budget of €22 million and a subsidy of €14 million**, shall be financed by the framework program of the European Commission, “Horizon Europe”, and in particular by the program *Circular Bio-based Europe Joint Undertaking* (CBE JU), the goal is to place Europe as a world leader within the circular bioeconomy. **SUSTAINEXT** belongs to the *Flagship* category of projects, the purpose is to promote the construction in Europe of large industrial

facilities with a high degree of innovation, that inspire the rest of the European industry.

SUSTAINEXT is the first project within this category that is granted in Spain, since the start of the program in 2014.

SUSTAINEXT is led by Natac and groups together a total of 21 partners within Europe and Spain, seven of which are in the Extremadura region. The project shall begin in July of 2023 and shall have a duration of four and a half years. In summary, the technological aim of the project is to implement at an industry scale a digital, dynamic, versatile, disruptive and multi-product biorefinery, with a processing capacity of 20,000 tonnes per year and following a *NetZero Carbon* strategy.

The project shall provide to the market a total of **46 botanically sourced** healthy ingredients, shall generate **revenue of approximately €271 million**, shall create more than **6,300 new green jobs** (1,500 direct and 4,800 indirect jobs), and shall have a decisive **socio-economic impact for Extremadura**.



TECHNOLOGICAL CHALLENGE AND VALUE PROPOSAL

The plant-based ingredients sector is a market dominated by manufacturers who still use processes designed in the 20th century: linear, single-product, and with high energy consumption. In this model, the raw materials are processed in a fixed way, regardless of their composition, to obtain a single product and discard the left-over biomass as waste. Although developments have been made toward more sustainable models, sustainability requires a **comprehensive approach that considers all of the different aspects of the production process**, from the raw materials to the end users.

SUSTAINEXT will industrially develop a single, smart, dynamic, disruptive and multi-product biorefinery, that **will transform the plant-based ingredients industry**.

This model, which is a pioneer within the sector, will make it possible to maximise the value obtained from the processed biomass through optimal cascading use of the raw material, with the aim of achieving **"zero waste" and "zero pollution" operations**, resulting in a biorefinery with improved environmental performance and maximum resource and energy efficiency.

The model is based upon the integration of the whole supply chain, from raw materials to end users, **applying a highly disruptive circular model based**

on a smart dynamic analytical biorefinery (DYANA). Each production process is optimised according to the initial composition of the raw material to offer maximum value with minimum environmental impact and guarantee resource efficiency. DYANA will allow the complete optimisation of the raw material processed with an objective of zero waste and zero emissions, and will develop 46 plant-based healthy ingredients.





DIGITALISATION

Over the past few years, the company has been undertaking a process of **digitalising production processes and operations** and also exploring the options provided by the new industry 4.0 model for the modernisation of the sector.

Natac is a company with a long-standing background in innovation which seeks to differentiate itself in the market through **two key strategies: R&D (Science to Market concept) and cost leadership**. Natac has likewise worked on the development of a **sustainable model which adds value and has a positive impact** on the three levels of sustainability: governance and the economy, social and environmental. Today the market is demanding high-quality, sustainable, innovative, and cost-competitive products, and Natac is working tirelessly to respond to these demands.

The system intends to incorporate IoT and AI sensor technologies to optimise processes and reduce costs, while at the same time incorporating sustainability criteria into the model and reducing the environmental impact of decision-making.

Natac is seeking to develop a technology that is able to take real-time decisions to ensure optimal management of the available resources to design an action route that minimises costs, optimises the use of available resources, and also takes into consideration sustainability criteria like waste generation, emissions, etc.

One of the innovation lines we expect will grow in the short term is the development of a smart integrated management system that **allows the company's production and operations to be maximised, thereby reducing production costs and maximising the use of resources**.

THERE IS NO PLANET B

5.1 OUR GOALS

5.2 CIRCULAR BIOECONOMY-BASED MODEL

5.3 TOWARDS CARBON NEUTRALITY

5.4 WATER MANAGEMENT: TOWARDS WATER NEUTRALITY

5.5 WASTE MANAGEMENT: TOWARDS ZERO WASTE

5.6 TOWARDS MAKING FULL USE OF PLANTS

5.7 WORKING FOR BIODIVERSITY



THERE IS NO PLANET B

At Natac, we seek to steer our business towards an environmentally sustainable model by **basing it on the circular bioeconomy** with the clear aim of reducing our environmental impact **through three specific measures:**

- **calculating and reducing our carbon footprint;**
- **opting for a production model based on the circular economy** through upcycling plant-based raw materials; and
- **progressing towards zero waste** by fostering the revaluing, recycling, and reuse of the by-products generated by our activity.

GOALS	ACTIONS	TIME SCALE
Implement environmental risk management tools and standards	Maintain the Environmental Management System ISO 14.001	Since 2022
Seek carbon neutrality	Update the greenhouse gas emissions (GHG) inventory according to the GHG Protocol and register the corporate carbon footprint at the National Carbon Footprint Registry of the Ministry for Ecological Transition and the Demographic Challenge.	Since 2021
	Design an emission reduction and offsetting plan, set quantitative targets aligned with the Science-Based Targets Initiative (SBTi), limiting the rise in temperature to 1.5°C and attempting to attain carbon neutrality by 2030.	Start in 2023
	Reduce energy consumption through energy efficiency actions at the facilities and in processes controlled by the organization. Increase renewable energy production and self-consumption (e.g. biogas, biomass, solar energy).	Since 2022
	Sustainable mobility. Analyse internal (employees, businesses trips, etc.) and external (suppliers, freight haulage, etc.) mobility habits and devise a sustainable mobility plan that allows the impacts of the value chain to be reduced.	
	Involve our supply chain to reduce emissions and energy consumption by establishing partnerships that enable suppliers' and customers' awareness to be raised, along with setting up collaborative projects.	
Apply the circular bioeconomy to our business model	Increase the number of upcycled plants.	On-going commitment since 2011
	Increase the tonnes of upcycled biomass.	
	Calculate the carbon footprint of key products based on the Life Cycle Assessment (LCA) approach to analyse and minimise the cradle-to-cradle impacts generated.	Start in 2023
Improve natural resource and waste management	Declare the company as Zero Waste by attaining zero waste through solutions which allow us to recirculate all our by-products and recycle the waste we generate, thus avoiding their disposal to landfill sites.	Started in 2021
	Efficient water management at facilities and in processes through an analysis of direct and indirect water resource consumption (Water Footprint), preventing leaks, improving efficiency and promoting water reuse and regeneration.	Since 2022
	Foster biodiversity in our surroundings and responsible land use. Protect the ecosystem from pollution by encouraging carbon fixation (CO ₂ sinks) and promoting biodiversity protection/conservation.	Start in 2023

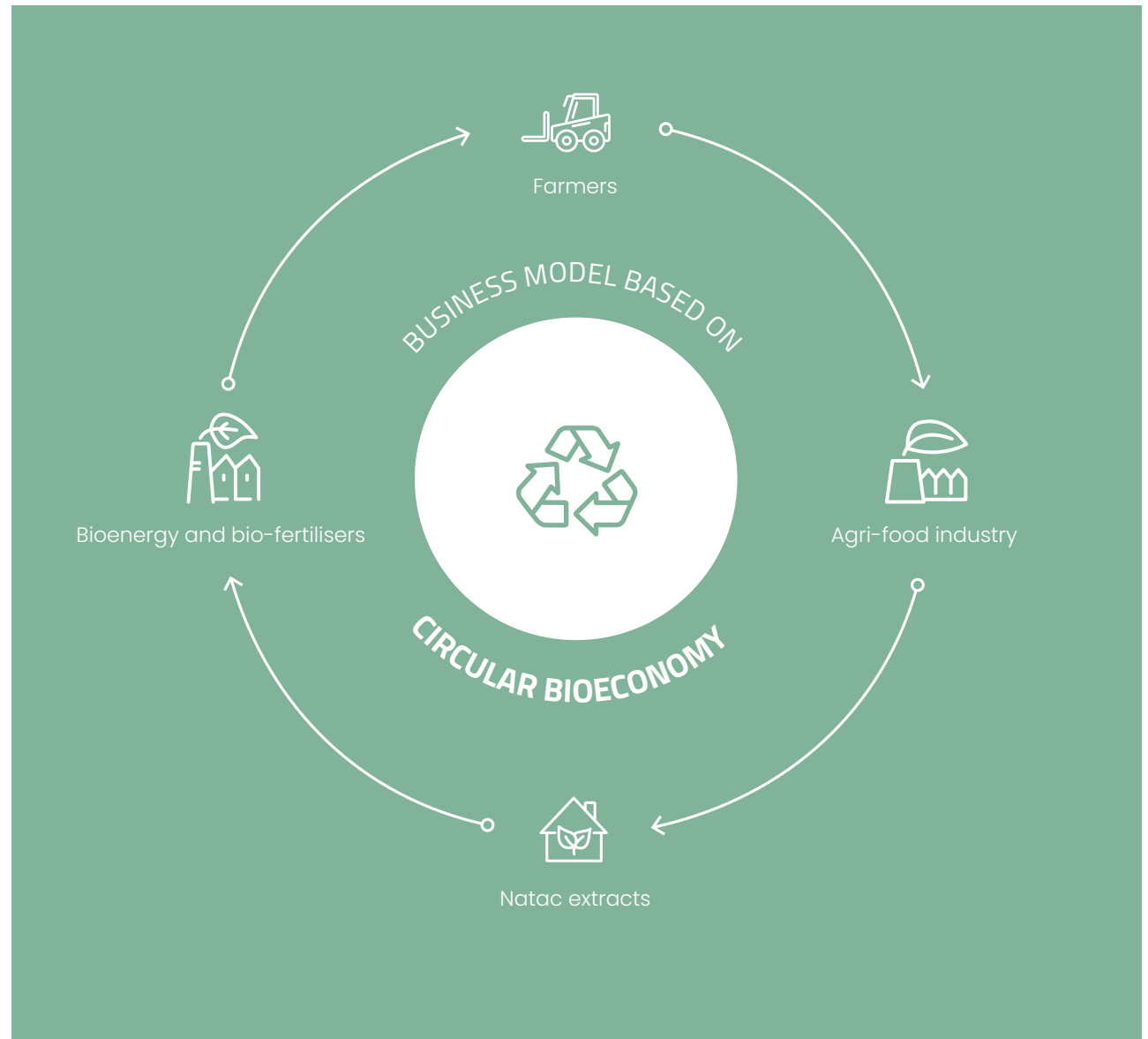


CIRCULAR BIOECONOMY-BASED MODEL

The main aim of this model consists of **preserving and regenerating the environment and optimising the health and the well-being of its inhabitants.**

We consider addressing this challenge as a duty at Natac and believe we are in an outstanding position to do so, since we have the necessary expertise to be able to obtain healthy ingredients from different raw materials. **We work on understanding how, when and where to act** and can count on a dedicated team that works closely **in conjunction with farmers and the processing industry**, studying processes, plants, soils, cultivation methods and anything that affects the supply chain at source in order to understand what should be done in each situation.

We have a firm commitment to design circular bioeconomy strategies to recover resources that are currently underused and turn biomass into a source of botanical extracts, **thus converting resources – which would otherwise be lost – into high-value ingredients that have a positive impact** on people's health, while generating a highly positive socioeconomic impact across the entire value chain.



Production based on upcycling raw materials: preserve and regenerate the Earth while optimising the health and the well-being of its inhabitants.

We start off by assessing and understanding the supply chain at source. More specifically, we analyse agricultural and industrial processes that use botanical resources to **understand which points in the production process have the potential for intervention and investment.**

The agri-food industry uses natural resources like water and soil minerals to produce fruit, vegetables, cereals, and plants. It is generally not known that **the fresh agricultural produce and agricultural produce processing industries generate between 25% and 60% of unused biomass;** in other words, material that accounts for a significant nutritional and economic loss, but which also can, if mismanaged, have a severe environmental impact.

If we do not use that production fully, we are underusing natural resources. We are also losing nutrients and, **depending on how that biomass is handled, it could even turn out to a source of pollution or nutritional waste.**

We believe that this not only goes against sustainability, but that it is unethical on several levels and must be addressed immediately. Natac is in an outstanding position to do so, since it has the **expertise required to understand what nutrients can be obtained from each plant.** We know how, when, and where to handle that biomass and can count on a dedicated team that works closely in conjunction with farmers and the food and beverage industry to study processes, plants, soils, cultivation methods, and anything that affects the supply chain at source in order to understand what should be done, when and how.

We undertake to design circular bioeconomy strategies for each plant and thus benefit of plant-based products not used in other processes as sources of botanical extracts, thereby turning resources — which would otherwise be lost — into added-value ingredients that have an impact on people's health.

2022 ACHIEVEMENTS

Olive biorefinery

In 2022, we continued to develop our sustainability model around the olive tree. This past year we maintained our use of olive leaves and the aqueous fraction that is generated during the process of obtaining olive oil.

We have recovered more than 900 tonnes of olive leaf, and we have tripled the use of the aqueous fraction of the olive tree, to fully utilise 7,000 m³ for the development of healthy ingredients (the equivalent of three Olympic swimming pools).



TOWARDS CARBON NEUTRALITY

In order to become increasingly efficient from an energy standpoint, at Natac, we are drawing up our road map to an **efficient production model focused on the use of renewable energies** and aimed at reducing fossil fuel dependence.

To establish our base scenario, in other words, the starting point towards improvement, **we have quantified all our consumption and greenhouse gas emissions** associated to each of our facilities and processes.

Aware of the ever-increasing levels of carbon dioxide in our planet, which reached record levels in 2019, we have embarked on a new project to quantify our **business's carbon footprint**, thereby reinforcing our commitment to the Paris Agreement approved in 2015, which aspires to strengthen the worldwide response to the threat posed by climate change by keeping the global rise in temperature this century well below 1.5 degrees Celsius with regard to pre-industrial levels.

As is evident, the use of energy is indispensable for the production of all our products. That is why **we avoid using traditional fuels which are a major source of emissions** and therefore place our planet under greater strain.

The quantification of our energy consumption shows us which of our processes contributes most significantly to global warming, thus allowing us to prioritise the measures that can help us mitigate their impact.

We use natural gas at our sites in Madrid and Hervás. As opposed to the use of traditional fossil fuels, this energy source contributes less gas emissions into the atmosphere and its polluting power is significantly lower as it entails a reduction in solid particle emissions. In spite of this, **we are working on the energy efficiency of our equipment in order to optimise our energy consumption**, as well as on a feasibility study on the use of other even more sustainable fuels.

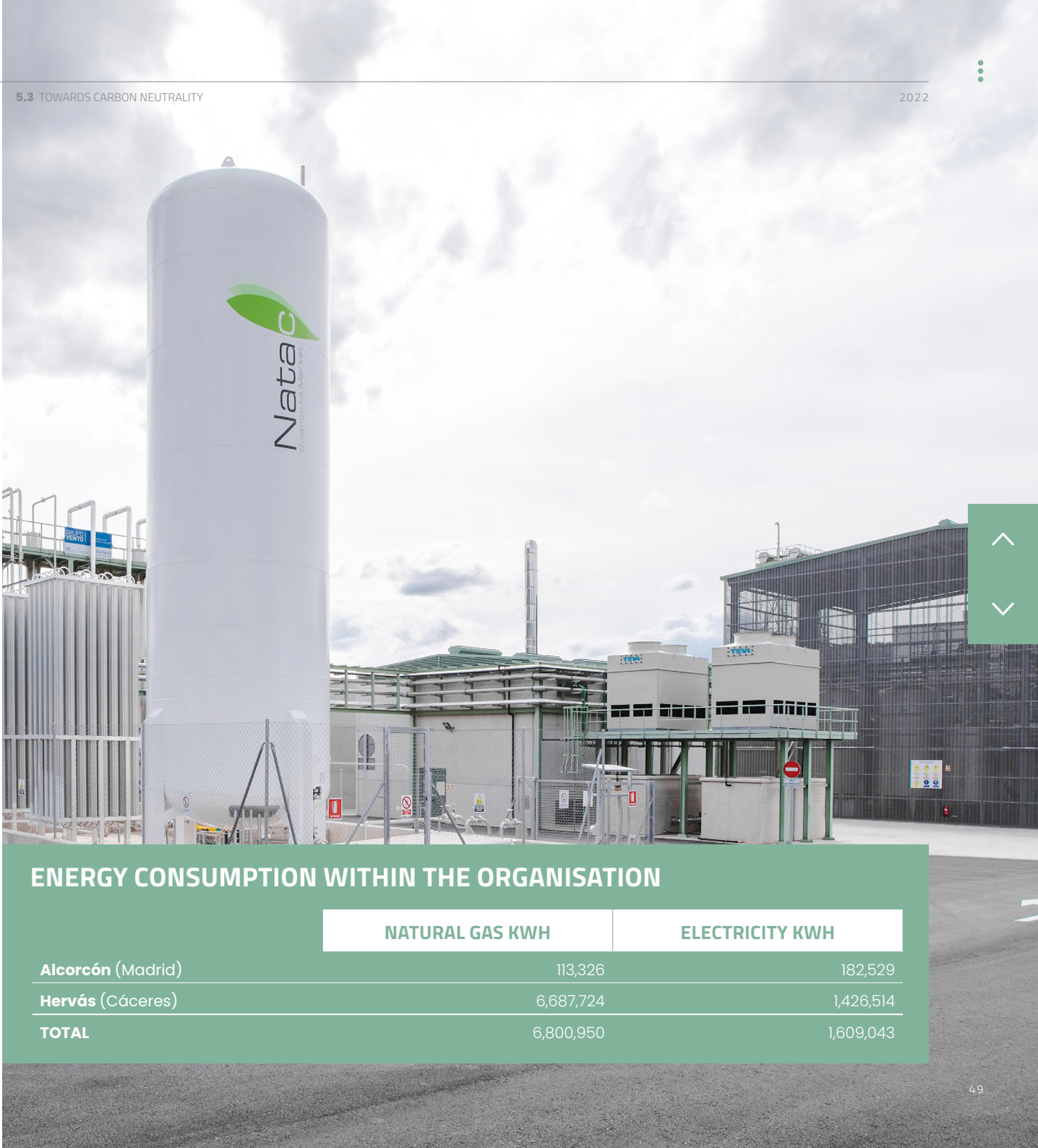
In all our facilities we require electricity, which is also associated with emissions of CO₂, which represents 25% of our carbon footprint. This percentage has dropped compared to the previous year, in which the electricity consumed accounted for 28% of our carbon footprint.

We are equipped with a green electric power supply at one of our facilities, which reduces its emissions to zero. We are currently studying the possibility of extending this type of certified energy to the rest of our facilities.

During the year 2022, a solar panel installation was implemented at our Hervás plant that produces approximately 536,000 kWh and has enabled us to reduce the consumption of electricity from non-renewable sources by about 45%.

This constitutes the most important milestone for Natac in 2022, since it reduces our dependence on external electricity, promoting self-consumption within our organisation and helping to reduce the amount of greenhouse gas emissions associated with the purchase of electricity. These types of actions aim to improve our carbon footprint, while keeping sustainability as our guiding principle in all of the company’s actions.

Hereinbelow, the results regarding energy consumption within the organisation are set out in a table, that includes the consumption of natural gas and the electricity purchased from electricity companies.



ENERGY CONSUMPTION WITHIN THE ORGANISATION

	NATURAL GAS KWH	ELECTRICITY KWH
Alcorcón (Madrid)	113,326	182,529
Hervás (Cáceres)	6,687,724	1,426,514
TOTAL	6,800,950	1,609,043

As far as the carbon footprint analysis is concerned, the methodology used is the GHG Protocol, or Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, a suitable standard to respectively protocolise and subsequently certify, if necessary, the calculation process and the results obtained by meeting all the requirements set forth therein.

At Natac, we have quantified direct GHG emissions from the facilities within our operational boundaries, along with indirect GHG emissions from electricity generation (Scopes 1 and 2).

The results of the carbon footprint calculation are shown below:



EMISSIONS GENERATED IN 2022 STATED IN T CO₂ e

		SCOPE 1		SCOPE 2
	FIXED SOURCES (NATURAL GAS)	MOBILE SOURCES (ROAD TRANSPORT)	HFCS	ELECTRICITY IN BUILDINGS
Alcorcón (Madrid)	20.6	3.96	-	41.98
Hervás (Cáceres)	1,220.16	2.53	-	370.89
		Other commercial travel: 3.85		
TOTAL	1,240.82	10.35	-	412.87
TOTAL OF EMISSIONS GENERATED IN 2022 STATED IN T CO₂ e 1,662.98				

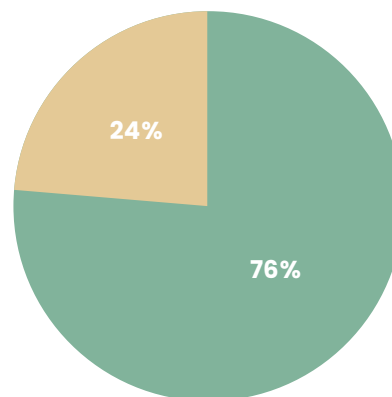
This calculation has allowed to design an Emission Reduction and Offsetting Plan that will serve as a guide for climate action and help us achieve Net Zero Emissions.

To grandstand the commitment and the efforts made, the **Natac's carbon footprint inventory for the year 2022** will be registered in the National Carbon Footprint Register of the Ministry for the Ecological Transition and the Demographic Challenge.



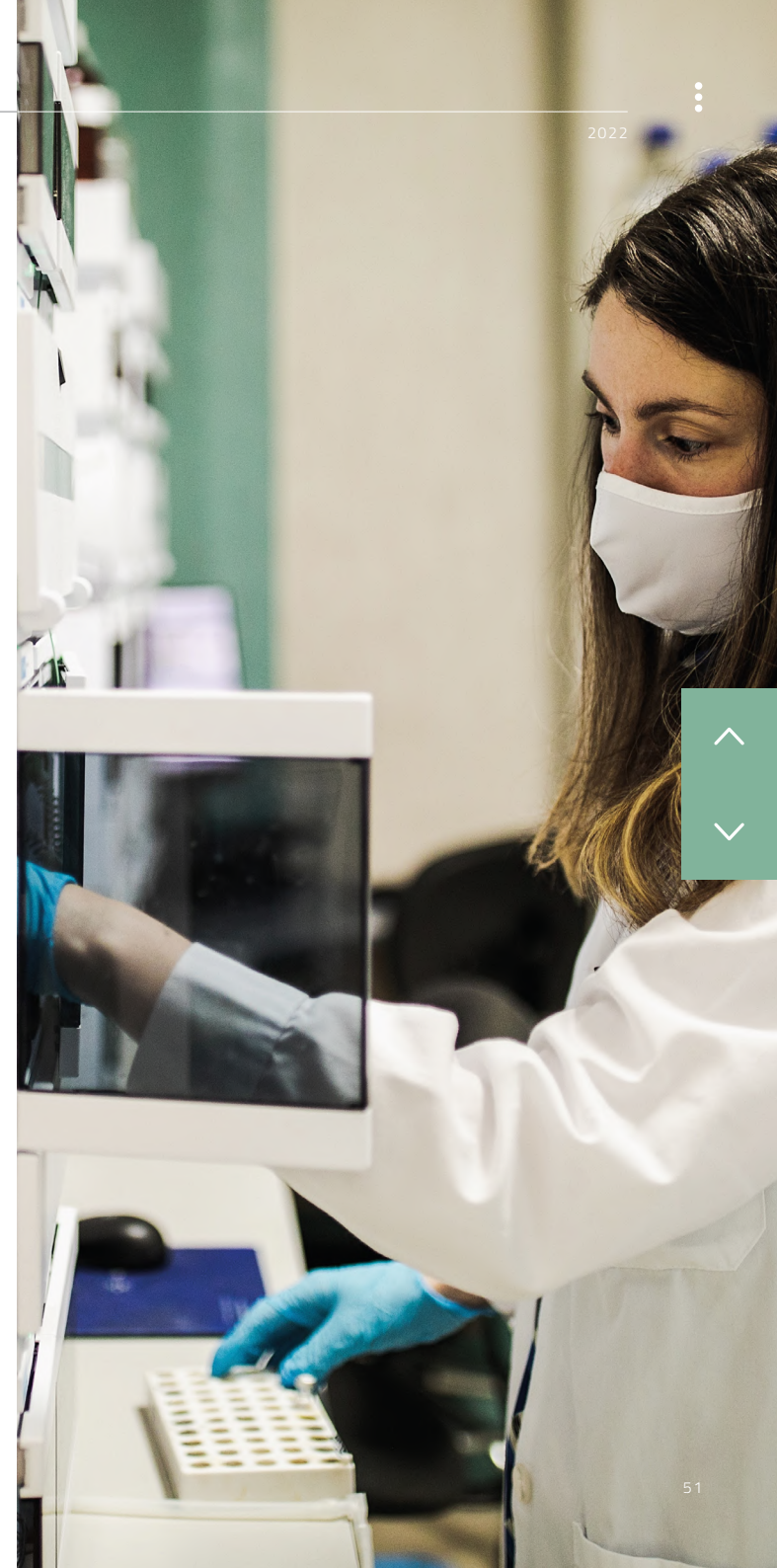
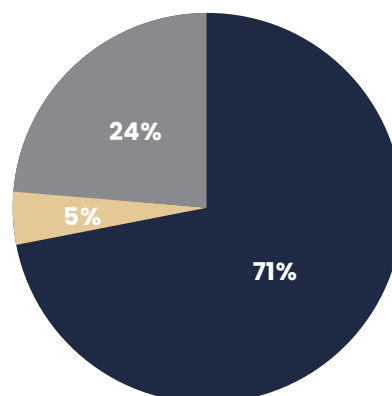
CARBON FOOTPRINT SCOPE 1+2 STATED IN T CO₂ e

- **Direct emissions**
(Scope 1)
- **Indirect emissions**
(Scope 2)



EXPRESSED EMISSIONS IN T CO₂ e

- **Fixed installations**
- **Road transport**
- **Building electricity**



WATER MANAGEMENT: TOWARDS WATER NEUTRALITY

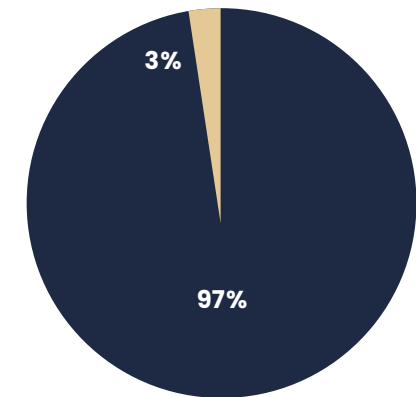
Water is of fundamental importance for us and for society as a whole. We are aware that it is a precious and scarce asset, and we are also aware of the need to manage it efficiently and responsibly. We are **beginning to measure the water footprint**, focusing for now on the direct consumption of water at our facilities. In 2022, we consumed a total of 15,298 m³ of water, mostly at our production plant.

Most of our wastewater is made up of “clean” sanitary water that is discharged into the public sewer network. The rest of the wastewater is comprised of cleaning and processing water, which is managed internally at a wastewater treatment plant until it reaches the level required for discharge.

At Natac **we are working to design processes that optimise the use of water**, by recovering and recirculating water through different production processes to optimise our water use. During the year 2023, improvements will continue to be made in this field.

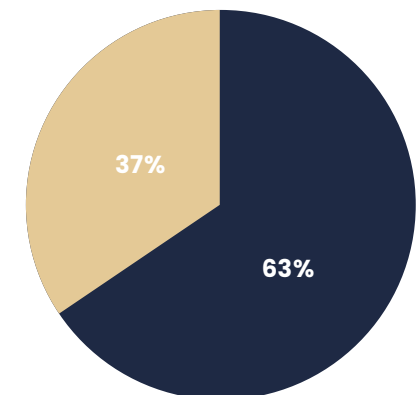
WATER CONSUMPTION BY CENTRE

- Hervás Plant
- Alcorcón



WATER MANAGEMENT

- Municipal management
- Industrial water treated at wastewater treatment plant (EDAR)





WASTE MANAGEMENT: TOWARDS ZERO WASTE

Since 2022, we have begun to measure our waste production and we have started to find an outlet for our waste product following the 3R principles: **reduce, reuse and recycle**.

At Natac, we are working on attaining **zero waste by designing strategies aimed at reusing and recovering** our side streams.

- Our main industrial waste consists of extracted plants. These plants are treated by us to recover water and alcohol residues, which we use in our extraction processes. Since June, clean plants have been managed by a company with which we have reached a collaboration agreement. Said company carries out a composting process so that the nutrients return to their origin.
- In 2022, we implemented enhancements for the recycling of office waste: paper, printer cartridges, batteries, plastic, cardboard, etc.
- Our hazardous waste mainly comes from the waste generated at our R&D and quality control laboratories. This waste is managed through certified managers.
- We are developing research projects aimed at developing processes to maximise the use of the side streams from plants, which are our main raw material.

TYPE OF WASTE	AMOUNT PRODUCED (KG) 2022	%
HAZARDOUS WASTE (laboratory)	4,100	1%
Certified management	4,100	
NON-HAZARDOUS WASTE	422,420	99%
Recycling (Paper)	5,740	
Compost (since June 2021)	416,680	

TOWARDS MAKING **FULL USE** OF PLANTS



OLEAF4VALUE

The OLEAF4VALUE project kicked off in July 2021. It is coordinated by Natac and involves the participation of sixteen partners, including: six Research and Technology Organisations (RTOs), seven small and medium-sized enterprises (SMEs), and three large enterprises (LEs) from nine different countries (Germany, Italy, the Netherlands, Norway, Portugal, Slovenia, Spain, Switzerland, and the United Kingdom).

The project's main aim is to lay the groundwork for the **creation of an olive leaf biorefinery based on an original pioneering concept: a smart dynamic biorefinery having several valorisation routes** (Smart Dynamic Multi-Valorisation-Route Biorefinery – SAMBIO) for the cascade-based valorisation of

OLIVE

OLEAF4VALUE PROJECT

“Olive leaf multi-product cascade based biorefinery: from an under-used biomass in the primary sector to tailor-made solutions for high added value international market applications”.

<https://oleaf4value.eu/>

olive leaf biomass according to its physicochemical composition, specially modulated by specific pre-treatments to produce high-value products.

We expect to improve the full use of olive leaves and move forward along the path to zero waste through this project.

This project has received funding from the Bio-Based Industries Joint Undertaking under the European Union's Horizon 2020 research and innovation programme under grant agreement n° 101023256.



Horizon 2020
European Union Funding
for Research & Innovation



ARTICHOKE

The artichoke is a plant of the genus *Cynara* widely used as food and for its healthy properties. As part of its waste optimisation strategy in 2022, Natac established a **strategic alliance for the recovery of artichoke leaves that are produced during the industrial processing** of this raw material.

In 2022 Natac recovered 24,226 kg of artichoke biomass.

Natac has used **7,925 tonnes** of upcycled raw materials in 2022.

WORKING FOR BIODIVERSITY

We are aware of the close link between Hervás and its residents to the nearby mountain range, which **has recently been declared a protected landscape due to its unique nature and environmental wealth**. Located in Natura 2000 network territory, it has a long-standing tradition that dates back to 1264, when it was awarded to the town. Local residents have earned their living from the mountains and have ensured their protection ever since Hervás was founded. Aware of the limitation of resources from the environment, they have been able to make sustainable use of the forest. Thus, the forest has been able to continue creating wealth and resources for its inhabitants, who have been able to continue making houses, furniture, etc. from the wood the forest produces.

Preserving biodiversity and protecting the environment are as important as ensuring a good product for our customers and offering them a good service.

Natura 2000 is a European ecological network comprised of biodiversity conservation areas. It consists of Special Areas of Conservation (SACs) established in accordance with the Habitat Directive and Special Protection Areas for Birds (SPAs) designated under the Birds Directive.

Its purpose is to ensure the long-term survival of species and types of habitat in Europe by helping to halt the loss of biodiversity. It is the main nature conservation instrument in the European Union.

The plot where the production plant is located is near the Granadilla SPA (ES4320013), although no part of the plot is located within said SPA.

Well aware of the value (natural capital) of the ecosystem of which we are part, we wish to promote sustainable tourism and the area's economic development, while at the same time protecting the fauna and flora of the Ambroz Valley.



PEOPLE

6.1 A GOOD PLACE TO WORK

6.2 NATAC, A SAFE ENVIRONMENT FOR ITS WORKERS

6.3 COMMITTED TO THE DEMOGRAPHIC CHALLENGE

6.4 COLLABORATION WITH THE COMMUNITY



PEOPLE

For Natac Group, **its employees are its most important asset**. What's more, we firmly believe that a large part of the company's success resides in their professionalism and dedication. That is why both the Human Resources department and the entire company work to make Natac a pole of attraction for talent, providing our teams with the best work environment in all the group's locations and by giving the company's staff the opportunity to grow professionally.

Our commitment is demonstrated by our firm dedication to create a **stable and long-term employment**, and the company offers permanent employment agreements for new staff from the very beginning, rewarding talent at its fair value.

Teamwork and a collaborative spirit are part of our way of doing things. **Natac grows internationally**: from our office in the USA, to our recently added **new office in Singapore**. In Spain the company has work centres in Madrid, Cáceres and Córdoba. However, we continue to consider ourselves a single **intercultural and multidisciplinary team**, and we encourage interaction and mutual enrichment, and we even meet all together in person at least once a year.

This multinationalism is not an obstacle to maintaining our commitment to the local and rural communities from which part of our raw materials come or where we have chosen to locate our manufacturing facilities.

We maintain the objectives and goals that we established from the very beginning in the section of social sustainability that we call PEOPLE, as well as the advances in some areas of work:

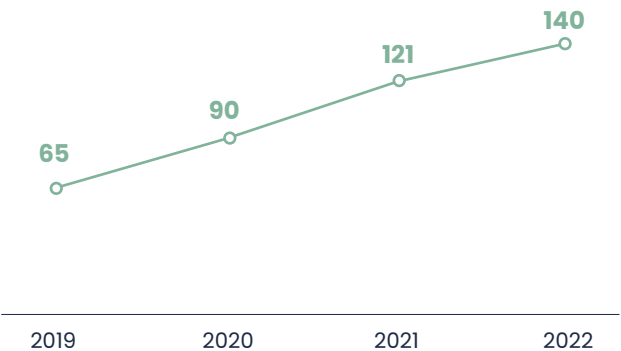
GOAL	ACTION	TIME SCALE
Attract and retain talent by creating an attractive place for our employees	Stable job creation.	On-going commitment since 2010
	Promote equal opportunities in human resource management.	
	Negotiation with the trade union representatives of the Equality Plan.	Since 2022
	Ensure decent working conditions.	On-going commitment since 2010
	Social benefits.	
Ensure health and safety in our workplaces	COVID prevention plan.	Since 2020
	Emergency plan.	Started 2021
	Zero serious accidents target.	Since 2020
	Prevention training plans.	Started 2021
Design a training and capacity building programme for Natac employees	Develop training programmes.	Started 2021
	Foster recruitment and training of PhDs.	Since 2012
Collaborate with the local community	Create quality jobs in rural areas.	Since 2011
	Develop collaboration programmes with the local community.	Started 2021
	Promote innovative projects with local players in Natac's environment.	
	Promote close collaboration with farmers and raw material suppliers.	Start 2022
	Promote training and talent programmes in the community to foster Natac's values (contests, awards, etc.).	



A GOOD PLACE TO WORK

We continue to grow and create quality employment: **Over recent years, our workforce has grown considerably**, in harmony with the growth of our business, **and has gone from 65 people in the year 2019 to 140 people by the end of the year 2022.**

WORKFORCE



We are a young company with an average staff age of 38.21 years, and over the past three years, we have hired over 10 workers over the age of 50 years.

DECENT QUALITY EMPLOYMENT

We comply with the laws and regulations in force regarding labour compensation and we ensure that employees receive an adequate salary. We comply with international protection regulations regarding labour protection and working hours.

At Natac **we work toward creating quality employment**, not only by offering a permanent employment agreement but also by offering adequate compensation. Thus, the average salary at Natac is more than three times the minimum salary in Spain and 45% higher than the average salary in Spain. Moreover, in 2022, **100% of our new staff were hired on a permanent basis.**



DECENT QUALITY EMPLOYMENT

We are a multicultural team, formed by workers in Spain, the United States and Singapore, and we are fully committed to generating decent, quality employment with equal opportunities. The following table sets out the staff that form part of the Natac workforce by gender, age range and job category. The information that appears in the table is prepared with average workforce data for the year 2022.

We are committed to equal opportunities in our hiring policy. Currently, the Natac workforce is comprised of 140 people, of which 96 are men and 44 women. Although the majority are men, this data is strongly influenced by the industrial department, which represents more than 52% of the Natac workforce and that contains a high number of factory workers, a significantly male group.

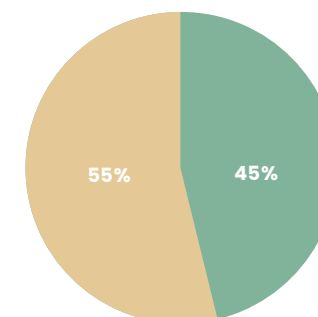
It is worth mentioning that if we take the rest of the departments as a benchmark, which are also made up of **highly skilled jobs, the distribution by gender is practically identical**, with slightly more women, that represent 55% as compared with 45% male staff.

Women involved in decision-making. The Management Committee is comprised of a majority of women, who account for 57% of its members.

As a final note in this section regarding equal opportunities, it is also worth mentioning our **commitment to the labour inclusion of disabled persons.** Due to the type of activities that Natac carries out, we have a certificate of exceptionality that certifies that the company is not able to comply with the workforce requirement of 2% of workers with disabilities, as required by law, but even so, we strive to make our contribution in this respect, as **we work with special employment centres that promote the labour insertion** of disabled persons. Accordingly, we work hand in hand with companies that provide us with different types of services and that have a percentage of their workforce made up of disabled persons.

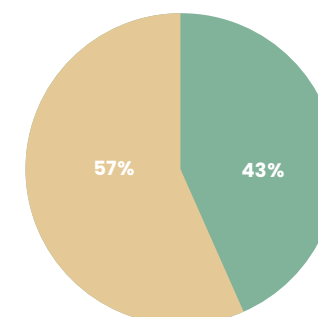
DISTRIBUTION BY GENDER IN HIGHLY QUALIFIED POSITIONS

■ Women
■ Men



MANAGEMENT COMMITTEE

■ Women
■ Men



	<30		>=30 Y <50		>=50		TOTAL		
	M	H	M	H	M	H	M	H	TOTAL
Professional Category 1	0	0	5	1	1	5	6	6	12
Professional Category 2	8	6	23	35	1	7	32	48	80
Professional Category 3	0	3	5	36	0	2	5	41	46
TOTAL	8	9	33	72	2	14	43	95	138

Our commitment to generating decent, full, productive employment with equal opportunities always seeks to go one step further, which is why we are currently studying how to advance and collaborate more directly with the generation of employment for disabled persons in our group.

FAMILY RECONCILIATION

At Natac, we care about the work/life balance of our staff, so that all of them have peace of mind and a personal balance between their work and professional lives. As set out in our internal code of ethics, the people that form part of our company are the key component around which all of Natac's activity revolves; by reason that every employee has a unique value and their contribution is essential for the team in which they work. Thus, **Natac provides its staff with employment conditions that are compatible with an adequate work/life balance**, thereby improving both the quality of life of all staff as well as their personal satisfaction, together with their efficiency, productivity and professional fulfilment.

In this regard, it is noteworthy to mention within Natac the work/life balance associated with maternity and paternity leave, where Natac provides its workers with the conditions and facilities to satisfy their needs and personal situations. The following table sets out the data for the year 2022.

	WOMEN	MEN
Workers who have had children during the year	2	6
Workers on paternity/maternity leave	2	6
Workers on extended leave of absence after parental/maternal leave	0	0
Number of workers who continue on leave after 12 months after their date of reincorporation	2	6



NATAC, A SAFE ENVIRONMENT FOR ITS WORKERS

Natrac works every day to build a safe work environment at all of its workplaces. Thanks to this, **we have managed to end the year 2022 with a total of 0% of serious accidents**, as it was also the case in 2021.

The safety department has implemented a series of actions to improve safety at the company:

COVID PREVENTION PLAN

In 2020, we implemented an Action Protocol against COVID-19 to manage the coronavirus pandemic, which intensified the health and safety measures to be followed in our work facilities, thus minimising the risk of coronavirus infections.

This protocol, which has remained in force and that was updated during 2021, has been reviewed and adapted again in 2022, taking into account the change in circumstances and the new post-COVID situation.

OCCUPATIONAL HAZARDS PREVENTION

We have continued to place significant emphasis on a solid and rigorous occupational hazards prevention policy that has allowed us to successfully achieve our goal of maintaining a 0% accident rate.

The implementation of prevention plans at our work centres, which are reviewed periodically and, in particular, each time there is a change in the production processes, has been followed by the establishment, during the year 2022, of a **Health and Safety Committee in order to enable workers to participate in the application of prevention policies through regular and periodic consultation procedures**.

Moreover, we have reviewed and tested our emergency plans through the corresponding drills, and we have made sure that all the staff involved have received the necessary information and training to carry out the roles assigned to them in respect thereof.

2023 GOALS

- Training all staff in relation to the risks inherent to their employment positions prior to their incorporation, as well as the continuous updating of said information.
- Training in first aid and emergencies for all staff.
- Improve good practices in the use and handling of chemical products in plants and laboratories.
- Improvements in the clean room powder collection system.
- Implementation of improvements in load handling and repetitive movements in the clean room.
- Continue carrying out drills to train staff in their reaction to emergencies, especially in new work centres.
- Drafting of accident rate studies to reduce the rate of incidents and minor and very minor accidents.



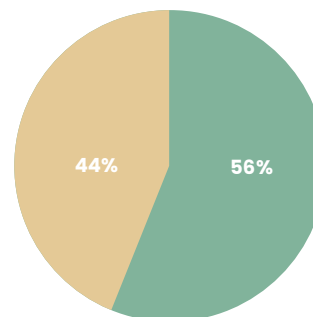
COMMITTED TO THE DEMOGRAPHIC CHALLENGE

CREATION OF JOBS IN RURAL AREAS

Over the past 3 years, Natac has continued to create and maintain **employment positions in rural areas and has maintained the ratio of 56% of rural jobs** in relation to the total workforce, despite the growth of Natac's workforce over the period.

EMPLOYMENT IN RURAL AREAS

- Rural
- Urban



NATAC AND HERVÁS, NATURALLY

The plant at Hervás, which has represented an investment of €13.5 million, is situated in Extremadura in the town of Hervás, which is located to the north of the province of Cáceres, bordering the province of Salamanca.

Hervás has a population of almost 4,000 inhabitants and is known as one of the most charming towns in Spain thanks to its extensive cultural heritage and its outstanding location in the Ambroz Valley at the foot of the Sierra de Béjar.

Occupation of the Las Cañada Industrial Estate was very low since it was built over ten years ago, until Natac moved there in 2020. Industrial activity in Hervás has traditionally been centred around the textile industry and the chestnut-based timber industry. However, these industries have been in decline in recent years and industrial activity in Hervás has been gradually falling. Today the local economy in Hervás is mainly based on tourism and the services sector, thanks to the town's artistic and historical heritage. Job opportunities in the region are primarily linked to said tourism industry and the public sector. Natac's move to Hervás is closely aligned with combatting depopulation and the demographic challenge.



The **creation of wealth and an upturn in industry** make a highly positive contribution to generating a favourable environment for creating job opportunities to prevent depopulation, attract talent and, ultimately, to stabilise the territory's population.

Moreover, the establishment of a company like Natac with a high degree of innovation and international projection will act as a **driving force** for other innovative industries to move into the area and for other players in the value chain. It is expected that the reactivation of the Las Cañadas Industrial Estate, the updating of industrial services, etc. will bring with them the establishment of new industries in the future, which is a key factor for the area, considering that the industrial estate was lacking any sort of activity. In this regard, it is well worth noting that several requests for information have been received from other companies and some have expressed an interest in establishing themselves in the industrial estate since the construction project of the new plant at Hervás was submitted.

In addition, **the area's industrial reactivation will exert a positive influence on the sustainable revitalisation of the region's economy, thereby contributing to the settling of a stable population with a better quality of life.** Natac's project in the region will therefore make a positive contribution to the region's reindustrialisation and to achieving a more robust economy.

Job creation in Hervás is exceeding initial estimates. Natac has created **48 direct employment positions.**

The average salary of Natac employees in Hervás is 70% higher than the average salary in Extremadura.

COLLABORATION WITH THE COMMUNITY

Natac is using its best endeavours so that each year it is possible to invest more and work with a greater proportion of local suppliers, by reason that one of our fundamental pillars is our **social commitment and our strategic alliances with local communities**. These types of actions strengthen and reinforce Natac's values in terms of social and sustainability criteria. Currently, the proportion of expenditure on local suppliers represents 2.96% for Natac, and it is expected that through the actions that are going to be implemented, this proportion will increase over the next few years.

One of the material topics and one of the main demands which arose from engagement with our stakeholders, particularly those related to Extremadura, was to **promote collaboration projects with the local community to develop strategic crops throughout the region**. These initiatives are a driver for growth and have a very positive impact on the community, since they contribute to creating jobs, stabilising the population in rural areas, revitalising the countryside, and providing development alternatives to areas having little economic activity.

Since its establishment in Hervás, Natac has been fostering several development and collaboration activities on a local level. Natac is coordinating two initiatives to promote the cultivation of aromatic plants

in Extremadura, the PAMQ project and the GLOBALPAM project.



PAMQ PROJECT

Adapting aromatic and medicinal plants to obtain phytochemicals of interest

Natac is coordinating the PAMQ project, which will last 18 months and is funded by the Extremadura Regional Authority. Its **main aim is to develop the cultivation of medicinal plants** of interest to the company, while at the same time seeking alternatives to tobacco cultivation. TABACOEX, a company with a long history in tobacco plant cultivation and previous experience in developing crop species of commercial interest, is taking part in the project, as is Agroalimentario Extremadura CTAEX, which is participating by conducting tests on crops of medicinal and aromatic plants at its facilities in Villafranco del Guadiana.

This project lies within the framework of the strategy to **search for local suppliers that can ensure quality, traceability, and sustainability**. The pre-selected species initially include *Echinacea purpurea*, *Echinacea angustifolia*, *Melissa officinalis*, *Urtica dioica*, *Valeriana officinalis*, and *Salvia officinalis*.

The project will study the agronomic requirements needed by these plants to **adapt to Extremadura's edaphoclimatic conditions to enhance the production of phytochemicals of interest and obtain the first extract prototypes** enriched with bioactive compounds of commercial interest.

During the year of 2022, the project made advancements and the first crops of medicinal plants have since been obtained, which have now served as the basis for the feasibility studies.



GLOBALPAM OPERATIONAL GROUP

Development of the aromatic and medicinal plants sector in

Extremadura and the differentiation of what is produced in the market.

Natac is coordinating the GlobalPAM Operational Group, the general aim of which is to lay the groundwork and drive the aromatic and medicinal plants market in the Extremadura region by setting up a network that brings together farmers, cooperatives and industry, developing a quality product with the added value of eco-production, while at the same time fostering the circular economy and sustainable social development.

Natac is keeping its commitment to the circular economy and is taking part in a sustainable valorisation project on thistle used as a coagulant in Torta del Casar cheese, a creamy cheese that is typical of Extremadura.

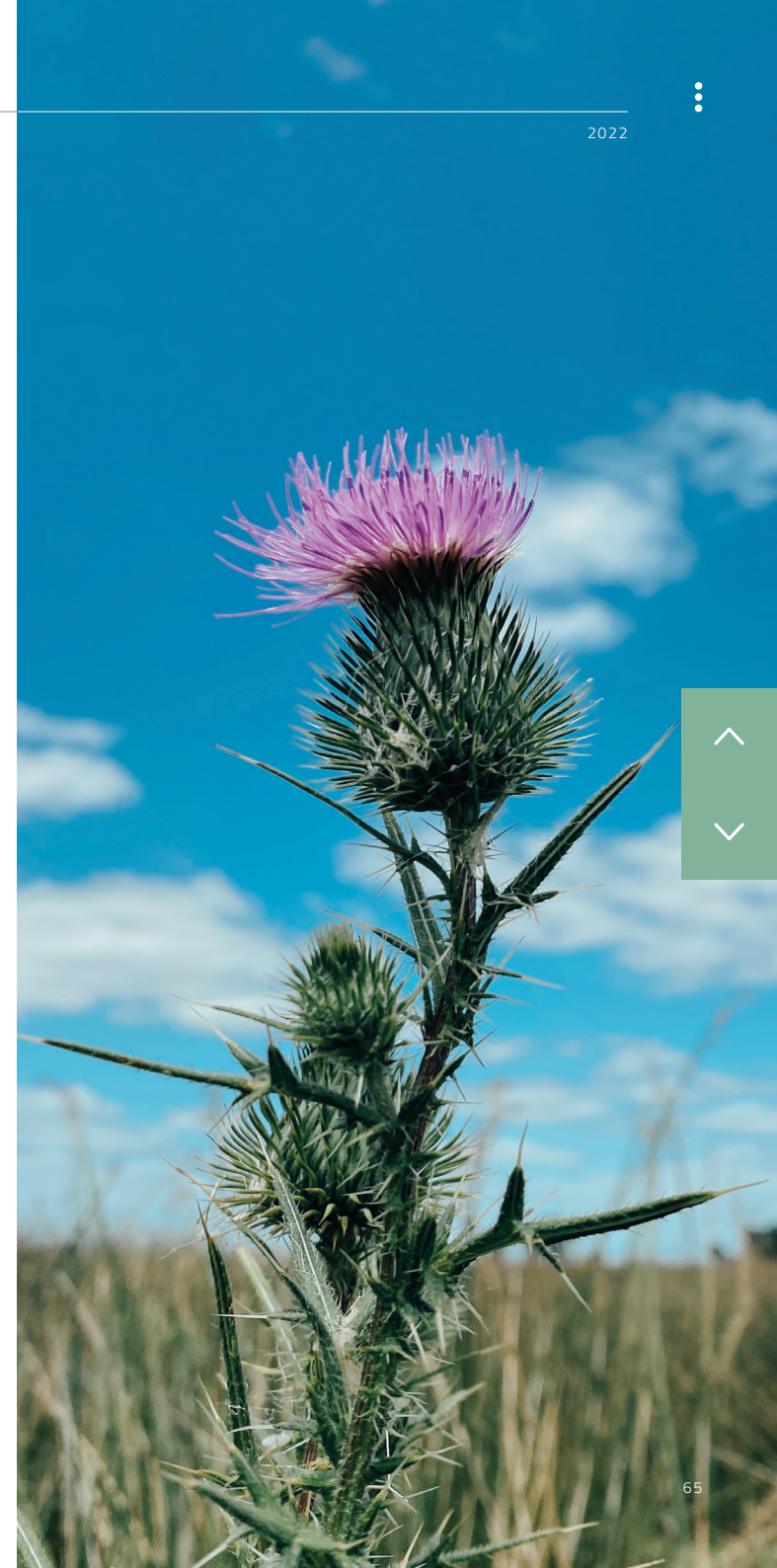


CYNARA OPERATIONAL GROUP

Obtaining a quality plant-based coagulant and sustainable valorisation of

the Cynara cardunculus crop.

Natac forms part of CYNARA Operational Group, the main aim of which is to agronomically adapt and valorise the cultivation of thistle (*Cynara cardunculus*) in order to obtain and market a plant-based coagulant in the area of the Torta del Casar Protected Designation of Origin (PDO). Natac will focus on valorising this plant, which is very closely related to the artichoke (*Cynara scolymus*), by extracting bioactive compounds of interest.





07

APPENDIX

7.1 CROSS-REFERENCE TABLE



CROSS-REFERENCE TABLE

Correspondence chart

GRI CONTENT 2016	GRI 2021	DESCRIPTION	CHAPTER	MATERIAL ASPECT	SDG	GOALS
Content 102-1	2-1	2-1 Details of the organisation	2. About us	-	8	8.8
Content 102-2	2-6	2-6 Activities, value chain and other commercial relationships		-	-	-
Content 102-3	2-1	2-1 Details of the organisation		-	-	-
Content 102-4	2-1			-	-	-
Content 102-5	2-1			-	-	-
Content 102-6	2-6	2-6 Activities, value chain and other commercial relationships	4. Trusted Partner	-	-	-
Content 102-7	2-6			-	-	-
Content 102-8	2-7	2-7 Staff	6. People	Creation of decent, stable and quality employment accessible to all on an equal footing	16	16.3
Content 102-9	2-6	2-6 Activities, value chain and other commercial relationships	4. Trusted Partner	-	16	16.3
Content 102-10	2-6			-	-	
Content 102-11	2-23	2-23 Commitments and policies	2. About us	-	-	-
Content 102-12	N/A	-	-	-	-	-
Content 102-13	2-28	2-28 Association membership	2. About us	-	-	-
Content 102-14	2-22	2-22 Sustainable development strategy statement	3. Our commitment to sustainable development	Social commitment and strategic alliances with the local community	16	16.7

Content 102-15	N/A	-	-	-	-	-
Content 102-16	2-23	2-23 Commitments and policies	2. About us	-	-	-
Content 102-17	2-26	2-26 Mechanisms for seeking advice and voicing concerns		-	5 and 16	5.5, 16.7
Content 102-18	2-9	2-9 Governance structure and composition	6. People	-	16	16.6
Content 102-19	2-13	2-13 Delegation of responsibility for impact management	Not reported	-	-	-
Content 102-20	2-13			-	-	-
Content 102-21	2-12	2-12 Role of the highest governance body in overseeing impact management	Message from our CEO	-	-	-
Content 102-22	2-9	2-9 Governance structure and composition	6. People	-	16	16.7
Content 102-23	2-11	2-11 Chairman of the highest governance body	Message from our CEO	-	-	-
Content 102-24	2-10	2-10 Designation and selection of the highest governance body		-	-	-
Content 102-25	2-15	2-15 Conflict of interest	2. About us	-	-	-
Content 102-26	2-12	2-12 Role of the highest governance body in overseeing impact management	Message from our CEO	-	-	-
Content 102-27	2-17	2-17 Collective knowledge of the highest governance body	Not reported	-	-	-
Content 102-28	2-18	2-18 Assessment of the performance of the highest governance body		-	-	-
Content 102-29	2-12	2-12 Role of the highest governance body in overseeing impact management	Message from our CEO	-	-	-
Content 102-30	2-12	2-12 Role of the highest governance body in overseeing information management	Not reported	-	-	-
Content 102-31	N/A	-	-	-	-	-
Content 102-32	2-14	2-14 Role of the highest governance body in presenting sustainability reports	1. "Overview"	-	-	-
Content 102-33	2-16	2-16 Reporting of critical concerns	Not reported	-	-	-
Content 102-34	2-16			-	-	-
Content 102-35	2-19	2-19 Compensation policies	6. People	-	-	-



Content 102-36	2-20	2-20 Process for determining compensation	Not reported	-	-	-
Content 102-37	2-20			-	-	-
Content 102-38	2-21	2-21 Total annual compensation ratio		-	-	-
Content 102-39	2-21			-	-	-
Content 102-40	2-29	2-29 Approach for the participation of stakeholders	3. Our commitment to sustainable development	-	-	-
Content 102-41	2-30	2-30 Collective bargaining agreements	6. People	Creation of decent, stable and quality employment accessible to all on an equal footing	16	16.7
Content 102-42	2-29	2-29 Approach for the participation of stakeholders	3. Our commitment to sustainable development	Social commitment and strategic alliances with the local community	-	-
Content 102-43	2-29				-	-
Content 102-44	N/A	-	-	-	-	-
Content 102-45	2-2	2-2 Entities included in the presentation of sustainability reports	1. "Overview"	-	-	-
Content 102-46	3-1	3-1 Process for the determination of the material issues	3. Our commitment to sustainable development	-	-	-
Content 102-47	3-2	3-2 List of material issues		-	-	-
Content 102-48	2-4	2-4 Updating of the information	1. "Overview"	-	-	-
Content 102-49	2-3	2-3 Period the subject of the report, frequency and contact particulars	3. Our commitment to sustainable development	-	-	-
Content 102-50	2-3		2. About us	-	-	-
Content 102-51	N/A	-	-	-	-	-
Content 102-52	2-3	2-3 Period the subject of the report, frequency and contact particulars	2. About us	-	-	-
Content 102-53	2-3			-	-	-
Content 102-54	Requirement 8	GRI 1. Principles	Message from our CEO	-	-	-
Content 102-55	Requirement 7	3. Drafting of information pursuant to the GRI standards	7. Appendix	-	-	-
Content 102-56	2-5	2-5 External verification	2. About us	-	-	-
Content 201-1	201-1	Content 201-1	1. "Overview"	-	8 and 9	8.1, 8.2, 9.1, 9.4 and 9.5

Content 201-2	201-2	Content 201-2	3. Our commitment to sustainable development	-	13	13.1
Content 201-3	201-3	Content 201-3	Not reported	-	-	-
Content 201-4	201-4	Content 201-4	3. Our commitment to sustainable development	-	-	-
Content 202-1	202-1	Content 202-1	6. People	-	1, 5 and 8	1.2, 5.1 and 8.5
Content 202-2	202-2	Content 202-2		-	8	8.5
Content 203-1	203-1	Content 203-1	1. "Overview"	-	5, 9 and 11	5.4, 9.1, 9.4 and 11.2
Content 203-2	203-2	Content 203-2		-	1 and 8	1.2, 1.4, 3.8, 8.2, 8.3 and 8.5
Content 204-1	204-1	Content 204-1	6. People	-	8	8.3
Content 205-1	205-1	Content 205-1	Not reported	-	16	16.5
Content 205-2	205-2	Content 205-2	2. About us	-	16	16.5
Content 205-3	205-3	Content 205-3	Not reported	-	16	16.5
Content 206-1	206-1	Content 206-1		-	16	16.3
Content 207-1	207-1	Content 207-1		-	-	-
Content 207-2	207-2	Content 207-2		-	-	-
Content 207-3	207-3	Content 207-3		-	-	-
Content 207-4	207-4	Content 207-4		-	-	-
Content 301-1	301-1	Content 301-1		Production and responsible consumption of resources	8 and 12	8.4, 12.2
Content 301-2	301-2	Content 301-2	5. There is no Planet B		8 and 12	8.4, 12.2
Content 301-3	301-3	Content 301-3	Not reported		8 and 12	8.4, 12.2, 12.5
Content 302-1	302-1	Content 302-1	5. There is no Planet B	Climate action and fight against climate change	7, 8, 12 and 13	7.2, 7.3, 8.4, 12.2, 13.1



Content 302-2	302-2	Content 302-2	Not reported	Climate action and fight against climate change	7, 8, 12 and 13	7.2, 7.3, 8.4, 12.2, 13.1
Content 302-3	302-3	Content 302-3			7, 8, 12 and 13	7.3, 8.4, 12.2, 13.1
Content 302-4	302-4	Content 302-4	5. There is no Planet B		7, 8, 12 and 13	7.3, 8.4, 12.2, 13.1
Content 302-5	302-5	Content 302-5			7, 8, 12 and 13	7.3, 8.4, 12.2, 13.1
Content 303-1	303-1	Content 303-1		Production and responsible consumption of resources	6 and 12	6.3, 6.4, 6.A, 6.B, 12.4
Content 303-2	303-2	Content 303-2			6	6.3
Content 303-3	303-3	Content 303-3	Not reported		6	6.4
Content 304-1	304-1	Content 304-1	5. There is no Planet B	Climate action and fight against climate change	6	6.6
Content 304-2	304-2	Content 304-2			6, 14, 15	6.6, 14.2, 15.1, 15.5
Content 304-3	304-3	Content 304-3			6, 14, 15	6.6, 14.2, 15.1, 15.5
Content 304-4	304-4	Content 304-4	Not reported		6, 14, 15	6.6, 14.2, 15.1, 15.5
Content 305-1	305-1	Content 305-1	5. There is no Planet B		3, 12, 13, 14, 15	3.9, 12.4, 13.1, 14.3, 15.2
Content 305-2	305-2	Content 305-2			3, 12, 13, 14, 15	3.9, 12.4, 13.1, 14.3, 15.2
Content 305-3	305-3	Content 305-3	Not reported		3, 12, 13, 14, 15	3.9, 12.4, 13.1, 14.3, 15.2
Content 305-4	305-4	Content 305-4			13, 14 and 15	13.1, 14.3 and 15.2
Content 305-5	305-5	Content 305-5	5. There is no Planet B		13, 14 and 15	13.1, 14.3 and 15.2
Content 305-6	305-6	Content 305-6	N/A		3 and 12	3.9, 12.4
Content 305-7	305-7	Content 305-7			-	-



Content 306-1	306-1	Content 306-1	5. There is no Planet B	Production and responsible consumption of resources	3, 6, 12 and 14	3.9, 6.3, 6.4, 6.6, 12.4 and 14.1
Content 306-2	306-2	Content 306-2			3, 6, 12	3.9, 6.3, 12.4 and 12.5
Content 306-3	306-3	Content 306-3			3, 6, 12, 14, 15	3.9, 6.3, 6.6, 12.4, 14.1, 15.1
Content 306-4	306-4	Content 306-4			3, 12	3.9, 12.4
Content 306-5	306-5	Content 306-5			6, 14, 15	6.6, 14.2, 15.1, 15.5
Content 308-1	308-1	Content 308-1	4. Trusted Partner	Commitment to sustainable innovation	-	-
Content 308-2	308-2	Content 308-2			-	-
Content 401-1	401-1	Content 401-1	6. People	Creation of decent, stable and quality employment accessible to all on an equal footing	5, 8, 10	5.1, 8.5, 8.6, 10.3
Content 401-2	401-2	Content 401-2			3, 5, 8	3.2, 5.4, 8.5
Content 401-3	401-3	Content 401-3			5, 8	5.1, 5.4, 8.5
Content 402-1	402-1	Content 402-1	Not reported		8	8.8
Content 403-1	403-1	Content 403-1	6. People		8	8.8
Content 403-2	403-2	Content 403-2			8	8.8
Content 403-3	403-3	Content 403-3			8	8.8
Content 403-4	403-4	Content 403-4			8, 16	8.8, 16.7
Content 403-5	403-5	Content 403-5			8	8.8
Content 403-6	403-6	Content 403-6			8	8.8
Content 403-7	403-7	Content 403-7			8	8.8
Content 403-8	403-8	Content 403-8			8	8.8
Content 403-9	403-9	Content 403-9			8	8.8
Content 403-10	403-10	Content 403-10			8	8.8
Content 404-1	404-1	Content 404-1	Not reported		4, 5, 8 and 10	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3



Content 404-2	404-2	Content 404-2	Not reported	Creation of decent, stable and quality employment accessible to all on an equal footing	8	8.2 and 8.5
Content 404-3	404-3	Content 404-3			5, 8, 10	5.1, 8.5 and 10.3
Content 405-1	405-1	Content 405-1	6. People		5, 8	5.1, 5.5, 8.5
Content 405-2	405-2	Content 405-2			5, 8, 10	5.1, 8.5 and 10.3
Content 406-1	406-1	Content 406-1	2. About us		5, 8	5.1, 8.8
Content 407-1	407-1	Content 407-1	3. Our commitment to sustainable development	Social commitment and strategic alliances with the local community	8	8.8
Content 408-1	408-1	Content 408-1			8 and 16	8.7. 16.2
Content 409-1	409-1	Content 409-1			8	8.7
Content 410-1	410-1	Content 410-1	Not reported	Creation of decent, stable and quality employment accessible to all on an equal footing	16	16.1
Content 411-1	411-1	Content 411-1	3. Our commitment to sustainable development	Social commitment and strategic alliances with the local community	-	-
Content 413-1	413-1	Content 413-1	6. People		-	-
Content 413-2	413-2	Content 413-2	Not reported		1	1.4
Content 414-1	414-1	Content 414-1	4. Trusted Partner		5, 8, 16	5.2, 8.8, 16.1
Content 414-2	414-2	Content 414-2			5, 8, 16	5.2, 8.8, 16.1
Content 415-1	415-1	Content 415-1	Not reported		16	16.5
Content 416-1	416-1	Content 416-1	4. Trusted Partner		-	-
Content 416-2	416-2	Content 416-2			16	16.3
Content 417-1	417-1	Content 417-1	4. Trusted Partner	Commitment to sustainable innovation	12	12.8
Content 417-2	417-2	Content 417-2	2. About us	Social commitment and strategic alliances with the local community	16	16.3
Content 417-3	417-3	Content 417-3	Not reported		16	16.3
Content 418-1	418-1	Content 418-1	2. About us		16	16.3 and 16.10



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